

Relevance of Forensic Auditing as an Investigative Tool in Curbing Financial Crimes in Public Sectors Organization

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Abstract

The issues concerning the impact/importance of Forensic Accountant cannot be over emphasized, whether to the public sector or to the private sector. The purpose of this study is to examine the relevance of forensic auditing as an investigative tool in curbing financial crimes in public sector organizations. Both primary and secondary sources of data were appropriately used. 120 questionnaires were administered to professional staff of the federal ministry of Finance Abuja Nigeria, along with interviews conducted with those ministries out of which 88 were filled and returned. Tables and simple percentages were used to analyze the data. The statistical tool used to test hypotheses was Analysis of Variance (ANOVA). Among the findings was that there is significant relationship between forensic auditing and investigative skill in curbing financial crime. It equally showed that there is significant relationship between Forensic Auditing and Litigation Support Services and finally the study indicates that there is significant relevant between forensic Audit and other types of audits. The research therefore recommended that Government and regulatory authorities should ensure the provision of standards and guidelines to regulate forensic activities and above all Nigerians should embrace integrity, objectivity, fairness and accountability in their day-to-day activities.

Keywords: *Relevance, Forensic auditing, investigative tool, curbing financial crime.*

Introduction

Forensic auditing is a field of accounting that is attracting attention as a result of persistent occurrence of frauds and other related financial crimes.

The primary aim of Forensic auditing is fraud detection, unlike the traditional Auditing that focuses on review of internal control system, errors, identification and prevention. Forensic auditors are experienced auditors, accountants, and investigators of legal and financial document that are hired to look into possible suspicion of fraudulent activities within a company. In United Kingdom, relevant legislation is contained in the proceeds of crime Act 2002. In India there is a

separate breed of forensic accountant, called Certified Forensic Accounting Professionals. In other countries, some Forensic accountants are called Certified Fraud Examiners (CFE), or Certified Public Accountants with AICPA's

To discharge his functions effectively, a forensic auditors need to possess certain qualities and skills.

The unrelenting series of embarrassing audit failures over the last 52 years has prompted a paradigm shift in auditing. In the mid-20th century, when the fight from fraud detection was at its height, a few observers predicted that in the future there will be acceptance perform tests to detect material defalcations and errors if they exists. (Olukowade, and Balogun 2015). Financial crimes are the fundamental problems of third world countries, particularly Nigeria where official corruption has become endemic (Akhidime, and Uagbale 2014). The spate of world-wide corporate scandals involving Enron, World Com, Global Crossing, Tyco International Xerox (USA); Parallax (Italy) and corporate fraud perpetuated in Nigeria by management of Lever Brothers, Union Dicon Salt, Cadbury(Nigeria),and the fourteen distressed banks as exposed by forensic Audit was as a result of failure of traditional audit techniques in unraveling financial crimes. It is a recognized fact that the first and the most sophisticated way of carrying out fraudulent activities in many organization is through the accounting and financial records. Therefore financial crimes requires that forensic auditing be added to the tool necessary to bring about successful investigation and presentation of those individual organization, politicians and the general public involved in criminal activities. Theoretically the auditor is expected to be independent of the management staff of the company being audited. One to numerous influences like threat of replacement of auditor and the provision of management advisory services, familiarity appear to impair auditors' independence. Despite the interventions of the regulatory authorities, the challenges of ensuring credibility in financial reporting and auditing are still prevalent. Therefore this paper tends to ask pertinent questions to professional bodies in Nigeria, on the capability of the forensic auditors in expressing their independent opinion, and investigative support services suitable to the court and which will form the basis for discussion, debate and ultimately dispute resolution.

Objectives

The main objective of the study is to examine the relevance of forensic auditing as investigative tool in curbing financial crime. Other objections are:

1. To determine the relationship between forensic auditing and investigative skill in curbing financial crime.
2. To ascertain the relevance of forensic Auditing is litigation support services
3. To ascertain the relationship between the traditional audit types and forensic audit.

Hypothesis:

H₁: There is no significant relationship between forensic auditing and investigative skill in curbing financial crime.

H₂: There is no significant relationship between forensic auditing and litigation support service in curbing financial crime.

H₃: There is no significant relationship between traditional types audit and forensic audit.

Literature Review

The term “Forensic” is widely used in various subject areas, but it mostly applies in the fields of medicine, criminology, law and accounting (Uthaman, Abdul-Baki, and Lyanda, 2013). The popularity is perhaps due to the value of its evidence within the context of a particular crime scene (Holliday, Bull and Smith, 2011). It means suitable for use in a court of law, and it is to that standard and potential outcome that forensic accountants generally have to work.

Litigation services and investigative accounting are the two main branches of forensic auditing according to some experts (Crumbley, 2005; Coppolla, 2016). Litigation support provides assistance of an accounting nature in a matter involving existing or pending litigation. Forensic audit is an examination of evidence regarding an assertion to determine its correspondence to established criteria carried out in a manner suitable to the court. (Anakudo, 2007).

According to Dahli, (2008) forensic comes from the Latin word for public and specifically to forum. The forum was where the Ancient Romans were taught to do business and settle disputes among other things. He further buttressed that forensic relates to the application of knowledge to legal problems such as crimes. Crumbley (2003) defined forensic auditing as an accounting analysis that can uncover possible fraud that is suitable for presentation in court.

According to Belgium, (2004) forensic auditing is an activity that consists of gathering, verifying, processing, analyzing of and reporting on data in order to obtain facts and evidence in a predefined context in the area of legal/financial disputes and or irregularities. (Albrecht, and Albrecht, 2001) described forensic investigations as the utilization of specialized investigative skills in carrying out an enquiry conducted in such a manner that the outcome will have application to the court of Law.

The US General Accounting office (GEO) (1996) as quoted by Olukowade, and Balogun (2015) stated that a strong emphasis on financial crimes prevention and detection during statutory audits is needed. The United States and International standards setters have increased the responsibility of auditors to consider the risks of fraud while conducting audits of financial statement.

They further stated that the primary aim of forensic auditing is fraud detection unlike the traditional auditing that focuses on review of internal control system, error identification and prevention.

Function of Forensic Auditing

According to Albrecht, and Albrecht (as cited in Kosmas, Thulani and Edwin 2009) the following functions are identified:

- Provision of help in the development of fraud awareness, training and analyze fraud trends and internal control procedure.
- Perform comprehensive analysis of investigations result across the enterprise to identify pervasive control issues
- Oversee the investigations, planning and forensic report written process for forensic audits, investigation and presentation of findings through reports and exhibits.
- Work closely with financial training function to enhance fraud auditing skills
- Develop the fraud prevention, detection and investigation program and management of company’s fraud risk assessment program
- Conduct complex and extremely sensitive investigation
- Conduct activities in areas of moderate to high risk

- Promote education and awareness on fraud risk management throughout the organization
- Testifying in court as an expert witness.
- To carry out the vision and mission of forensic audit to prevent, detect and investigate issues concerning financial abuse within an organizational entity.
- Identification of causative factors and collection of facts for individual investigations by leading the evaluation of internal control weaknesses that allows unethical business behavior and practice to occur and go undetected.
- Lead internal/external resource in an effort to address allegations of financial crime reprisal within the system.

Jurisdiction problem, and of investigation and prosecution

Empirical review

Several empirical works have been conducted and some are still on-going. These works establishes relation between the variables of our study.

Emeh and Obi (2013) in their study appraises how the investigative area of forensic accounting and auditing can minimize financial crimes in corporate organizations. The variable examined include Presence of Forensic Accountant (PFA), Number of Accountant with Forensic Skill (NAFT) With Extent of Forensic Accounting Practices(EFAP).With Extent of Employee Theft (EET), Extent of Financial Fraud(EFF) and Extent of Top Management Fraud(ETMF). The survey research design was used in this study. The population of the study comprises of management staff of selected financial institutions. The study employed the spearman rank correlation as the data analysis method. The result of the analysis shows significant negative correlations between PFA, NAFT and EFAP with EFR.

However, Moyes and Baker (2003) carried out a study on auditors believe about the fraud detection effectiveness of standard audit procedures. The result shows that out of the 218 standard audit procedure, 56 were considered more effective in fraud detection.

In a similar work of Kosmos, Thulani and Edwin (2009), the study dwelt on the effectiveness of forensic auditing in detecting and preventing bank frauds. The study was carried out using questionnaires, personal interview and document reviews. A sample of thirty forensic auditors was used from thirteen commercial banks. The paper concludes that forensic auditors should create a constituted body that serves their interests and regulate the activities just like any other profession.

Zachariah, Masoyi, Ernest and Gabriel (2014) studied on the application of forensic auditing in reducing fraud cases in Nigeria money deposit banks. They stated the rise in corporate crimes forced the developed and developing economics to look for possible way of tackling the scandals. The study analyzed the trend in fraud cases from 2001-2012. The findings showed that there are up to and down movements in fraud cases. Suggesting that employment of forensic auditing in Nigerian banks by mending the existing statutes, in such a way that forensic auditors are included in the audit team.

Mokoro, Yamusa, and Faboyede (2013), explored the role a forensic accountant can play in the fight against corruption by applying his investigative skills, providing litigation support service and documentation and reporting. The population used is the federal, Inland Revenue service (FIRS). The research design employed was the survey research. Data were majorly collected from primary sources. The hypothesis was tested using regression analysis. Finding shows that forensic accountants are relevant in investigating crime and corruption in the public sector.

Olukowade and Balogun (2015), carried out a study on the relevance of forensic accounting in the detection and prevention of fraud in Nigeria. A theoretical research was considered in finding out the differences between forensic accountant and traditional accountants in combating fraudulent activities and recommended that professional bodies in Nigeria should encourage the formalization and specialization in the field of forensic accounting.

Methodology

The methodology adopted in this study is an exploratory design. The population is made up of the professional bodies in practice and employed in the Federal Ministry of Finance Abuja Nigeria. In view of the researchers inability to reach out to the entire population and in order to gain the advantages of an in-depth study and effective coverage, judgment sampling method was used to select a sample unit that comprises, Association of Chartered Accountants (ACA), Certified National Accountants and Chartered Institute of Management Accountants. Taro Yamene formula was used to determine a sample size of 120, using a population of professional bodies of approximately 294 from the federal ministry of Finance Abuja. Out of 120 copies of questionnaire sent out to various respondents, only 88 were returned. The primary and secondary data were utilized. The questionnaire, consist of the items related to the factors influencing the relevance of forensic auditing and were phrased with a possible continuum based on a four-point Likert style scale. The response to the questionnaires was analyzed using simple percentage method and ANOVA VARIANCE statistical method to test the hypothesis formulated.

Test Statistic (ANOVA) F= Distribution

$$F = \frac{TMS - TRSS/(n-1)}{EMS/(N-n)}$$

Data Presentation

Gender of Respondents

Table 1: Table Distribution showing the responses of the respondents on their Gender.

	Association of chartered Accountants (ACA)	Certified National Accountants (CAN)	Chartered Institute management Accountants (CIMA)	Total
Male	17 (53%)	15 (56%)	14 (48%)	46 (52%)
Female	15 (47%)	12 (44%)	15 (52%)	42 (48%)
Total	32 (100%)	27 (100%)	29 (100%)	88 (100%)

Source: Field Survey (2016)

The table above shows that the majority of the respondents are male at 52% while 42% of them are female.

Academic Qualification

Table 2: Table Distribution showing the Academic Qualification of the respondents.

	Association of chartered Accountants (ACA)	Certified National Accountants (CAN)	Chartered Institute management Accountants (CIMA)	Total
B.Sc/HND	7 (22%)	8 (30%)	3 (10%)	18 (21%)
PGD	11 (34%)	10 (37%)	7 (24%)	28 (32%)
M.Sc/MBA	8 (25%)	7 (26%)	9 (31%)	24 (27%)
Ph.D	6 (19)	2 (7%)	10 (35%)	18 (21%)

Total	32(100%)	27(100%)	29(100%)	88(100%)
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Source: Field Survey (2016)

The table above showing the academic qualifications of the respondents indicates that 18 (21%) of the respondents are B.Sc/HND holders, 28 (32%) are PGD holders, 24 (27%) of the respondents are M.Sc/MBA holders while 18 (21%) of the total respondents are Ph.D holders.

Occupation of Respondents

Table 3: Table Distribution showing the occupation of the respondents

	Association of chartered Accountants (ACA)	Certified National Accountants (CAN)	Chartered Institute of management Accountants (CIMA)	Total
Accountants	14 (44%)	7 (26%)	12 (41%)	33 (38%)
Auditors	12 (38%)	11 (41%)	8 (28%)	31 (35%)
Financial Analysts	6 (19%)	9 (33%)	9 (31%)	24 (27%)
Total	32 (100%)	27 (100%)	29 (100%)	88 (100%)

Source: Field Survey (2016)

The table above showing the occupation of the respondents indicated that the majority of the respondents representing 33(38%) are accountants, 31 (35%) are Auditors while 24 representing 27% are financial analysts.

Work Experience of Respondents

Table 4: Table Distribution showing the working experience of the respondents

	Association of chartered Accountants (ACA)	Certified National Accountants (CAN)	Chartered Institute of management Accountants (CIMA)	Total
1-5	8 (25%)	4 (15%)	6 (21%)	18 (21%)
6-10	11 (34%)	7 (26%)	9 (31%)	27 (31%)
Above 10	13 (41%)	16 (59%)	14 (48%)	43 (49%)
Total	32(100%)	27(100%)	29 (100%)	88(100%)

Source: Field Survey (2016)

The table above showing the working experience of the respondents indicated that the majority of the respondents representing 43(49%) have work experience 10 years and above, 27(31%) 6-10 while 18(21%) of the respondents have work experience of 1 to 5 years.

Research Question

Q1: Forensic Audit provides quality assurance report in investigating financial crime.

Table 5:

	Association of chartered Accountants (ACA)	Certified National Accountants (CAN)	Chartered Institute of management Accountants (CIMA)	Total
Agree	8 (25%)	5 (19%)	14 (48%)	27 (31%)
Strongly Agree	19 (59%)	18 (67%)	10 (35%)	47 (53%)
Disagree	3 (9%)	1 (4%)	2 (7%)	6 (7%)

Strongly Disagree	2 (6%)	3 (11%)	3 (10%)	8 (9%)
Total	32(100%)	27(100%)	29(100%)	88 (100%)

Source: Field Survey (2016)

The table 5 shows that 27(31%) of the respondents agree, 47(53%) of the respondent, being the majority, strongly agree that Audit provides quality assurance report in investigating financial crime, 6(7%) of the respondents Disagree and 8(9%) of the respondents strongly disagree that audit provides quality assurance report in investigating financial crime.

Q2: Forensic Auditors are competent in reporting and providing evidence involving financial crime.

Table 6:

	Association of chartered Accountants (ACA)	Certified National Accountants (CAN)	Chartered Institute of management Accountants (CIMA)	Total
Agree	10 (31%)	11 (41%)	10 (35%)	31 (35%)
Strongly Agree	18 (56%)	12 (44%)	13 (45%)	43 (49%)
Disagree Strongly	2 (6%)	3(11%)	4 (14%)	9 (10%)
Disagree	2 (6%)	1(4%)	2(7%)	5 (6%)
Total	32(100%)	27(100%)	29(100%)	88(100%)

Source: Field Survey (2016)

The table 6 shows that 31(35%) of the respondents agree, 43 (49%) of the respondent, being the majority, strongly agree that forensic auditors are competent in reporting and providing evidence involving financial crime, 9(10%) of the respondents strongly Disagree, while 5(6%) of the respondents disagree that forensic Auditors are competent in reporting and providing evidence involving financial crime.

Q3: Forensic Auditors are trained in investigating criminal matters.

Table 7:

	Association of chartered Accountants (ACA)	Certified National Accountants (CAN)	Chartered Institute of management Accountants (CIMA)	Total
Agree	9(28%)	12(44%)	13(45%)	34(39%)
Strongly Agree	16 (50%)	11(41%)	11 (37%)	38(43%)
Disagree	2(6%)	3(11%)	3(10%)	8(9%)
Strongly Disagree	5 (16%)	1(4%)	2(7%)	8 (9%)
Total	32(100%)	27(100%)	29 (100%)	88(100%)

Source: Field Survey (2016)

Table above shows that 34(39%) of the respondents agree, 38(43%) of the respondents strongly agree that auditors are trained in investigating criminal matters, 9% of the respondents disagree, 9% of the respondents strongly disagree that auditors are trained in investigating criminal matters

Q4: Forensic Auditors approaches his assignment with professional skepticism and questioning mind.

Table 8:

	Association of chartered Accountants (ACA)	Certified National Accountants (CAN)	Chartered Institute of management Accountants (CIMA)	Total
Agree	10(31%)	8(30%)	12(41%)	30(34%)
Strongly Agree	14(44%)	16(59%)	13(45%)	43(49%)
Disagree	6(19%)	2(7%)	3(10%)	11(13%)
Strongly Disagree	2(6%)	1(4%)	1(3%)	4(5%)
Total	32 (100%)	27(100%)	29(100%)	88(100%)

Source: Field Survey (2016)

The table above shows that 5% of the respondents strongly disagree, 13% of the respondents disagrees, 34% of the respondent agree and 49% of the respondents, being the majority, strongly agree that forensic Auditors approaches their assignment with professional skepticism and questioning mind.

Q5: Forensic Auditors provides assistance to existing or pending cases under litigation

Table 9:

	Association of chartered Accountants (ACA)	Certified National Accountants (CAN)	Chartered Institute of management Accountants (CIMA)	Total
Agree	11(34%)	13 (48%)	9(31%)	32(36%)
Strongly agree	18(56%)	12(44%)	17(59%)	47(53%)
Disagree	2(6%)	1(4%)	2(7%)	5(6%)
Strongly Disagree	1(3%)	1(4%)	1(3%)	3(3%)
Total	32(100%)	27(100%)	29(100%)	88(100%)

Source: Field Survey 2016

The table above shows that majority of the respondents strongly agree at 47(53%). 32(36%) of the respondents agree that forensic auditors provides assistance to existing or pending cases under litigation, 5% of the respondents disagree, 3% strongly disagree that forensic Auditors provides assistance to existing or pending cases under litigation.

Q6: Forensic Auditors enhances disclosure of audit report needed by Lawyers for Litigation Support Services.**Table 10:**

	Association of chartered Accountants (ACA)	Certified National Accountants (CAN)	Chartered Institute of management Accountants (CIMA)	Total
Agree	10(31%)	5(19%)	7	22(25%)
Strongly Agree	21(66%)	22(81%)	22	65(74%)
Disagree	1(3%)	0(0%)	0(0%)	1(1%)
Strongly Disagree	0(0%)	0(0%)	0(0%)	0(0%)
Total	32(100%)	27(100%)	29(100%)	88(100%)

Source: Field Survey, 2016.

The table above shows that 74% of the respondents, being the majority strongly agree, 25% of them agrees that forensic auditors enhances disclosure of audit report needed by Lawyers for Litigation Support Services, 1% of the respondents disagree that forensic auditor enhances disclosure of audit report needed by Lawyers for Litigation Support Services.

Q7: Forensic Auditors enhances Lawyers confidence in their prosecution and recovery of asserts**Table 11:**

	Association of chartered Accountants (ACA)	Certified National Accountants (CAN)	Chartered Institute of management Accountants (CIMA)	Total
Agree	7(31%)	5(19%)	14(48%)	26(30%)
Strongly Agree	22(69%)	22(81%)	15(52%)	59(67%)
Disagree	2(6%)	0	0	2(2%)
Strongly Disagree	1(3%)	0	0	1(1%)
Total	32(100%)	27(100%)	29(100%)	88(100%)

Source: Field Survey 2016.

The table above shows that 67% of the respondents being the majority strongly agree that Forensic Auditors enhances Lawyers confidence in their prosecution and recovery of asserts. 30% of the respondents agree, 7% of them disagree, 3% of the respondents strongly disagree that Forensic Auditors enhances Lawyers confidence in their prosecution and recovery of asserts.

Q8: Forensic Auditors provides relevant evidence in Litigation Support Services.**Table 12:**

	Association of chartered Accountants (ACA)	Certified National Accountants (CAN)	Chartered Institute of management Accountants (CIMA)	Total
Agree	10(31%)	13(48%)	5(17%)	28 (31%)
Strongly	21(66%)	12(45%)	23(79%)	54(61%)

Agree				
Disagree	0(0%)	2(7%)	1(3%)	3(3%)
Strongly Disagree	1(3%)	0(0%)	0(0%)	1(1%)
Total	32(100%)	27(100%)	29(100%)	88(100%)

Source: Field Survey (2016).

The above table shows that the majority which is 61% strongly agree that Forensic Auditors provides relevant evidence in Litigation Support Services, 31% of the respondents agree, 3% of them disagree, 1% of the respondents strongly disagree that Forensic Auditors provides relevant evidence in Litigation Support Services.

Q9: Forensic Auditors expresses an independent opinion on a criminal case subject to litigation

Table 13:

	Association of chartered Accountants (ACA)	Certified National Accountants (CAN)	Chartered Institute of management Accountants (CIMA)	Total
Agree	9(28%)	12(44%)	9(31%)	30(34%)
Strongly Agree	11(34%)	13(48%)	18(62%)	42(48%)
Disagree	5(16%)	0(0%)	0(0%)	5(6%)
Strongly Disagree	7(22%)	2(7%)	2(7%)	9(10%)
Total	32(100%)	27(100%)	29(100%)	88(100%)

Source: Field Survey (2016).

The above table shows that the majority which is 48% strongly agree that Forensic Auditors expresses an independent opinion on a criminal case subject to litigation, 34% of the respondents agree, 5% of them disagree, 9% of the respondents strongly disagree that Forensic Auditors expresses an independent opinion on a criminal case subject to litigation.

Q10: Forensic audit is quite distinct from either internal audit or external audit

Table 14:

	Association of chartered Accountants (ACA)	Certified National Accountants (CAN)	Chartered Institute of management Accountants (CIMA)	Total
Agree	7(31%)	5(19%)	14(48%)	26(30%)
Strongly Agree	22(69%)	22(81%)	15(52%)	59(67%)
Disagree	2(6%)	0	0	2(2%)
Strongly Disagree	1(3%)	0	0	1(1%)
Total	32(100%)	27(100%)	29(100%)	88(100%)

Source: Field Survey (2016).

The above table shows that the majority which is 67% strongly agree that Forensic audit is quite distinct from either internal audit or external audit, 30% of the respondents agree, 2% of them disagree, 1% of the respondents strongly disagree that Forensic audit is quite distinct from either internal audit or external audit.

Q11: Forensic Auditors are confidence in expressing their opinion as an expert witness.

Table 15:

	Association of chartered Accountants (ACA)	Certified National Accountants (CAN)	Chartered Institute of management Accountants (CIMA)	Total
Agree	10(31%)	8(30%)	12(41%)	30(34%)
Strongly Agree	14(44%)	16(59%)	13(45%)	43(49%)
Disagree	6(19%)	2(7%)	3(10%)	11(13%)
Strongly Disagree	2(6%)	1(4%)	1(3%)	4(5%)
Total	32 (100%)	27(100%)	29(100%)	88(100%)

Source: Field Survey (2016)

The table above shows that 5% of the respondents strongly disagree, 13% of the respondents disagrees, 34% of the respondents agree and 49% of the respondents, being the majority, strongly agree that forensic Auditors are confidence in expressing their opinion as an expert witness.

Q12: Forensic Auditors report factual statement and provides recommendation regarding possible cases of financial crime.

Table 16:

	Association of chartered Accountants (ACA)	Certified National Accountants (CAN)	Chartered Institute of management Accountants (CIMA)	Total
Agree	10 (31%)	11 (41%)	10 (35%)	31 (35%)
Strongly Agree	18 (56%)	12 (44%)	13 (45%)	43 (49%)
Disagree Strongly	2 (6%)	3(11%)	4 (14%)	9 (10%)
Disagree	2 (6%)	1(4%)	2(7%)	5 (6%)
Total	32(100%)	27(100%)	29(100%)	88(100%)

Source: Field Survey (2016)

The table 6 shows that 31(35%) of the respondents agree, 43 (49%) of the respondents, being the majority, strongly agree that Forensic Auditors report factual statement and provides recommendation regarding possible cases of financial crime, 9(10%) of the respondents strongly disagree, while 5(6%) of the respondents disagree that Forensic Auditors report factual statement and provides recommendation regarding possible cases of financial crime.

Q13: Forensic Auditors expresses independent opinion on other experts like private investigation, medicine and engineering.

Table 13:

	Association of chartered Accountants (ACA)	Certified National Accountants (CAN)	Chartered Institute of management Accountants (CIMA)	Total
Agree	11(34%)	13 (48%)	9(31%)	32(36%)
Strongly agree	18(56%)	12(44%)	17(59%)	47(53%)
Disagree	2(6%)	1(4%)	2(7%)	5(6%)
Strongly Disagree	1(3%)	1(4%)	1(3%)	3(3%)
Total	32(100%)	27(100%)	29(100%)	88(100%)

Source: Field Survey 2016

The table above shows that majority of the respondents strongly agree at 47(53%), 32(36%) of respondents agree that Forensic Auditors expresses independent opinion on other experts like private investigation, medicine and engineering, 5% of the respondents disagree, 3% strongly disagree that Forensic Auditors expresses independent opinion on other experts like private investigation, medicine and engineering.

Test of Hypotheses

For the purpose of this study, three (3) hypotheses had been formulated in chapter one. Therefore, in order to test these hypotheses, the figures /data derived from the table analysis would be computed and tested using the one –way ANOVA (Analysis of variance) model.

ANOVA Table (Extract)

Source of Variation	SS	DF	MS	F-value
Between Treatment	TRSS	(n-1)	DFTRSS	TMS
Within Treatment	ESS	(N-n)	DFESS	EMS
Total	TSS			

Test of Hypotheses One

H_0 There is no significant relationship between Forensic Auditing and investigative skill curbing financial crime..

H_1 There is a significant relationship between Forensic Auditing and investigative skill curbing financial crime.

To test hypothesis one, it will be based on the response to question 1, 2,3 and 4.

Table 14: Responses from questions in relation to hypothesis one

No	Agreed	Strongly Agreed	Disagree	Strongly Disagree	Total
Question 1	27	47	6	8	88
Question 2	31	43	9	5	88
Question 3	34	38	8	8	88
Question 4	30	43	11	4	88
Total	122	171	34	25	352

Table 14 (A)
Contingency Table (Responses & Scoring)

No	A (X ₁)	SA (X ₂)	D (X ₃)	SD(X ₄)	Total
1	27	47	6	8	88
2	31	43	9	5	88
3	34	38	8	8	88
4	30	43	11	4	88
$\sum x$	122	171	34	25	300
$\frac{\sum x}{n} = \frac{\sum x}{n}$	$\frac{122}{4} = 31$	$\frac{171}{4} = 43$	$\frac{34}{4} = 9$	$\frac{25}{4} = 6.25$	$\frac{352}{4} = 88$
$\sum x^2$	$27^2+31^2+34^2+30^2$ $729+961+1156+900$ $= 3746$	$47^2+43^2+38^2+43^2$ $2209+1849+1444+1849$ $= 7351$	$6^2+9^2+8^2+11^2$ $36+81+64+121$ $= 302$	$8^2+5^2+8^2+4^2$ $64+25+64+16$ $= 169$	11568

Source: Extract table Field Survey (2016).

$$TSS = \text{Total Sum of square} = \sum x^2 - \frac{(\sum x)^2}{N}$$

$$TSS = 11568 - \frac{352^2}{20}$$

$$TSS = 11568 - 12390.4/20$$

$$TSS = 11568 - 619.5$$

$$TSS = 5373$$

TRSS = Treatment of Sum of square

TRSS = where n=4

$$TRSS = \frac{\sum(x_1)^2}{n_1} + \frac{\sum(x_2)^2}{n_2} + \frac{\sum(x_3)^2}{n_3} + \frac{\sum(x_4)^2}{n_4} - \frac{\sum(x_2)^2}{N}$$

$$TRSS = \frac{122^2}{4} + \frac{171^2}{4} + \frac{34^2}{4} + \frac{25^2}{4} - \frac{352^2}{20}$$

$$TRSS = \frac{14884}{4} + \frac{29241}{4} + \frac{1156}{4} + \frac{625}{4} - \frac{12390.4}{20}$$

$$TRSS = 3721 + 7310 + 289 + 156 - 619.5$$

$$TRSS = 11476 - 619.5 = 5281$$

$$TRSS = 5281$$

$$ESS = TSS - TRSS$$

$$ESS = 5373 - 5281$$

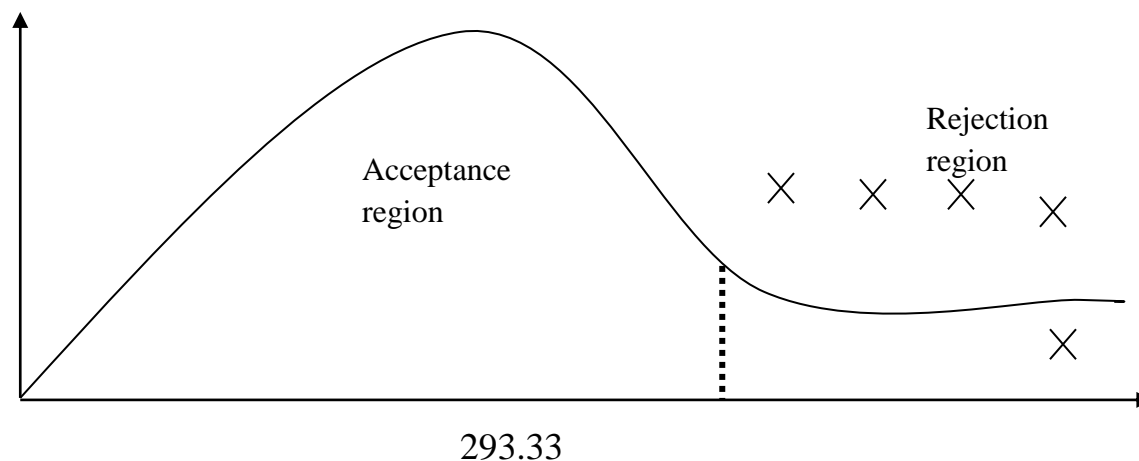
$$ESS = 92$$

Table 14 (B): Summary of ANOVA Table for Hypotheses one

Source of Variation	SS	DF	MS	F-Value $\frac{ms}{x}$
Between Treatment	5281	4-1 = 3	$\frac{5281}{3}$ = 1760	$\frac{1760}{6}$
Within Treatment	92	20-4 = 16	$\frac{92}{16}$ = 6	= 293.33
Total	5373			

Source: Extract table 4.2.1 (A)

∴ F – table $F_{2, 9}(0.05) = 4.26$



Decision

Since the computed F value 293.33 is greater than the F-table 4.26 tabulated, that is $293.33 > 4.26$, it therefore holds that the null hypothesis (H_0) is rejected and the alternative (H_1) is accepted therefore concluding that there is a significant relationship between Forensic Auditing and investigative skill curbing financial crime.

Hypothesis Two

H_0 There is no significant relationship between Forensic Auditing and Litigation Support Services.

H_1 There is a significant relationship between Forensic Auditing and Litigation Support Services.

To test hypothesis two, it will be based on the response to question 5, 6,7,8 and 9.

Table 15: Responses from questions in relation to hypothesis two

No	Agreed	Strongly Agreed	Disagree	Strongly Disagree	Total
Question 5	32	47	5	3	88
Question 6	22	65	1	0	88
Question 7	26	59	2	1	88
Question 8	28	54	3	1	88
Question 9	30	42	5	9	88
Total	138	267	16	14	440

Table 15 (A)
Contingency Table (Responses & Scoring)

No	A (X ₁)	SA (X ₂)	D (X ₃)	SD(X ₄)	Total
5	32	47	5	3	88
6	22	65	1	0	88
7	26	59	2	1	88
8	28	54	3	1	88
9	30	42	5	9	88
$\sum x$	138	267	16	14	440
$\frac{\sum x}{N} = \frac{\sum x}{N}$	$\frac{138}{5} = 27$	$\frac{267}{5} = 53$	$\frac{16}{5} = 3$	$\frac{14}{5} = 3$	$\frac{440}{5} = 88$
$\sum x^2$	$32^2+22^2+26^2+28^2+30^2+6^2+28^2$ $+ 1024+484+676+784+900 = 3868$	$47^2+65^2+59^2+54^2+42^2$ $+ 2209+4225+3481+2916+1764 = 14595$	$5^2+1^2+2^2+3^2+5^2$ $+ 25+1$ $+ 4+9+25 = 64$	$3^2+0^2+1^2+1^2+9^2$ $+ 9+0+1+1+81 = 92$	18619

Source: Extract table Field Survey (2016).

$$TSS = \text{Total Sum of square} = \sum x^2 - \frac{(\sum x)^2}{N}$$

$$TSS = 18619 - 440^2/25$$

$$TSS = 18619 - 193600/25$$

$$TSS = 18619 - 7744$$

$$TSS = 10875$$

TRSS = Treatment of Sum of square

TRSS = where n=5

$$TRSS = \frac{\sum(x_1)^2}{n_1} + \frac{\sum(x_2)^2}{n_2} + \frac{\sum(x_3)^2}{n_3} + \frac{\sum(x_4)^2}{n_4} - \frac{\sum(x_2)^2}{N}$$

$$TRSS = \frac{138^2}{5} + \frac{267^2}{5} + \frac{16^2}{5} + \frac{14^2}{5} - \frac{440^2}{25}$$

$$TRSS = \frac{19044}{5} + \frac{71289}{5} + \frac{256}{5} + \frac{196}{5} - \frac{193600}{25}$$

$$TRSS = 3809 + 14257 + 51 + 39 - 7744$$

$$TRSS = 18155 - 7744 = 10411$$

$$TRSS = 10411$$

$$ESS = TSS - TRSS$$

$$ESS = 10875 - 10411$$

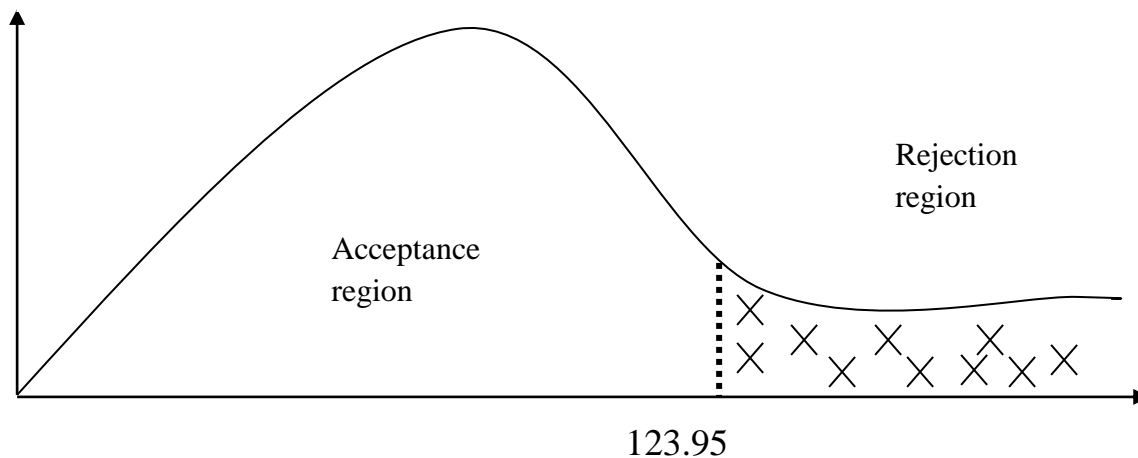
$$ESS = 463$$

Table 15(B): Summary of ANOVA Table for Hypotheses two

Source of Variation	SS	DF	MS	F-Value $\frac{ms}{x}$
Between Treatment	10411	5-1 = 4	$\frac{10411}{4}$ = 2603	$\frac{2603}{21}$
Within Treatment	463	25-3 = 22	$\frac{463}{22} = 21$	= 123.95
Total	10875			

Source: Extract table 4.2.1 (A)

∴ F – table F2, 9(0.05) = 4.26



Decision

Since the computed F value 123.95 is greater than the F-table 4.26 tabulated, that is $123.95 > 4.26$, it therefore holds that the null hypothesis (H_0) is rejected and the alternative (H_1) is accepted therefore concluding that there is a significant relationship between Forensic Auditing and Litigation Support Services.

4.2.3 Test of Hypotheses Three

H_0 there is no significant relevant between forensic Audit and other types of audits.

H_1 there is no significant relevant between forensic Audit and other types of audits.

To test hypothesis three, it will be based on the response to question 10, 11,12, and 13.

Table 16: Responses from questions in relation to hypothesis one

No	Agreed	Strongly Agreed	Disagree	Strongly Disagree	Total
Question 10	26	59	2	1	88
Question 11	30	43	11	4	88
Question 12	31	43	9	5	88
Question 13	32	47	5	3	88
Total	119	192	27	13	352

Table 16 (A)

Contingency Table (Responses & Scoring)

No	A (X ₁)	SA (X ₂)	D (X ₃)	SD(X ₄)	Total
10	26	59	2	1	88
11	30	43	11	4	88
12	31	43	9	5	88
13	32	47	5	3	88
$\sum x$	119	192	27	13	300
$\frac{\sum x}{n} = \frac{\sum x}{n}$	$\frac{119}{4} = 28$	$\frac{192}{4} = 48$	$\frac{27}{4} = 7$	$\frac{13}{4} = 3$	$\frac{352}{4} = 88$
$\sum x^2$	$26^2+30^2+31^2+32^2$ $676+900+961+1024$ $= 3561$	$59^2+43^2+43^2+47^2$ $3481+1849+1849+2209$ $= 9388$	$2^2+11^2+9^2$ $5^2+4+121+$ $81+25 = 231$	$1^2+4^2+5^2$ 3^2 $1+16+$ $25+9 = 51$	13231

Source: Extract table Field Survey (2016).

TSS = Total Sum of square =
$$\sum x^2 - \frac{(\sum x)^2}{N}$$

TSS = $13231 - \frac{352^2}{20}$

TSS = $13231 - 12390.4/20$

TSS = $13231 - 6195$

TSS = 7036

TRSS = Treatment of Sum of square

TRSS = where n=4

$$TRSS = \frac{\sum(x_1)^2}{n_1} + \frac{\sum(x_2)^2}{n_2} + \frac{\sum(x_3)^2}{n_3} + \frac{\sum(x_4)^2}{n_4} - \frac{\sum(x_2)^2}{N}$$

$$TRSS = \frac{119^2}{4} + \frac{192^2}{4} + \frac{27^2}{4} + \frac{13^2}{4} - \frac{352^2}{20}$$

$$TRSS = \frac{14161}{4} + \frac{36864}{4} + \frac{729}{4} + \frac{169}{4} - \frac{123904}{20}$$

TRSS = $3540 + 9216 + 182 + 42 - 6195$

TRSS = $12980 - 6195 = 6785$

TRSS = 6785

ESS = TSS - TRSS

ESS = $7036 - 6785$

ESS = 251

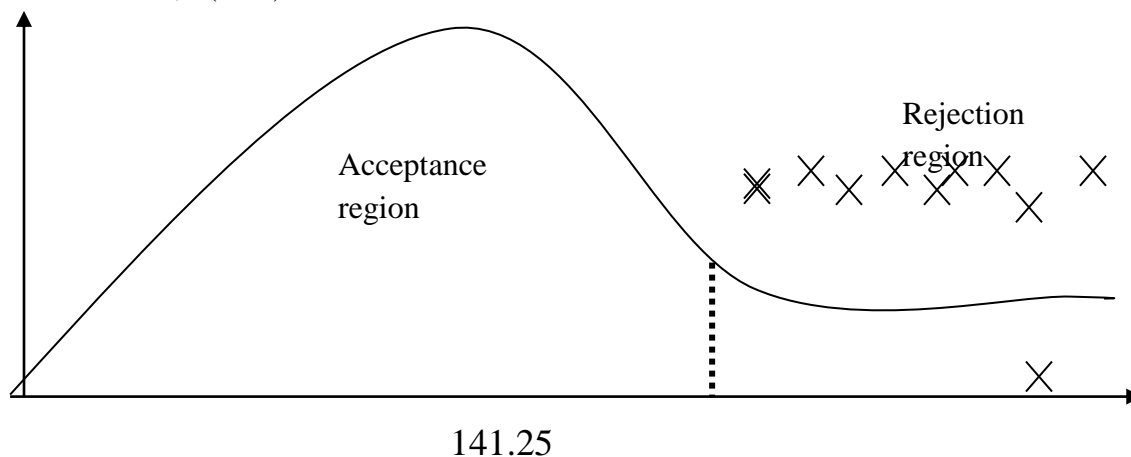
Table 16 (B): Summary of ANOVA Table for Hypotheses one

Source of Variation	SS	DF	MS	F-Value $\frac{ms}{x}$
Between Treatment	6785	4-1 = 3	$\frac{6785}{3}$ $= 2260$	$\frac{2260}{16}$
Within	251	20-4 = 16	$\frac{251}{16}$	= 141.25

Treatment			16 = 16	
Total	7036			

Source: Extract table 4.2.1 (A)

∴ F – table F2, 9(0.05) = 4.26



Decision

Since the computed F value 141.25 is greater than the F-table 4.26 tabulated, that is $141.25 > 4.26$, it therefore holds that the null hypothesis (H_0) is rejected and the alternative (H_1) is accepted therefore concluding that there is no significant relevant between forensic Audit and other types of audits.

Discussion of Result

This study found that all the respondents were genuinely interested and enthusiastic about the relevance of forensic auditing as an investigative tool in curbing financial crimes in public sectors organizations. Participants were vocal and specific regarding issues that concern the subject matter under study.

From the analysis of data gathered from the study, findings reveal that there is a significant relationship between Forensic Auditing and investigative skill curbing financial crime. This is because the computed F value 293.33 is greater than the F-table 4.26 tabulated, that is $293.33 > 4.26$, it therefore holds that the null hypothesis (H_0) is rejected and the alternative (H_1) is accepted therefore concluding that there is a significant relationship between Forensic Auditing and investigative skill curbing financial crime.

The findings also gathered that majority of discussants agree that there is a significant relationship between Forensic Auditing and Litigation Support Services. This study supported this fact since the computed F value 123.95 is greater than the F-table 4.26 tabulated, that is $123.95 > 4.26$, it therefore holds that the null hypothesis (H_0) is rejected and the alternative (H_1) is accepted therefore concluding that there is a significant relationship between Forensic Auditing and Litigation Support Services.

Finally, findings also have it that there is no significant relevant between forensic Audit and other types of audits. From the analysis of question 10,11,12 and 13 which was supported by the test of our hypothesis that there is no significant relevant between forensic Audit and other types of audits.

Conclusion

In conclusion, this study has analyzed the relevance of forensic auditing as an investigative tool in curbing financial crimes in public sectors organization. I also ascertain why attention has to be given to the question of fraud detection and fraud prevention in Nigeria with the aid of Forensic Accounting. It has discussed the Forensic Accounting approach or procedure necessary for detection, prevention of fraud and the type of control to be established in order to control the incidence of fraud in the state. It should be emphasized that whether within the business world or in the public sector, the ultimate responsibility for discouraging and preventing fraud and corrupt practices rests with management.

This study also appreciated some of the reasons why government staff and other public servant engage themselves in fraudulent practices. Also, the role of forensic accountants and the skills they need to possess to be able to contribute their quota meaningfully in achieving the objectives of this study was extensively discussed.

Above all, the study revealed that there is significant relationship between Forensic Auditing and investigative skill curbing financial crime, as it equally showed that there is significant relationship between Forensic Auditing and Litigation Support Services and finally the study indicates that there is significant relevant between forensic Audit and other types of audits

Recommendations

The following recommendations are proffered.

1. Government and regulatory authorities should ensure the provision of standards and guidelines to regulate forensic activities and above all Nigerians should embrace integrity, objectivity, fairness and accountability in their day-to-day activities.
2. Training and guidance is vital in maintaining the effectiveness of the strategy for the detection and prevention of fraud and corruption and its general credibility. The government needs to support induction and work related training, particularly for employees involved in internal control system and the accounting sector, to ensure their responsibilities and duties are regularly highlighted and reinforced and that best practices is followed across organizations service. Significantly, Forensic Accounting or any anti-fraud and corruption strategy can only work if heads of departments and senior managers are committed to it. The anti-graft agencies like the EFCC and the ICPC should ensure that they have their technical, investigative and accounting staff trained in the field of Forensic Accounting. Adequate structure and mechanism must be put in place.
3. Create effective policies and procedures: The heart of fraud prevention is the institutions policies and procedures. Proactive fraud prevention procedures are at the heart of the institutions internal control systems. While compliance with current regulations is important, having substantive control that actually prevents fraud is more important.

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