**Forensic Accounting Skills and Fraud Control in Deposit Money Bank in Nigeria**

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**Abstract**

This research work focused on Forensic Accounting Skills and Fraud Control in Deposit Money Bank in Nigeria. The motive behind this study is to examine the extent to which asset misappropriation could be curbed by forensic accounting skills, how cash layering methods of fraudulent practices can be affected by forensic accounting skills, and how control can be corrected by forensic accounting skills through improved technology.The targeted population of this study consists of 594 management staff of Guaranteed Trust Bank in Nigeria. The sample size consists of two fifty-six (240) Staff. Regression analysis was used to analyze the result. The results of hypothesis one showed a significant link (r = 0.413; P 0.05) in the banking system between forensic accounting expertise and the placement technique of corporate control of asset theft. According to hypothesis two (r = 0.449; P 0.05), there is a statistically significant relationship between forensic accounting expertise and the Integration technique of weakening internal control. The government should provide an enabling environment for the forensic accounting profession to thrive in the country by strengthening the legal, educational, and political framework in the country (Nigeria).

**Keywords:** Forensic Accounting skills, Financial Crimes, Nigerian Banking System

**Words Count:** 250

1. **Introduction**

Financial crimes encompass a range of activities such as corruption, bribery, kickbacks, and various forms of fraud. Fraud involves deceptive actions, false representations, or concealment of crucial information to deceive others for personal gain. Tax fraud, a subset of financial fraud, entails intentional deception in tax matters, leading to a tax loss for the government. Tax evasion, a component of tax fraud, primarily impacts domestic tax revenues, often associated with the unofficial or shadow economy. It undermines public budgets and economic growth, leading to a global effort to combat offshore tax evasion. However, detecting tax fraud poses a significant challenge, as it involves violating trust and manipulating information to reduce tax liabilities. Forensic accountants play a crucial role in uncovering and prosecuting tax fraud. In recent times, there has been a surge in financial fraud, particularly through internet and mobile platforms. The Nigeria Inter-Bank Settlement System Plc (NIBSS) reported a high success rate of 91% in fraud attempts during the first nine months of 2020, causing concerns among authorities and the public1.

Forensic accounting involves gathering evidence of criminal activities and quantifying damages. It's increasingly utilized by financial institutions, insurance companies, law enforcement agencies like the FBI, and tax authorities2. Demand for skilled forensic accountants is growing as they play a vital role in identifying financial statement fraud through research, analysis, and complex data interpretation. Procedures include document inspection, data reconstruction, transaction tracing, and validation of supporting documents. Forensic accounting and audit are crucial in evaluating corporate governance and detecting corporate fraud. In Nigeria, corporate fraud has become a concern in banks, prompting the need for investigations to identify root causes and develop prevention strategies4. Forensic accounting, a field that addresses economic and financial crimes, has gained prominence due to high-profile cases and the global financial crisis. Notably, the rise in internet-enabled financial crimes has global repercussions for firms like Lehman Brothers, Enron, and Goldman Sachs. Forensic accountants distinguish themselves by going beyond numbers to investigate financial improprieties5. The term "forensic" in forensic accounting refers to its application in legal matters, serving as a bridge between law and accounting. It aids courts in establishing the truth in legal cases, such as the Enron scandal, highlighting the need for accountants with specialized skills6. Forensic accounting emerged in response to corporate malfeasance and fraudulent financial activities that contributed to the global financial crisis7. These accountants possess financial, accounting, auditing, investigative, and regulatory expertise. Their role is to detect financial fraud through complex schemes, creative accounting, and book manipulation. The prevalence of financial and economic fraud, as well as corruption, necessitates addressing these issues globally. Despite numerous initiatives, a shortage of forensic accounting professionals with the skills to qualitatively audit financial statements and records hampers efforts to combat financial fraud. The ability to swiftly and accurately investigate the intricate operations of fraudsters, who often have financial expertise, remains a challenge, contributing to the increase in white-collar financial crimes8. However, due to insufficient law enforcement, which is connected to subpar litigation assistance in the prosecution process and time-consuming legal procedures that are frequently abused to waste time, the conviction rate in financial fraud cases is relatively low. Imagine a case involving a prominent political figure who had carnival-like support on the courthouse grounds, with his supporters cursing and yelling at anyone who brought their (accused) breadwinner to court9. Without the full support of accounting professionals, prosecutors frequently struggle to present and develop strong evidence to convict fraudsters. The forensic accountant may be of assistance in this situation by providing accounting, financial, or other evidentiary inputs for legal purposes. Forensic accountants must be proficient in financial regulatory frameworks, scientific investigation methods, interpersonal and communication skills, and other areas in order to achieve this goal. Forensic accounting expertise is being used by Western nations to combat financial fraud and other economic crimes. In the development and application of forensic accounting, the United States and Canada were pioneers10. The term "forensic accounting" describes the application of accountants' business expertise to the investigation of fraud, money laundering, asset theft, and the finding of hidden assets in divorce cases. Consequently, forensic accounting might be considered a branch of accounting that is suitable for legal scrutiny and offers the highest level of assurance. A group of procedures that keep track of the institution's financial activity is known as the University Financial System (UFS). Accounting for research grants, financial reporting, and management reporting are all included in it14. Forensic accountants have been more significant in the litigation and other legal conflicts sparked by recent corporate frauds and failures, but little has been done in the areas of university financial systems, tax fraud prevention, and detecting fraud in the Nigeria banking system. Based on the issue described above, the purpose of this research is to provide a solution to fill a gap in the literature and expand the frontiers of knowledge about the Effect of Forensic Accounting in Investigating Fraud in the Nigeria Banking System.

* 1. **Statement of the Problem**

Recent fraud cases in Nigeria's banking industry have raised concerns among investors and stakeholders. Many Nigerian banks face credibility issues, and non-banking institutions have manipulated share prices on the Nigerian stock exchange. The Nigerian Deposit Insurance Corporation (NDIC) reported significant losses of approximately #264.5 billion to fraudsters between 2017 and September 202011. Financial crimes, mismanagement, and cash theft have been on the rise in government agencies and the banking sector. Despite numerous arrests, the number of prosecutions remains inadequate, raising questions about the use and application of forensic accounting in the investigative and litigation process. Notably, the EFCC has initiated an inquiry to recover stolen funds, such as the recent case involving the Accountant General, Ahmed Idris, accused of embezzling 345 billion Naira. The growth of the Nigerian banking industry has also witnessed a surge in financial crimes like fraud and money laundering, posing concerns about its stability and integrity. Forensic accounting has emerged as a viable solution to the challenges posed by financial crimes in the Nigerian banking system.

Forensic accounting is a specialized field of accounting that combines accounting, auditing, and investigative skills to detect and prevent financial crimes. It involves the use of various techniques such as data analysis, financial modeling, and forensic technology to investigate financial transactions and identify patterns that could indicate fraudulent activities10. However, the use of forensic accounting to investigate fraud in the Nigerian banking system is not without its limitations. One of the major limitations is the lack of adequate resources and expertise in forensic accounting. Although the importance of forensic accounting cannot be undermining. Therefore, the issue of this study is how to effectively identify and manage fraud using forensic accounting services or skills in the Nigerian banking industry. It is in the light of the above, that this study seeks to provide answers to the questions of fraud and forensic accounting skills in preventing and controlling fraud in the Nigeria banking system.

* 1. **Research Objectives**

The broad objective of this study is to examine Forensic Accounting Skills and Fraud Control in Deposit Money Bank in Nigeria, while the specific objectives are to:

1. Determine the extent to which asset misappropriation could be curb by forensic accounting skills.
2. Evaluate the extent to which integration method of weaken internal Control can be corrected by forensic accounting skills through improved technology.
	1. **Research Questions**

In order to provide a guide for the study, the following questions were raised.

1. To what extent does asset misappropriation could be curb by forensic accounting skills?
2. To what extent can integration method of weaken internal Control can be corrected by forensic accounting skills by aid of technology?
	1. **Research Hypotheses**

This work will test the following hypothesis:

H01: Asset misappropriation is not significantly affected by forensic accounting skills.

H02: Integration method of weaken internal Control is not significantly affected by forensic accounting skills in Nigeria banks.

* 1. **Significance to the Study**

The findings of the study we assist the banking sector to achieve accountability and integrity, improve operations, and instill confidence in customers and stakeholders. This study will assist banking sector to do what they are supposed to do and serve to detect and deter banking system corruption and assist decision-makers by providing an independent evaluation of the programs, policies, activities and outcomes of the banking sector. The recommendations of this research will be crucial to the management of banking system. It will also assist to strengthen governance by materially increasing citizens’ ability to hold their banking sector entity accountable. The study will also contribute to the academic knowledge because it will uncover some of the recent issues which affect internal audit and forensic audit effectiveness in Nigeria banking which other studies did not touch.

1. **Literature Review**
	1. **Conceptual Review**

The Nigerian banking industry, vital for the nation's economic expansion, is subject to stringent regulations enforced by the Central Bank of Nigeria (CBN). Over the years, the CBN has introduced various reforms to maintain a dependable and efficient banking sector. As of February 2021, Nigeria boasted 29 licensed banks, including commercial, merchant, and non-interest banks. The introduction of the Banks and Other Financial Institutions Act (BOFIA 2020) marked a significant regulatory enhancement, granting the CBN oversight over mergers, restructurings, and other bank business combinations. This transition from previous oversight by the Federal Competition and Consumer Protection Commission (FCCPC) strengthens the regulatory framework. Moreover, the Nigerian banking landscape has adapted to focus on financial inclusion, extending services to rural and unbanked areas through mobile money agents and agent banks. However, despite efforts to stimulate economic growth through measures like reduced interest rates and cash reserve requirements, the Nigerian economy faced challenges in the third quarter of 2020. The prevalence of fraud in the banking sector, as evidenced by a surge in fraud attempts, is a growing concern, necessitating vigilance and enhanced security measures. Lending is a core function of Nigerian banks, comprising a significant portion of their income and assets. The lending function plays a crucial role in financial stability, economic growth, and monetary policy execution. Lending is instrumental in shaping the nation's production, entrepreneurship, and overall economic output, making it an indispensable component of the economy's health and growth.

**Concept of Fraud in Banking System in Nigeria**

The Nigerian banking industry, vital for the nation's economic expansion, is subject to stringent regulations enforced by the Central Bank of Nigeria (CBN). Over the years, the CBN has introduced various reforms to maintain a dependable and efficient banking sector. As of February 2021, Nigeria boasted 29 licensed banks, including commercial, merchant, and non-interest banks. The introduction of the Banks and Other Financial Institutions Act (BOFIA 2020) marked a significant regulatory enhancement, granting the CBN oversight over mergers, restructurings, and other bank business combinations. This transition from previous oversight by the Federal Competition and Consumer Protection Commission (FCCPC) strengthens the regulatory framework. Moreover, the Nigerian banking landscape has adapted to focus on financial inclusion, extending services to rural and unbanked areas through mobile money agents and agent banks. However, despite efforts to stimulate economic growth through measures like reduced interest rates and cash reserve requirements, the Nigerian economy faced challenges in the third quarter of 2020. The prevalence of fraud in the banking sector, as evidenced by a surge in fraud attempts, is a growing concern, necessitating vigilance and enhanced security measures. Lending is a core function of Nigerian banks, comprising a significant portion of their income and assets. The lending function plays a crucial role in financial stability, economic growth, and monetary policy execution. Lending is instrumental in shaping the nation's production, entrepreneurship, and overall economic output, making it an indispensable component of the economy's health and growth.

**Concept of Forensic Accounting**

Forensic accounting is a highly specialized field that leverages accounting, auditing, and investigative skills to address legal challenges. It is recognized as a professional discipline that involves analyzing complex financial issues and presenting them concisely in a court of law as an expert witness. Forensic accountants play a crucial role in resolving disputes by providing expert investigations and evidence in both civil and criminal proceedings. Their work includes uncovering the nature of past financial activities based on limited or fragmented evidence, which often involves piecing together financial data to present it effectively in a legal context. This field is essential for addressing financial fraud, accounting rule violations, tax evasion, and financial deception. The demand for forensic accounting continues to grow, particularly within the global financial market, as the need for expertise in investigating meticulously orchestrated frauds intensifies, highlighting its importance in the banking sector.

**Fundamental Forensic Accounting Skills**

Forensic accountants are required to possess a diverse range of skills and competencies. These professionals must be well-versed in both civil and criminal law, understanding courtroom procedures and expectations. Their core skills include investigative abilities, innovative thinking, and effective communication skills. Additionally, a forensic accountant should excel in accounting, internal controls, auditing, taxation management, and have a deep understanding of interpersonal interactions and corporate operations. These talents make up the foundation of their skill set, which serves as the basis for their work in examining financial discrepancies and fraud.

The talents of a forensic accountant can be categorized into two tiers: basic, intermediate, and advanced. The foundational layer primarily involves accounting knowledge, while the intermediate layer focuses on skills related to auditing, internal controls, risk assessment, and fraud detection. At the top tier, expertise in the legal environment and strong communication skills are crucial. Forensic accountants are expected to be proficient in various fields such as accounting, law, auditing, criminology, information technology, and communication. They must also possess investigative skills, research abilities, mathematical methodologies, and knowledge in finance and law enforcement practices, demonstrating their well-rounded expertise in addressing financial discrepancies and legal challenges effectively.

* 1. **Theoretical Framework**

This research incorporates two key theories to understand why corporations engage forensic accountants in handling fraud and financial crimes: the Fraud Triangle, Fraud Diamond, and Fraud Scale theories.

***Table 1***

|  |  |  |
| --- | --- | --- |
| **Fraud Triangle Theory** | **Fraud Diamond Theory** | **Fraud Scale Theory** |
| The Fraud Triangle theory identifies two main factors in fraud: opportunity, pressure, and rationalization. Weak internal controls or inadequate management oversight provide opportunities for fraud. Employees often commit fraud due to financial pressure or external challenges and rationalize their actions. | Expanding on the Fraud Triangle, the Fraud Diamond theory adds a fourth element - an individual's skills and personal traits - alongside opportunity, pressure, and rationalization.  | A variation of the Fraud Triangle, the Fraud Scale theory replaces justification with personal integrity. Personal integrity, linked to an individual's ethical code, affects decision-making and can indicate the propensity for fraud. Professional investigators, like forensic accountants, are vital in preventing and addressing fraudulent behavior. |

***Source: Author 2023***

* 1. **Review of Empirical Studies**

Numerous empirical studies have explored the relationship between forensic accounting and fraud detection and prevention. Research conducted in various industrialized nations, such as the United States, the United Kingdom, and Canada, as well as a few studies in Nigeria, have investigated the applications of forensic accounting techniques in combating financial crimes in both public and private sectors12, 13, and 14. The research in Nigeria collected and analyzed both primary and secondary data using descriptive statistics, regression, and sensitivity analysis. The findings emphasized the demand for forensic accountants in addressing fraud and corruption issues in the country, particularly in the public sector12. Another study in Nigeria focused on business organizations, indicating that the use of forensic accounting services has limited effectiveness in deterring fraudulent activities. The research recommended improving recruitment practices and implementing more reliable accounting systems as a means to address fraud13. A separate investigation, which used well-structured questionnaires from 24 banks in Nigeria, highlighted the significant impact of forensic accounting services on the detection of bank fraud activities. It concluded that forensic accounting services provide banks with essential resources for fraud prevention, emphasizing the need for regulatory bodies to establish standards for forensic activities14.

1. **Methodology**

This chapter deals with the general procedure for the conduct of this study. It describes the research design sample and sampling procedure, instrumentation, procedure for data collection and method of data analysis.

**Research Design**

This study adopted a descriptive survey research design. The main rationale for using this design is that it allows in-depth study of the subject matter and it is suitable to describe attitudes, views or opinions and behavior patterns of people. Descriptive survey design also allows the researcher to study how the independent variable affects the dependent variable.

**Population of the Study**

The population for this study comprises of staff of Guarantee Trust Bank (GTB) head office and selected branches across the south west Nigeria. The data provides a breakdown of the Senior and Junior account populations at these branches, yielding a total of 132 senior accounts and 462 junior accounts. In sum, the study encompasses a total population of 594 accounts.

**Sample and Sampling Technique**

The study's sample size of 240 staff members followed Taro Yamani's recommendation. Stratified random sampling was used to capture key characteristics aligned with the study's unit of analysis. The simple random technique was then used to select samples from each stratum within the chosen organizations.

**Description of the Research Instrument**

The instrument for data collection is self-structured questionnaire containing 20 question items. The questionnaire adopted the 4-point Likert type summation scale weight. It has two sections A and B. Section A elicited response on demographic data of the respondents while section B was designed to collect information on Effect of Forensic Accounting in Investigating Fraud in Nigeria Banking System. Lastly, on the top of each questionnaire was a letter by the researcher for each respondent to respond to every information supplied would be treated in confidence. This is done to ensure that the information so given-would be a true reflection of their opinion on the research topic.

**Model Specification**

This research work aims at examining the role of forensic accounting in fraud prevention and detection in the Nigeria banking system in an ordinary least square regression framework.

Mathematically, model is specified as follows:

( ) Y *F X* = (1)

Where:

Y=Dependent variable=Fraud

X=Independent variable=Forensic accounting comprising Fraud investigation, Expert consultancy and Litigation Support.

( ) 1 2 3 , , . *n X f x xxx*= ……… (2)

Where:

1 x =Fraud investigation

2 x =Expert consultancy

3 *x* =Litigation support

*μ* =Error term.

The full specification of the regression equation is as stated below:

Fraud= 0 1 β β +Fraud 2 *I* β +Expect 3 *C* β +Litigation *t S* μ +(3)

Where:

F = Fraud

Fraud I= Fraud Investigation

Expert C= Expert consultancy

Litigation S= Litigation Support

Forensic accounting= 0 1 β β +Fraud investigation+ 2 β Expect consultancy+ 3 β Litigation support

Where 0 β is the constant of the model while 1 β, 2 β, and 3 β, are the coefficients of the independent variables. *μ* is the error term.

**A priori expectation**

The a priori expectations are stated mathematically below:

With regards to fraud investigation, it is expected that fraud investigation (a component of forensic accounting) will be inversely related to fraud. That is, an increase in fraud investigation will lead to a decrease in fraud. Therefore, the a priori expectation, which is otherwise known as the expected sign of the coefficient of Fraud investigation from our model specified in section 3.8 above, 1 β, is as below:

1 0 *F FI* β ∂ = < ∂ (4).

With regards to litigation support it is expected that litigation support (a component of forensic accounting) will be inversely related to fraud. That is, an increase in litigation support will lead to a decrease in fraud. The a priori expectation, which is otherwise known as the expected sign of the coefficient of litigation support from our model specified in section 3 above, β3 is as below:

1. 0 *F LS* β ∂ = < ∂ (5)

**Method of Data Analysis**

Data analysis is essential for any research project. To make the analysis meaningful, descriptive statistics (such as mean scores and standard deviation) will be used to answer the research questions. The participants' responses will be represented as percentages, and the results will be tested with a t-test to determine the level of significance. A score of 4 or 3 indicates agreement, while a score of 2 or 1 indicates disagreement, with higher scores indicating stronger agreement or disagreement.

1. **Data Analysis**

This section is mainly concerned with personal data in respect of respondents and its shows information on Gender, Marital status, Age distribution, Education and Designation with the Company under study.

**Table 4.1 Distribution of Respondents by Sex**

|  |  |  |
| --- | --- | --- |
| Options  | Frequency | Percentage (%) |
| Male | 92 | 44% |
| Female | 118 | 56% |
| Total  | 210 | 100% |

**Source:** field survey 2023.

**Result:** From the table above 44% of the respondents were male while the remaining 56% respondents were females, this is in line with the gender distribution of the organizations.

**Table: 4.2 Distribution of the respondent by Educational Qualifications**

|  |  |  |
| --- | --- | --- |
| Options | Frequency  | Percentage (%) |
| ND /NCE | 75 | 36% |
| HND/B.SC/B.Ed. | 106 | 50% |
| MS.C / Ph.D. | 29 | 14% |
| Total | **210** | **100**% |

**Source:** Field survey 2023

**Result:** From the above, the present qualifications of the respondents are as follows: ND /NCE 18%, HND / BSC 25% and MS.C/Ph.D. 7%

**Interpretation:** The respondents are well qualified to answer. They are knowledgeable and the response can be regarded as reliable**.**

**Table 4.3: Distribution of the Respondents by Years of Experience**

|  |  |  |
| --- | --- | --- |
| Options  | Frequency | Percentage (%) |
| 0-5 years | 50 | 24% |
| 6-10 years | 70 | 33% |
| 11-15 years | 50 | 24% |
| 16-20 years | 20 | 9.5% |
| 21years and above | 20 | 9.5% |
| Total | 210 | 100% |

**Source:** field survey 2023

From the Table 4.3 we discovered that 24% of the respondents have experience ranging from 0 to 5 years, 33% of the respondents 6 to 10 years and 34% of the respondents 11 to 15 years, 9.5% of the respondent 16-20 years, 9.5% have above 21 years and above experience in different department in the company.

**4.2 Presentation of Data**

**4.2.1 Research Questions**

**Question One:** To what extent does asset misappropriation could be curb by forensic accounting skills?

Table 4.4 Showing response to Question One

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **S/N** |  | **Agree**  | **Strongly** **Agree** | **Disagree**  | **Strongly** **Disagree**  |
|  | Forensic accounting has improved the reporting practice in banking system compare to the Nigerian GAAP. | 6732% | 9947% | 3215% | 126% |
|  | Forensic accounting help accurate analysis in comparisons and depend on the financial performance of other businesses in the same sector.  | 8540% | 8139% | 209.5 % | 148% |
|  | It contributes to the creation of realistic plans for the future by means of accurate analysis of the financial performance of the business.  | 7938% | 8239% | 157% | 3416% |
|  | Forensic accounting ensures realistic financial reporting, more accurate information about company activities is presented to capital investors, especially about assets or capital structure analysis of the businesses. | 8340% | 9746% | 3014% | \_\_\_ |
|  | Forensic accounting positively affects accounting quality in terms of document and recording order.  | 8540% | 9545% | \_\_\_ | 3014% |
|  | The EFCC has established and maintained investigative support concepts network with forensic accounting. | 5426% | 9847% | 3818% | 2010% |

**Source:** Field survey 2023

Table 4.4 offers valuable insights into respondents' viewpoints regarding forensic accounting across several key dimensions. Concerning financial reporting practices, a substantial 79% of respondents either agreed or strongly agreed that forensic accounting has notably improved reporting practices in the banking sector when compared to Nigerian GAAP. Moreover, a significant majority, at 79%, expressed agreement or strong agreement with the idea that forensic accounting facilitates precise analysis, particularly in assessing the financial performance of other businesses in the same sector. In the context of goal-setting, 77% of respondents agreed or strongly agreed that forensic accounting contributes to the formulation of realistic future goals through precise analysis of an organization's financial performance. The data also revealed that 60% of respondents either agreed or strongly agreed that forensic accounting ensures realistic financial reporting, providing more accurate information to capital investors, especially regarding assets and capital structure analysis. On the front of accounting quality, an overwhelming 85% of respondents expressed agreement or strong agreement with the notion that forensic accounting positively impacts document and recording order. Furthermore, 73% of respondents either agreed or strongly agreed that the EFCC should establish and maintain an investigative support concept network with forensic accounting. Lastly, when assessing the impact of irregular salary payments, a notable 72% of respondents concurred that these payments have a detrimental effect on work performance. In summary, the data in Table 4.4 conveys a predominantly positive perspective among respondents regarding the role of forensic accounting across various aspects of business

**Research Question Two:** To what extent can integration method of integration method of weaken internal Control can be corrected by forensic accounting skills?

 Table 4.5 Showing response to Question Two

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | A | SA | D | SD |
| Forensic accounting increases the efficiency of the financial analysis by making audits of the business easier | 7536% | 8138% | 4019% | 147% |
|  |  |  |  |  |
| Forensic accounting help in making comparisons on the same basis between different periods, and thus in making appropriate decisions in subjects vitally important for the business | 7938% | 8238% | 157% | 3416% |
| Forensic accounting can help the bank to make better investment decisions compare to the Nigerian GAAP. | 7838% | 10257% | 105% | 3014% |
| The adoption of forensic accounting has brought about comparable financial statements. | 11363% | 6737% | 3014% | \_\_\_ |
| The cost of adopting forensic accounting is too high compare to the benefits that will be enjoyed. | 4120% | 10248% | 3014% | 2713% |
| The adoption of forensic accounting has brought about transparent financial statements. | 5727% | 9244% | 2311% | 2813.% |
| The adoption of forensic accounting has brought quality measure to identify, trace and confiscate proceeds from fraudulent practices | 8942% | 7837% | 157% | 2813% |
| Forensic accounting has helped in uncovering electronic crimes and economic fraud in Nigeria banking system | 6029% | 9545% | 4019% | 157% |

**Source:** Field survey 2023

The data in the table reveals a positive perspective among respondents regarding the benefits of forensic accounting. Specifically, 36% agreed that it enhances the efficiency of financial analysis and 38% strongly agreed, with only 7% in disagreement and 7% strongly disagreeing. Moreover, 38% of respondents believed that forensic accounting contributes to consistent financial data over time, aiding in sound decision-making. An even higher 39% strongly agreed with this, while 7% disagreed and 16% strongly disagreed. In terms of its impact on investment decisions, 38% saw forensic accounting as valuable compared to Nigerian GAAP, with a substantial 57% strongly agreeing. A small minority disagreed (5%), and 14% strongly disagreed. Additionally, 46% of respondents believed forensic accounting has resulted in more comparable financial statements, while 37% strongly agreed, and only 14% disagreed. However, cost was a concern for some, with 20% stating that the expense of implementing forensic accounting outweighs the benefits, while 48% strongly agreed with this perspective. In terms of transparency, 27% agreed that forensic accounting has led to more transparent financial statements, and 44% strongly agreed, while 11% disagreed, and 13% strongly disagreed. Lastly, a significant number of respondents believed that forensic accounting has improved fraud detection and asset tracking, with 42% agreeing and 37% strongly agreeing. Only 7% disagreed, and 13% strongly disagreed. Additionally, 29% felt that forensic accounting has aided in detecting electronic crimes and economic fraud in the Nigerian banking sector. A substantial 45% strongly agreed, while 19% strongly disagreed, and 7% strongly disagreed.

* 1. **Presentation of Test of Hypotheses**

**Hypothesis One:**

H01: Asset misappropriation is not significantly affected by forensic accounting skills.

**Table 4.7: Relationship between Asset Misappropriation and Forensic Accounting Skills**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  Variables  | N | Mean (X) | (Std. Dev.)SD | R  | Sig. | Remark  |
| Forensic accounting skills | 210 | 50.67 | 4.61 | 0.413 | 0.05 | Sign  |
| Placement method of corporate control of financial crimes | 210 | 160.24 | 2.82 |

This study shows a significant relationship between Forensic accounting skills and Placement method of corporate control of financial crimes (r = 0.413; P<0.05) in the banking system.

**Hypothesis 2**

H03: Integration method of weaken Internal Control is not significantly affected by forensic accounting skills in Nigeria banks.

**Table 4.8: Significant Effect between Integration Method of Corporate Control of Weaken Internal Control and forensic accounting skills in Nigeria banks**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  Variables  | N | Mean (X) | (Std. Dev.)SD | R | Sig. | Remark  |
| Forensic accounting skills | 210 | 140.28 | 2.52 | 0.449 | 0.05 | Sign  |
| Integration method of corporate control of financial crimes | 210 | 69.72 | 4.52 |

It is shown in the above table that there is a significant effect between forensic accounting skills and Integration method of corporate control of weaken internal control (r = 0.449; P<0.05)

**Discussion of the Findings**

This study examines Forensic Accounting Skills and Control of Financial Crimes in Nigerian Banking System. The findings of this research demonstrate the effectiveness of using forensic accountants with in-depth expertise in forensic accounting and audit as a strategy for avoiding corporate fraud in Nigerian banks and restoring investors' faith in banks' financial reporting. It has been discovered that forensic accountants' adherence to legal regulations and accounting standards helps to verify the accuracy and fairness of bank financial accounts. It was determined that forensic accountants and auditors were not accountable for any significant weaknesses in the internal control framework of banks. Additionally, the results of hypothesis one showed a significant link (r = 0.413; P 0.05) in the banking system between forensic accounting expertise and the placement technique of corporate control of asset theft. According to hypothesis two (r = 0.449; P 0.05), there is a statistically significant relationship between forensic accounting expertise and the Integration technique of weakening internal control. The research also shows that the different forensic accounting approaches help in identifying abnormalities in financial accounts, hence reducing bank fraud. The research also shown that forensic accounting, which integrates knowledge of accounting, auditing, and investigation abilities, serves as an efficient and effective method of reducing fraudulent activities in Nigeria. The results demonstrated that forensic accounting has a considerable impact on fraud prevention and detection. The correlation between the two shows that as more forensic accounting is done, more fraud is found and stopped. In Nigeria, there has been an alarming rise in fraud and fraudulent activity, necessitating the exposure of forensic accounting services1. Similar to this, forensic accounting helps to deter financial crimes by actively and thoroughly investigating such fraud. The use of standardized methodologies and processes to direct forensic accounting assignments, according to their theory, would further aid in lowering the incidence of fraud. According to a different research, forensic accounting is crucial to the prevention and detection of fraud in Nigeria. From the foregoing, we can deduce that forensic accountants should conduct fraud investigations as part of routine business operations because the mere fact that forensic investigators are paying frequent visits can deter some types of fraud, especially those that are motivated by financial or economic pressures rather than habit.

**Conclusion**

Based on the debate, the researcher assumes that Nigerian banks have implemented numerous forensic accounting techniques such as litigation assistance, fraud investigation, and expert advice. The study also finds that forensic accounting has a favorable influence on fraud prevention and detection. A company that wants to expand with a low incidence of fraud must invest in enough resources to correctly perform forensic accounting in each of its departments. Forensic accounting, like other methods used by money deposit institutions to reduce the occurrence of fraud, may enhance trust in financial statements by having a favorable influence on fraud prevention and detection. Personal responsibility has evolved as one of the most popular tactics for combating fraud among legal strategies used in various firms. In addition, forensic accounting has a substantial impact on enhancing organizations' internal control systems in Nigeria, resulting in fraud reduction. Through fraud detection and the imposition of penalty on criminals, forensic accounting contributes to the decrease of financial fraud in Nigeria. Forensic accounting has a substantial influence on the reliability of organizations' financial reporting in Nigeria. In Nigeria, forensic accounting has a substantial influence on business financial transparency. As a result, in order to maintain good operations in the bank, fraudulent activity in the banking industry must be monitored, stopped, and caught, with forensic accounting being a tool that may help with this.

**Recommendations**

Based on the study's results, the following suggestions are made:

1. The government should provide an enabling environment for the forensic accounting profession to grow in the nation by enhancing the country's legal, educational, and political frameworks (Nigeria).
2. The National Institutions Commission (NUC) should guarantee that forensic accounting procedures are taught to undergraduate accounting students in Nigerian universities.
3. Universities should foster post-graduate expertise in forensic accounting procedures.
4. The Institute of Chartered Accountants of Nigeria (ICAN) and other regulatory organizations should include forensic accounting into their professional examination curriculum.
5. Accounting practitioners should be aware of the advantages of forensic accounting in preventing and detecting fraud in their businesses, as well as the severity of financial fraud and their organizations' vulnerability to fraud.
6. Organizations should employ accounting and fraud prevention and detection to limit incidences of fraud and financial misappropriation.
7. More research on forensic accounting skills and financial crime control is required; as a result, more research is required to give a more specific relationship to corroborate these findings. As a result, the researcher recommends additional research to establish a more precise correlation and to validate the present conclusions.

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