Effect of Forensic Accounting on Financial Fraud Control of Selected Firms in Nigeria

Offia, Anthonia Chioma
Department of Accountancy, Nnamdi Azikiwe University, Nigeria.
ac.offia@unizik.edu.ng

Ajuonu, Anulika Uche
Department of Accountancy, Nnamdi Azikiwe University, Nigeria.
au.ajuonu@unizik.edu.ng

Abstract
This study examined the effect of Forensic Accounting on fraud financial fraud in Nigeria. The objectives were to assess the effectiveness of forensic accounting in fraud prevention and to determine the effect of forensic accounting on fraud detection. Survey design was adopted. Questionnaire was used for data collection from accounting staff of Onlinko Digital Marketing Agency, GNLD, Digital High-field Technologies, Mustard Seed Micro Investment Limited and Barome Vienna Enterprise; all in Warri, Delta State. 198 were used as sample size. The study adopted descriptive statistics, correlation coefficient and t-test to test the stated hypotheses. Findings revealed that forensic accounting significantly influence fraud prevention and detection. Based on the above, it is recommended that companies in Nigeria step up their forensic accounting practices in order to deter fraud.

Key Words: Forensic accounting, Forensic accountant, fraud prevention, fraud detection

1.1 Introduction

The need for Forensic accountant has become necessary due to widespread of fraud all over the world with Nigeria not an exception. On the other hand, fraud is an endemic that are gradually becoming a normal way of life in both public and private sectors; from managing directors of companies, through middle management cadre and to lower managers in Nigeria (Gbegi & Adebisi, 2014). Financial fraud has for long been categorized as a menace that led to the collapse of many reputable institutions in the world (Sule, Ibrahim, & Sani, 2019).

Regardless of numerous legislations put in place to reduce and if possible eradicate the occurrence and incidences of fraud, it is irritating that the incidences of fraud have become so extensive that it is fast assuming a pandemic percentage in Nigeria. In truth, fraud has become a daily occurrence in Nigeria firms.

Forensic accounting is the act and practice of utilizing accounting, auditing and investigative knowledge and skills to assist in legal matters. It is a specific field of accounting that describes engagements that result from actual or anticipated disputes or litigation. Forensic accounting can, therefore, be seen as an aspect of accounting that is suitable for legal review and offering the highest level of assurance (Apostolou, Hassell & Webber, 2000).

It is worthy to note that financial related fraud and increase in financial crime has led to the need for forensic accounting in order to aid investigation and prosecution of the perpetrators of financial crimes just liked in the case of some prominent political party leaders in Nigeria and some public civil servants that converted public treasury as personal assets to their pockets (Abdulrahman 2019). According to Smith, (2020), series of fraud have been committed both in the public and private sector of the country. These in no doubt are perpetrated under the supervision of the internal audit department of the organization. However, the increase in the work load of the internal audit unit on daily basis and sometimes compromised independence of internal auditors by management may have aided the frequency of fraud in Nigeria.

Some studies have investigated the effect of forensic accounting on financial fraud of corporate firms in Nigeria. scholars like; Okoye and Gbegi (2013), Uniamiogbo, Adeus and Amu, (2019); Okoye, Adeniyi and james (2019), Onyebisi, Okere, Olusogo, and Ifeoluwa (2018), Gbegi and Adebisi, (2014), Abdulrahman (2019), Ehioghiren and Atu (2016), Enofe, Olorunnuho and Okporua (2016) and Owojori and Asaolu (2009). Nevertheless, many of these studies were carried out in banking sector, hence; this provided the need for this study to find out if our result will be consistent with the previous studies.

1.2 Objectives of the Study
The main objective of this study is to assess the effect of forensic accounting on financial fraud in Nigeria. The specific objectives are:

1. To determine the effect of forensic accounting on fraud prevention in Nigeria.
2. To ascertain the effect of forensic accounting on fraud detection in Nigeria.

1.3 Research Questions
This study attempts to find answer to the following research questions:

1. To what extent does forensic accounting positively affect fraud prevention in Nigeria?

2. What positive effect does forensic accounting have on detection of fraud in Nigeria?

[

1.4 Research Hypotheses
The following research hypotheses have been formulated and are presented in their null form.
   1. Ho: Forensic accounting does not significantly affect fraud prevention in Nigeria.
   2. Ho: Forensic accounting has no significant effect on fraud detection in Nigeria.

LITERATURE REVIEW
2.1. Forensic Accounting

According to Okoye and Gbegi, (2013), "Forensic" means "suitable for use in a court of law", and it is on that principle that Forensic Accountants generally work. Forensic accounting encompasses three major areas, investigation, dispute resolution and litigation support. Forensic accounting is the specialty area of the accountancy profession which describes engagements that result from actual or anticipated disputes or litigation (Walakumbura & Dharmarathna, 2022). Forensic accountants, also known as forensic auditors or investigative auditors, are often relied upon to give expert evidence at the eventual trial. Financial forensic engagements may fall into economic damages; whether suffered through tort or breach of contract; Post-acquisition disputes such as breaches of warranties; Bankruptcy, insolvency, and reorganization; Securities fraud; Business valuation; and Computer forensics/e-discovery (Nigrini, 2011).

Forensic accounting is the combination of accounting, auditing and investigative skills to a standard that is required by a court of jurisdiction to address issues in dispute in the context of civil and criminal litigation (Manning, 2002).

Ehioghiren and Atu (2016) describe a forensic accountant as someone who can look behind the faced-out, accept the records, at their face value; someone who has a suspicious mind that considers that the documents he or she is looking at may not be what they purport to be and someone who has the expertise to go out and conduct very detailed interviews of individuals to develop the truth, especially if some are presumed to be lying. The forensic accountant's services are relevant to various types of business organization. Much of the function of the forensic accountant is connected with an evaluation of past and projected profits as well as preparing business valuations. Forensic accounting expertise is useful in litigation involving loss of profits, breaches of contract, fraud, tax investigations and professional negligence (Dada, Owolabi & Okwu, 2013).

2.2 The Concept of Fraud

Nwaze, (2012) opined that fraud is a predetermined as well as planned tricky process or device usually undertaken by a person or group of persons with the sole aim of cheating another person or organization to gain ill-gotten advantage which would not have accrued in the absence of such deceptive procedure. Kasum (2012) asserted that fraud is an act of deception, deliberately planned to gain unlawful or unfair advantage; such deception is perpetrated to the detriment of others. Fraud is an intentional or deliberate deception resulting in injury to another person. It is a deliberate misrepresentation, which causes another person to suffer damages usually monetary losses. Fraudulent schemes vary in scope and context especially with the position of the perpetrators within an establishment. In the public sector environment, bribery, misappropriation, mismanagement of fund and budget padding are commonly seen (Okpala & Enwefa, 2017). Fraud may be committed when one is under pressure or has the opportunity to do so. Fraud can equally occur due to rationalization.

Accounting fraud is an act of knowingly falsifying accounting records, such as sales or cost records, in order to boost the net income or sales figures; accounting fraud is illegal and subjects the company and the executives involved to civil lawsuits (Arokiasamy and Cristal, 2009).

For deception to meet the legal definition of fraud, there must be damage, usually in terms of money, to the victim. This under the common law must include a material false statement, knowledge that the statement was false when it was uttered, reliance on the false statement by the victim and damages suffered by the victim as a result (Obiora, Onuora & Amodu, 2022). Fraud has a significant detrimental influence on developing countries, particularly Nigeria, where it has been a limitless and ongoing challenge. On the other hand, financial frauds led to massive economic collapse, controversies, and the bankruptcy of many companies and large businesses (Hamilton and Gabriel 2012).

2.3 Fraud detection and Prevention

Fraud detection is the application of investigative skill to expose and uncover an intentional or deliberate act by an employee of an organisation, a third party or both to distort money and other valuables, or to divulge vital information of unsuspecting customers of the firm in other to perpetrate fraudulent activities and financial crime (Ojo-Agbodu, Abiola, &Ndubisi, 2022). Detection of fraud is to uncover the existence of something abnormal as well as something not in conformity with process flow. Crime analysis requires the direct recognition of organizations real or possible crime. Ramaswamy (2005) stated that poor corporate governance, accounting irregularities, inadequate security and poor corporate reporting system as the key factors which can lead to fraud. Okoye and Gbegi (2013) conducted a study to determine the impact of forensic accountants on management of fraud detection procedures and found out that forensic accountants are more effective in management fraud detection than auditors when the fraud risk is very high. Enyi (2009) has stated that all typical statutory audits should contain some elements of forensic inquiry as it is easy to recognize the frauds. But to carry out this, auditors should understand forensic accounting methods (Efiong, 2012).

Fraud Prevention is to proactively stop something from taken place. It is the process of stopping the occurrence of fraud and fraudulent activities in an organization. Ozili (2018) is of the opinion that one of the ways to control the occurrence of fraud is by closing of all enabling opportunities that encourage frauds in an organization. For example, some areas should be out of bound to non-staff of some sensitive units, second level authorization by a superior officer of the organisation, documentation and audit trail of some sensitive activities and of course efficient and effective control system to ensure compliance to all internal and accounting system controls to deter or stop fraud in an organization (Ojo-Agbodu, Abiola, &Ndubisi, 2022).

2.4 Theoretical Framework
White Collar Crime Theory

The study is anchored on White collar crime theory propounded by Sutherland in 1939. White-collar criminals are opportunists, who over time take advantage of their circumstances and position to accumulate financial gain. He was the first to coin the term and hypothesis "white-collar

criminals". The study defined his idea as "crime committed by a person of respectable and high social status in the course of his occupation (Sutherland 1949, cited in Gbegi & Okoye, 2013). They are educated, intelligent, affluent, individuals who are qualified enough to get a job which allows them the unmonitored access to often large sum of money.

Fredrichs (2007) noted that a crime differs only in the backgrounds and characteristics of the perpetrators. Most, if not all white collar criminals are distinguished by a privileged life, a large proportion of them stemming from class inequality. It is estimated that much of white-collar crime goes undetected due to the high status of the perpetrators of these crimes. A highly skilled and experienced investigator like the professional forensic accountant is required to prevent such high profile fraud from occurring. Hence, the study is anchored on white collar crime theory as the theory explains the rudiments and expectancies of forensic audit and assurance services as regard to security of fund and fraud.

2.5 Empirical Review

Ojo-Agbodu, Abiola, and Ndubusi (2022) examined effect of forensic accounting on fraud detection and prevention in selected quoted Deposit Money Bank (DMBs) in Nigeria. The survey design was used in the study with a sample size of 115 resident internal control officers, Branch operation manager and cash officer/head teller from Access bank, First bank, GT bank, Union Bank, UBA and Zenith Bank. Proportionate and Simple random sampling technique was utilized in distributing questionnaire to the respondents. The study utilized simple linear regression and the findings of the study indicated that there is a significant relationship between forensic accounting and fraud detection while forensic accounting has no effect on fraud prevention in the quoted DMBs. The study concluded that forensic accounting has not been able to prevent fraud occurrence in the branch operation of DMBs in Nigeria.

Walakumbura and Dharmarathna (2022) examined the impact between forensic accounting knowledge on fraud detection. The researcher adopted the dedcuctive approach for this study and the primary data has been collected from 165 accounting practitioners in Sri Lanka. Fraud detection has been considered as the dependent variable while accounting skills, legal background, knowledge of procedures, and forensic accounting knowledge have been considered the independent variables. For the analysis purpose, descriptive statistics, factor analysis and inferential statistics such as multiple linear regression have been adopted. The findings of the study revealed that there is a significant impact in between the accounting skills, knowledge of procedures and knowledge of forensic accounting on fraud detection while there is no any significant impact between the legal background and the fraud detection.

Prabawo and Yogi (2021) have conducted a study to examined the undergraduate's forensic accounting in Indonesia. The researchers have adopted the qualitative research approach and primary data has been collected from the undergraduates of the Islamic University of Indonesia. The findings of the study suggested restructuring and develop the curriculum with theoretical and practical knowledge in forensic accounting.

Alhassan (2020) examined forensic accounting, fraud detection and prevention of public sector in Nigeria with the utilization of survey research design for data collection. The analysis was conducted with utilization of ANOVA that discovered a positive relationship between forensic accounting, fraud detection and prevention.

Adesina, Erin, Ajetunmobi, Ilogho and Asiriuwa (2020) examined the importance of the application of forensic audit in controlling financial frauds that ravage or threaten the soundness and business continuity of Deposit Money Banks (DMBs) in Nigeria. The study used survey design methods, and the primary data were obtained through the administration of structured questionnaire covering seventeen (17) banks out of twenty-two (22) Deposit Money Banks (DMBs) operating in the country, which is 77.3%. In this study, the Ordinary Least Squares (OLS) method was used to analyze and test hypotheses, and the findings showed that the involvement of qualified and experienced forensic auditors would not only contribute to the amelioration of financial frauds in DMBs, but would also lead to much-needed sanity in the banking sector of Nigeria.

Okoye, Nwoye, Akuchi and Onyema (2020) examined forensic accounting techniques used to detect labor fraud in Anambra State, Nigeria. The study used targeted sampling and a cross-sectional research design. The study population consisted of state anti-corruption agencies with a sample size of two hundred and fifty, comprised of investigators, prosecutors, finance, accounting and auditing staff. In their study, the questionnaire was used as the main source of data, and the data obtained were analyzed using descriptive statistics and the Kruskal-Wallis test. The result of the study suggests that there are no generally accepted forensic investigation techniques to detect fraud in the public sector and that there is a positive and significant association between forensic accounting methods and fraud detection in the public sector. The research found that data mining techniques should be fully applied in public sector fraud detection in Nigeria.

Sumartono, Urumsah, and Hamdani (2020) conducted a study to reveal the effect of skills of forensic accountants on exposing frauds in the public sector of Indonesia. A questionnaire is distributed to the audit board at the Republic of Indonesia, and the 44 respondents returned the responses. The empirical findings show that investigative skills and business valuation significantly affect and business skills negatively impact the skills of forensic accountants when revealing frauds in the public sector.

Sarker (2020) has conducted a study to evaluate the awareness and practice of forensic accounting and fraud detection in Bangladesh. The researcher has collected data by using an online survey from 12 top accounting and auditing firms, 5 multinational companies, 11 local organizations and 24 students from top four companies of Bangladesh. The insights reveal that there is no uniform and standard rule to detect and eradicate fraud in Bangladesh hence forensic practice can be a good start and initiation for this country.

Abadulrahman (2019) examined forensic accounting on fraud detection in Nigerian public sector by using selected studies conducted within Nigeria and outside of Nigeria. The data was collected from secondary sources or content analysis. The researcher found that there is a significant favourable influence exit between forensic accounting and fraud prevention. Moreover, the researcher suggested development in the legal framework to support forensic accounting.

Okoyo, Adeniyi and James (2019) investigated the effect of forensic accounting on fraud management on selected firms in Nigeria. The objectives were to find the effectiveness of forensic accounting in fraud prevention and the positive effect of forensic litigation on recovery of funds lost to fraud. Survey design was adopted. Questionnaire was used in data collection from accounting staff of Nigeria Breweries Plc, Cadbury Nigeria Plc, Nigeria Bottling Company and Dupril Forma Nigeria Ltd, all in Aba, Abia State. 190 were used as sample size. The study adopts descriptive statistics which involves the use of mean and standard deviation while regression analysis was adopted to test the stated hypotheses. Findings revealed that forensic accounting significantly influence fraud detection and prevention. It was also revealed forensic litigationhas no significant positive effect on recovery of funds lost to fraud. Based on the above, it is recommended that companies in Nigeria step up their forensic accounting practices in order to deter fraud.

Asusu, (2019), conducted a study on forensic auditing, fraud reduction and fraud prevention in DMBs in Nigeria. The study adopted Survey research design, while data was collected through personal interview, questionnaires and document review. The sample size of forty-eight operations managers, internal auditors and general managers were used from sixteen banks in Nigeria. The finding of the study revealed that forensic investigation and auditing services is significantly related with internal control systems and cash management systems of DMBs.

Uniamiogbo, Adeusi and Amu (2019) examined the impact of forensic audit on fraud detection and prevention in the Nigerian banking sector. The study took a census of the 16 Deposit Money Banks (DMBs) listed on the Nigerian Stock Exchange (NSE) as at 31st December, 2016. The study used the secondary source to collect data from the Nigerian Deposit Insurance Corporations' (NDICs) annual reports of 2013 and 2016 respectively. The study covered a period of five (5) years spanning 2012-2016. Data generated were analyzed using charts, graphs, tables and regression. The findings revealed that forensic audit has a significant negative impact on number of fraud cases, number of staff involved in bank fraud, and actual amount of bank losses through fraud in the Nigerian banking sector. However, forensic auditing has insignificant impact on expected losses generated through fraud activities in the Nigerian banks. This study recommends that banks in Nigeria should intensify the application of forensic auditing in the fight against fraud and forgeries in the system. Also, forensic auditing should be focused on detecting number of fraud as well as staff involvement in the Nigerian banking sector. Staff welfare and remunerations should be prioritized since staff are strategic in the prevention of fraud in any organization, including the banks in Nigeria

Kolawole, Salman, Durodola, Babatunde and Igbekoyi (2018) examined forensic accounting and alleviation of fraudulent practices in Nigerian deposit money banks. The study employed primary data obtained through questionnaire administration to staff of selected banks in Lagos State. With the aid of ordered logit regression, results of the study revealed that forensic accounting reduces asset misappropriation in Nigerian deposit money banks. The study concluded that there is a strong relationship between forensic accounting and alleviation of fraud practices in deposit money banks of Nigeria. The study therefore recommends that management of Nigerian banking sector should train auditors on the dynamics and scope of financial crimes, the legal environment, fraud prevention and ethical issues.

Oyebisi,Okere, Olusogo and Ifeoluwa (2018) carried out a study on forensic accounting and fraud prevention and detection in Nigerian banking industry and have considered fraud detection as the dependent variable and the knowledge of forensic accounting as the dependent variable. This study reveals that a low level of awareness of forensic accounting could be seen in Nigerian banking industry and also the regression results suggests that forensic accounting has a significant impact on fraud prevention and detection.

Hamdan (2018) conducted a study to determine the effect of forensic accounting mitigation of fraud by collecting primary data from 630 accountants in Jordon via a structured questionnaire. Confirmatory factor analysis and regression were carried out, and the results suggested that forensic accounting is an effective tool to detect fraud.

Bassey (2018) in his study confirmed that forensic accounting plays substantial roles in the prevention of crimes and corruption in selected micro finance banks in Calabar. Forensic accountant now seen as fraud detection experts are now being engaged in fraud detection in developing economy.

Khersiat (2018) assessed the need for a forensic accountant to detect the manipulation of financial statements and combat tax fraud in Jordan. The study confirmed that forensic accountant has the qualifications, skill and expertise to detect tax fraud in financial statements as well as detect the manipulation of financial statement records.

Henry and Ganiyu (2017) examined the effect of forensic accounting services on fraud reduction in Nigerian banking industry. The study used an adjusted population four (4) banks with A+ credit rating, which are GT Bank, Zenith Bank Plc, Skye Banks Plc and Access Bank Plc. The study found that forensic accounting services are able to reduce the occurrence of fraud in the banking sectors.

3.0 Methodology
3.1 Research design
This study adopts field survey design. It involves collection of data directly from the source or people involve using such tool as questionnaire. Data collected through these means cannot be manipulated.

3.2 Sources of Data

Primary data sourced from questionnaire was mainly used in this study. However, secondary data sourced from textbooks, journals and internet articles were used for literature.

3.3 Population of Study

The population of the study covered six companies in Warri, Delta State, Nigeria. The selected six companies as stated in table below:

Sample of firms in Warri, Delta State

S/N	Companies	Staff
1	Onlinko Digital Marketing Agency	79
2	GNLD	101
3	Digital I-field Technologies	47
4	Mustard Seed Micro Investment Limited	19
5	Barome Vienna Enterprise	56
6	Honeywell Oil & Gas Limited	91
	Total	393

Source: Researchers compilation, 2023

3.4 Determination of Sample Size

A sample of 198 was chosen from population of 393 comprising of accounting staff and internal audit staff of the selected firms using Taro Yamane's formula, thus:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = Sample size
N = Population of the study
e = sampling error (0.05) or 5%

$$n = \frac{393}{1 + 393(0.05)^2}$$

$$n = \frac{393}{1 + 0.9825}$$

$$= 198$$

Approximately 198 respondents were arrived at, as sample size

3.4 Instrument of Data Collection

The instrument of data collection for this study is mainly questionnaire. Using the four Likert Scale method, the responses are scored as Strongly Agree (SD) =4, Agree (A)=3, Disagree (D)=2, Strongly Disagree (SD)=1.

3.9 Method of Data Analysis

In testing the hypotheses formulated, data were analyzed using t-test statistical tool at 0.05 level of significance via Statistical Package for Social Sciences (SPSS), version 20.0.

4.0 Data Analysis and Result
Data collected were analyzed in this section.
Table 4.1: The summary of data collected from the respondents for the study

S/N	Fraud prevention	SA	A	Un	D	SD
1	The company has financial forensic investigators on its payroll	44	50	7	31	12
2	Forensic Accounting knowledge has significant relationship with fraud prevention	37	63	8	25	11
3	Investigative accountants are involved in all categories of fraud in the company	40	50	5	34	5
4	Proposals made by the company's investigative accountants in the course of their job are duly implemented	38	55	9	31	11
5	Fraudulent activities uncovered in the course of their jobs are properly investigated and where necessary litigation processes started	49	43	9	33	10
	Fraud Detection					
6	The company has a well staffed and funded litigation support unit within the accounting and legal departments	39	88	0	34	0
7	The company incur substantial litigation costs in the course of fraud litigations involving the company	35	105	0	21	0
8	The company has recorded appreciable recovery of funds lost to fraud since the implementation of forensic litigation measures	50	90	2	19	0
9	Recommendations on fraud prevention strategies proposed by the company's forensic investigators have led to red flagging of some fraudulent behavior by staff	44	80	0	37	0
10	The company utilize the services of litigation consultant in prosecuting fraud cases involving staff	46	94	0	21	0

Source: Field Survey, 2023

4.1 Data Analysis

Table 4.2: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
FRA	5	19.00	312.00	144.0000	120.32664
PRF	5	38.00	261.00	142.0000	97.62940
ACC	5	41.00	288.00	144.0000	108.45506
FRD	5	.00	457.00	161.0000	188.72467
Valid N (listwise)	5				

Interpretation

The descriptive statistics for the dependent variables, prevention of fraud (PRF), accountability (ACC) and fraud detection (FRD), and the independent variable is forensic accounting (FRA), was represented in Table 4.2. The mean is used to establish a baseline. The maximum and minimum numbers, on the other hand, aid in the detection of data problems. The variation from the mean is represented by the standard deviation. It is a risk indicator; the greater the standard deviation, the greater the risk. The standard deviation is a metric that expresses how much each item in a dataset deviates from the mean. It is the most reliable and extensively used metric. The standard deviations in the firms are 120.33, 97.63, 108.46, and 188.72for FRA, PRF, ACC and FRD respectively.

4.2 Test of Hypotheses

Ho$_1$: Forensic accounting does not significantly affect fraud prevention in firms

Table: 4.3 Correlations

		FRA	PRF
FRA	Pearson Correlation	1	.984**
	Sig. (2-tailed)		.002
	N	5	5
PRF	Pearson Correlation	.984**	1
	Sig. (2-tailed)	.002	
	N	5	5

**. Correlation is significant at the 0.01 level (2-tailed).

From the above figure, correlation coefficient of 0.984 a positive correlation between forensic accountant and fraud prevention. To get an idea of how much variance the two variables share, the coefficient of determination (R) is calculated. R is 0.984 x 0.984= 0. 968. It implies that forensic accountant help to explain 97% of the variance in fraud prevention on selected firms in Delta State.

From the above result, the study discovers that the confidence level between forensic accountant and fraud prevention is very high, and that correlation coefficient is significant at 0.01 levels. Therefore, reject null hypothesis and accept alternate hypothesis which states that Forensic accounting significantly affect fraud prevention in selected firms in Delta State.

Hypothesis Two

Ho_3: Forensic accounting has no significant effect on fraud detection in the selected firms

Table 4.4: Correlations

		FRA	TRD
FRA	Pearson Correlation	1	.981**
	Sig. (2-tailed)		.003
	N	5	5
TRD	Pearson Correlation	.981**	1
	Sig. (2-tailed)	.003	
	N	5	5

**. Correlation is significant at the 0.01 level (2-tailed).

From the above figure, correlation coefficient of 0.981 a positive correlation between forensic accounting and fraud detection. To get an idea of how much variance the two variables share, the coefficient of determination (R) is calculated. R is 0.981 x 0.981= 0. 962. It implies that forensic accountant help to explain 96% of the variance in fraud detection on selected firms in Delta State. From the above result, the study discovers that the confidence level between forensic accounting and fraud detection is very high, and that correlation coefficient is significant at 0.01 levels. Therefore, reject null hypothesis and accept alternate hypothesis which stated that there is a significant relationship between forensic accounting and fraud detection of selected firms in Delta State.

4.2 Discussion of Findings

From the analysis and hypotheses tested, the study shows that there is a significant relationship between forensic accounting and fraud prevention, accountability and fraud detection in selected firms in Delta State. The study also indicates that forensic accounting has been able to prevent fraud occurrence in the operations of firms in Delta State in Nigeria. This result is in agreement with the findings of Ojo-Agbodu, Abiola, and Ndubusi (2022) who indicated that there is a significant relationship between forensic accounting and fraud detection while forensic accounting has no effect on fraud prevention in the quoted DMBs. Walakumbura and Dharmarathna (2022) revealed that there is a significant impact between the accounting skills, knowledge of procedures and knowledge of forensic accounting on fraud detection while there is no significant impact between the legal background and the fraud detection.

5.1 Conclusion

The role of a forensic accounting expert under the emerging technological driven financial fraud in the corporate organization is in no doubt very vital because they help lawyers, courts, regulatory bodies and other law enforcement institutions in investigating and documenting frauds. The expertise of a forensic accountant in the modern day business operation is very important as it helps to unearth complex fraudulent activities within and outside the organization. Also, the continued institutional failure over the decades even after which audit have been carried out has prompted a paradigm shift in accounting and investigation of fraud related issues.

External auditors are meant to perform tests to detect errors and material defalcation ifthey exist. However, forensic accountants as an expert are now being hired in advanced economies to investigate cases of fraud and help with evidences that will help in the law court.

5.2 Recommendations

Based on the findings of the study, the researcher recommended the following;
Organizations in Nigeria should step up their forensic accounting practices in order to deter fraud. This can be achieve by making forensic auditing of financial records a regular and routine activity. Also, any staff of the firm involved in fraudulent cum criminal activities should be thoroughly and promptly investigated and prosecuted as doing so in full glare of the public will serve as deterrence to others in the future. On a final note, the study recommended that firms should retain the services of qualified forensic accountants who are very versatile in the use of appropriate fraud deterrence methods in order to prevent fraud before its occurrence.

References

Abdulrahman, S. (2019). Forensic accounting and fraud prevention in Nigerian public sector: A conceptual paper. International Journal of Accounting & Finance Review, 4 (2), 13-21.

Adesina, K., Erin, O., Ajetunmobi, O., Ilogho, S., Asiriuwa, O. (2020). Does forensic audit fraud control; Evidence from Nigeria deposit money banks. *Bank and Bank System, 15*(2), 214-229

Alhassan, I. (2020). Forensic accounting and fraud detection and prevention in the Nigerian public sector. *International journal of accounting research, 5 (4),108-115.www.arabianjbmr.com.*

Apostolou, B., Hassell, J.M., & Webber, S.A. (2000). Forensic expert classification of management fraud risk factors. Journal of Forensic Accounting, 1, 181-192.

Arokiasamy, L., & Cristal-Lee, S. (2009). Forensic accounting: Public acceptance towards occurrence of fraud detection. *International Journal of Business and Management, 4*(11), 145-160.

Asusu, P. U. (2019). Effect of forensic auditing on reducing fraud cases in Nigeria money deposit bank. *IGWEBUIKE: An African Journal of Arts and Humanities, 5*(2), 2488-9210(Online), 2504-9038.

Bassey, B.E. (2018). Effect of forensic accounting on the management of fraud in microfinance\pp]p]]]]]]]]ns in Cross River State. *Journal of Economics and Finance, 9*(4), 79- 89.

Dada, S. O, Owolabi, S.A. & Okwu, A. T (2013). Forensic accounting a panacea to alleviation of fraudulent practices in Nigeria. Int.J.Buss.Mgt.Eco.Res.,4(5), 787-792.

Effiong, E. J. (2012). Forensic accountant education: An exploration of level of awareness in developing economies - Nigeria, as a case study. *International Journal of Business and Management,* 7(4), 27 - 34.

Ehioghiren, E. E. & Atu, O. O. K. (2016). Forensic accounting and fraud management: Evidencefrom Nigeria.Igbinedion University Journal of Accounting, 2, 245-307

Enofe, A.O., Olorunnuho, M.S. & Okporua, A.D. (2016).Forensic accounting and fraudulent financial reporting in Nigeria. Journal of Accounting and Financial Management,2 (1), 2-7.

Enyi, E. P., (2009). Detecting causes of variances in operational outputs of manufacturing organization: A forensic accounting investigation approach. Retrieved from http://ssrn.com/abstract=1144783.

Gbegi, D. O. & Adebisi, J. F. (2014). Forensic accounting skills and techniques in fraud: Investigation in the Nigerian public sector. Mediterranean Journal of Social Sciences 5(3); 244-253.

Hamdan, M.W., 2018. The Role of Forensic Accounting in Discovering Financial Fraud, *International Journal of Accounting Research*, Jordan, 6(2), pp. 1-6.

Henry, A. W., &Ganiyu, A. B. (2017). Effect of forensic accounting services on fraud reduction in the Nigerian banking industry. *Advances in Social Sciences Research Journal, 44*(12), 53-64.

Kasum, A. S. (2012). Forensic accounting for financial malpractices in developing countries: An analytical review of the state of the art. Emerging Fraud (pp. 65-73). Springer Berlin Heidelberg.

Khersiat, O. M. (2018). The role of the forensic accountant in the detection of tax fraud in financial statements: A survey study in the Jordanian accounting and auditing offices and firms. *International Journal of Economics and Finance*, 10(5), 145-153.

Nigrini, M. (2011). Forensic analytics: Methods and techniques for forensic accounting investigations. Hoboken, NJ: John Wiley & Sons Inc.

Nwaze, D. (2012). Due process and accountability: Advance fee fraud (1). Zenith Economic Quarterly 8 (2), 24-28

Obiora, F. C., Onuora, J. K. J., Amodu, O., A (2022). Forensic Accounting Services and its effect on Fraud Prevention in Health Care Firms in Nigeria. *World Journal of Finance and Investment Research*.6(1), E-ISSN 2550-7125 P-ISSN 2682-5902 . www.iiardjournals.org IIARD – International Institute of Academic Research and Development Page 16

Ojo-Agbodu, A., Abiola, J., & Ndubusi, E. I. (2022). Effect of forensic accounting on fraud detection and prevention in selected quoted deposit money banks in Nigeria. *Fuoye Journal of Finance and Contemporary Issues, 3*(2), 36-48.

Okoye, E. I., Nwoye, U. J., Akuchi, B. N. &Onyema, A. C. (2020). Effect of forensic investigation techniques in detecting occupational fraud in the public sector: A study of Ministry of Finance, Anambra State, *International Journal of Innovative Finance and Economics Research,* 8(1), 117-124.

Okoye, E. I, Adeniyi, S. I & James, O. N. (2019). Effect of forensic accounting on fraud management on selected firms in Nigeria. *International Journal of Economics, Business and Management Research, 3(12),* 149-168.

Okoye, E.I, & Gbegi, D.O (2013). Forensic accounting: A tool for fraud detection and prevention in the public sector. (A Study of Selected Ministries in Kogi State). International Journal of Academic Research in Business and Social Sciences, 3(3); 1-18.

Okpala, K. E., &Enwefa, C. (2017). War against corruption in Nigerian public sector: An analysis of stakeholders' role. *FUNAI Journal of Accounting, Business and Finance, 1*(1), 204 – 218.

Oworojori, A.A. & Asaolu, T.O.(2009). The role of forensic accounting in solving the vexed problem of corporate world. European Journal of Scientific Research, 29 (2).

Oyebisi, O., Okere, W., Olusogo, O., &Ifeoluwa, O. (2018). Forensic accounting and fraud prevention and detection in Nigerian banking industry. *CO Reviews & Research,1*(1), 1-8. DOI: 10.31031/COJRR.2018.01.000504.

Prabowo, Hendi Y., 2021. Undergraduate Forensic Accounting Education in Indonesia: Initiating a Re-Invention, *Australasian Accounting, Business andFinance Journal*, 15(2), pp.3-25. doi:10.14453/aabfj.v15i2.2.

Ramaswamy, V., 2005. Corporate Governance and the Forensic Accountant. *The CPA Journal*, 75, pp.69-70.

Sarker., (2020). Forensic Accounting and Fraud Examination: Evidence fromBangladesh Madhobi*International Journal of Science and Business*, 4(9) 138-144.

Sule, S., Ibrahim, S. S., & Sani, A. A. (2019). The effect of forensic accounting investigation in detecting financial fraud: A study in Nigeria. International Journal of Academic Research in Business and Social Sciences, 9(2), 545–553.

Sumartono, S., Urumsah, D., &Hamdani, R. (2020). Skills of the Forensic Accountants in Revealing Fraud in Public Sector: The Case of Indonesia. *Journal of Accounting and Investment,* 1(1), 180-194.

Uniamiogbo, E., Adeusi, A., & Amu, C. (2019). Forensic audit and fraud detection and prevention in the Nigerian banking sector. *Accounting and Taxation Review, 3*(3), 121-139

Walakumbura, L.1 and Dharmarathna, D.G. (2022). Impact of forensic accounting knowledge on fraud detection: with special reference to Sri Lankan. *Journal Of Accountancy And Finance* 9(1).