

FORENSIC ACCOUNTING AND FRAUD MANAGEMENT: EVIDENCE FROM FIRMS LISTED ON THE NIGERIAN STOCK EXCHANGE.

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ABSTRACT

This study examined forensic accounting and fraud management: Evidence from firms listed on the Nigerian Stock Exchange. The survey research design was used in this study. Primary sources of data were used. Questionnaire and interview instruments were employed to collect the data from the sampled respondents. The study used Likert scale questionnaire with 4 points scale viz; Strongly Agree, Agree, Disagree, and Strongly Disagree, to ensure validity of the questionnaire for the study. The population of the study comprised of 170 firms currently listed on the Nigerian Stock Exchange. The sample size of twenty (20) firms was randomly selected. Twenty (20) copies of the questionnaire were administered to each of the twenty (20) firms with a total of 400 copies administered to the respondents. A total of 350 respondents filled and returned. Statistical tool used for analysis of data was regression analysis with the help of SPSS version 21. The findings for this study revealed that forensic accounting is a means of preventing and detecting fraud and does significantly affects fraud management in the organisation. Furthermore, the study revealed that Forensic Accountants are relevant in investigating fraud and corruption and also provides expert knowledge in fraud management in the private sector. The researcher recommended that Forensic Accountants with expert's knowledge should conduct the investigation in the organization to unravel evidence of fraud and appropriate disciplinary action should be taken against fraudsters. Secondly, Professional Accountancy Bodies in Nigeria should ensure that forensic accountants are properly trained with modern skills and techniques in order to prevent fraud in organizations. Thirdly, Government should provide an enabling act for forensic accountants to discharge their skills and duties effectively and efficiently both in private and public sector organization appropriately. Lastly, private and public firms should employ the services of Forensic Accountants in order to set up a control framework that evaluates risks, take measures to control such risks and fulfill the objectives of the management.

Key Words: ForensicAccounting, Fraud, Fraud Management, Corruption.

INTRODUCTION

The menace of fraud in Nigeria and the world at large requires the need for use of forensic accounting in both private and public sector of Nigerian economy. The problem of fraud continuous to increase all over the world. It is a major concern to developing nations like Nigeria and the growing nature of fraud and corruption in private and public sector is gradually becoming an issue in our daily lives. This issue of fraud increase ranges from corporate organizations, government agencies, banks, civil service, traders, institutions of learning and even faith

based organisations. The federal government has been making several efforts in tackling these dreadful menaces by setting up many anti corruption institutions to reduce cases of fraud and other activity of financial and economic crimes but the efforts seemed not to have yielded the desire results or have not been effective. Ehioghrien & Atu, (2016). The widespread frauds in modern organizations have made traditional auditing and investigation inefficient and ineffective in the detection and prevention of the various types of frauds confronting businesses world-wide. (Onuorah and Appah, 2012).

Enofe, Olorunnuho & Okporua (2013) viewed that an auditor does not have the absolute duty to uncover fraud, but is expected to practice fair and true reporting to ensure that the interests of the public as well as the employees are protected. Izedonmi, and Ibadin, (2012) observed that financial fraud or crimes have grown wild nowadays, and the emergence of computer software coupled with the advent of internet facilities has compounded the problem of financial crimes.

Ehioghrien and Atu, (2016) observed that there is need for accountants at all levels to have the requisite skills and knowledge for identifying, discovering as well as preserving the evidence of all forms of irregularities and fraud. Indeed, there are new dimensional approaches that require for detection and prevention of fraud. However, one of the modern approaches used in fraud detection and prevention is the forensic accounting. Enofe et al, (2013). Further observed that companies or organizations should look towards new approaches rather than following the traditional approach which may be the best alternative in resolving fraudulent and corrupt practices in their organizations.

Ola, (2018) viewed that forensic accounting practice is probably one of the most indispensable and modern areas that detect and prevent fraud and financial corruption, assess business, resolve professional negligence practice, and assist in conflict resolutions of fraud-related internal investigations. Forensic accounting is the tripartite practice of utilizing accounting, auditing and investigative skills to assist in legal matter (Olola, 2016).

Borthakur, (2017) as cited in Gbegi, Gberindyer & Duenya (2018) said that forensic accounting is a specialized branch of accounting, that requires a specialized skills set for fraud detection. He further said that forensic auditor examines a

company's system of internal controls to identify any weakness in the internal controls designed to safeguard assets and to determine whether anyone in the company has exploited control weakness to misappropriated asset for personal gain, including corruption, bribery, extortion, embezzlement and so on. This study therefore, examines the need of forensic accounting and fraud management as a means of detecting and preventing fraudulent practices among firms listed on the Nigerian Stock Exchange.

Statement of the Problem

Fraudulent activities and financial crimes are continuously taking place in both public and private sectors in developed and developing nations including Nigeria. These problems affect financial institutions, educational institutions, government establishments, non-governmental organizations, faith based organization, manufacturing businesses, and a host of other organizations. In the words of Eyisi and Ezuwore, (2014), 'corporate financial fraud could be drawn from recent bank failure in Nigeria where management has fraudulently given loans without board approval and yet such bank annual report has been unqualified'.

Karwai (2002) viewed that frauds perpetrated by organizations in modern times usually involve complex web of conspiracy and deception that often mask the actual cause. Modugu and Anyaduba (2013) observed that financial irregularities have become the specialty of both private and public sector in Nigeria as individuals perpetrate fraud and corrupt practice according to the capacity of their office.

Ojaide (2000) noted that there is an alarming increase in the number of fraud and fraudulent activities in Nigeria emphasizing the visibility of forensic accounting services. Forensic accounting is seen as encapsulating all other investigation related areas in uncovering financial fraud. The

increasing sophistication of financial fraud and irregularities perpetrated by individuals informed the need for forensic accounting, which can be used in investigating fraud cases instituted against individuals. The belief is that forensic accounting may offer some respite to the seemingly vulnerability of conventional accounting and audit systems to financial fraud. Therefore, the continued prevalence of fraudulent practices in the private sector companies with its attendant consequences was the problem that struck the mind of the researcher.

Objectives of the Study:

The main objective of this study is to examine forensic accounting and fraud management on firms listed on the Nigerian stock exchange.

The Specific Objectives of this Study include;

- a. To examine the effects of forensic accounting on fraud management on firms listed on Nigerian Stock Exchange.
- b. To examine if forensic accountant is relevant in investigating fraud and corruption in the private sector.

The Study has the following Research Questions:

- a. How significantly forensic accounting has effects on fraud management.
- b. How significantly forensic accountant is relevant in investigating fraud and corruption in the private sector.

Statement of Hypothesis:

Ho1: Forensic accounting does not significantly affect fraud management.

Ho2: Forensic accountant is not relevant in investigating fraud and corruption in the private sector.

Conceptual Framework:

Fraud:

There are various definitions of fraud as viewed by scholars. According to Wikipedia dictionary, fraud is a crime against property, involving the

unlawful conversion of property belonging to another to one's own. Oxford Advanced Learner's Dictionary defined fraud as the crime of deceiving somebody in order to get money or goods illegally. Bhagwan (2014) defined fraud as misrepresentation of facts with intention to mislead someone to believe these facts as true; parting with some valuable thing or money belonging to someone after getting induced by relying upon such facts and also misappropriation of valuable thing or money belonging to someone who parted with it after getting induced by misrepresented facts causing or likely to cause loss of money and/or valuable things to the affected person. Nwaze (2012) defined fraud as 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.

Okafor (2004) added that fraud embraces all the multifarious means which human ingenuity can devise, which are resorted to by an individual to get advantage over another in false representation. Gerber, (2007) occupational fraud can be defined as the use of one's occupation for personal enrichment through the deliberate misuse or misapplication of the employing organization's resources or assets. Based on the above views, Fraud can be seen as a crime committed by an individual or more people against organizations or someone with the aim of getting undue advantage over other.

.Categories of Fraud:

The Association of Certified Fraud Examiners has classified occupational fraud and abuse into one of three major categories:

Asset Misappropriations: "any scheme that involves the theft or misuse of an organization's assets" Misappropriation of assets is further

divided into two subcategories: cash and non-cash. Cash misappropriations, occurring nearly four times more frequently than non-cash misappropriations, are committed against cash receipts, cash on hand and fraudulent disbursements. Although primarily through the theft of inventory or other physical assets, non-cash misappropriations are also committed through the release of proprietary information and theft of securities

Corruption: “any scheme in which a person uses his or her influence in a business transaction to obtain an unauthorized benefit contrary to that person's duty to his or her employer” Corruption frauds are generally facilitated through four primary schemes: conflicts of interest, bribery, illegal gratuities and extortion

Fraudulent Financial Reporting: “falsification of an organization's financial statements to make it appear more or less profitable.” Fraudulent financial reporting occurs when financial statements are manipulated through one of five methods: reporting fictitious or overstated revenues, concealing or understating liabilities or expenses, recording revenues or expenses in the wrong period, improperly valuing assets or failing to disclose significant information.

The effect of corporate fraud is a worldwide phenomenal. Bhagwan (2014) attributes the collapse of Enron, World. COM, Daewoo Motors Korea, Xerox etc. are some of the world level frauds which caused business losses. In Nigeria, the operatives of Economic and Financial Crimes Commission arrested the Managing Director (MD) of Fidelity Bank Plc, Nnamdi Okonkwo, over an alleged \$115 million received from former Minister of Petroleum Resources, Diezani Alison-Madueke. The bank was accused of not reporting the transaction to the Nigerian Financial Intelligence Unit (NFIU) as required by the law (the scoop.ng.com2016). In the case of nine

commercial banks were fraudulent and constituted financial crimes in Nigeria, about one trillion naira was credited to have been lost through different means (EFCC Act 2004). However, there is a general need that forensic accounting may be able to combat financial fraud in both private and public sector in Nigeria

Forensic Accounting:

Accordingly, Joshi (2003) sees the origin of forensic accounting traceable to Kutilya, the first economist to openly recognize the need for the forensic accountant, who, he said, mentioned 40 ways of embezzlement, centuries ago. He, however, stated that the term "forensic accounting" was coined by Peloubet in 1946. In the same antecedents, Crumbley (2001) stated that a form of forensic accounting can be traced back to an 1817 court decision. It is an aspect of accounting that is suitable for a higher level of assurance for law courts .The combination of special areas of accounting, auditing and investigative skills yielded the specialty known as Forensic Accounting. "Forensic", defined by the Webster's Dictionary means, "Belonging to, used in or suitable to courts of judicature or to public discussion and debate." "Forensic accounting", provides an accounting analysis that is suitable to the court which will form the basis for discussion, debate and ultimately dispute resolution. Forensic Accounting encompasses both Litigation Support and Investigative Accounting..

Howard and Sheetz (2006), forensic accounting is the process of interpreting, summarizing and presenting complex financial issues clearly, succinctly and factually in a court of law as an expert. Forensic accounting is sufficiently thorough and complete so that an accountant, in his considered independent professional judgment, can deliver a finding as to accounts, inventories, or the presentation thereof that is of such quality that it would be sustainable in some adversarial legal

proceeding, or within some judicial or administrative review (Ezejiofor,2016).

In the view of Damilola and Olofinsola (2007), Forensic accounting is the application of criminalities methods and integration of the accounting investigative activities and law procedures to detect and investigate financial crimes and related economic misdeeds. They further viewed, Forensic accounting as a highly technical and specialized area of practice within the principles and ethics of accounting profession. They also said that it is not every forensic accounting engagement that ends up in the court of law.

Shanikat and Khan, (2013) as cited in Gbegi et al (2018) defined forensic accounting as the application of special skills in accounting, auditing ,finance, quantitative methods ,certain areas of law and research and investigative skills to collect, analyze and evaluate evidence matters and to interpret and communicate findings. It is a blend of accounting, auditing and investigative skills. It is an investigation of fraud or presumptive fraud with a view to gathering evidence that could be presented in a court of law. Dhami, (2015) viewed forensic accounting as simply analysis of evidence; it is the specialty practice area of accounting that describes engagements which result from real or anticipated litigation. In summary, it is a specialized area of accounting that combines accounting, auditing, investigative and legal skills and knowledge to provide and present complex financial issues, clearly and factually for legal issues.

Forensic Accounting Skills and Techniques

Joshi (2003) sees forensic accounting as the applications of specialized knowledge and specific skills to stumble up on the evidence of economic transactions. Zysman (2004) puts forensic accounting as the integration of

accounting, auditing and investigative skills.

A Forensic accountant is required to be an "expert" who is capable in a wide range of expert abilities and skills in accounting, financial, auditing investigative and legal knowledge in order to stem the growing menace of fraud and financial crimes in private and public organizations.

Bhavish, Roucheet , Youvish, Hema & Akshay (2017) highlighted the expertise that a forensic accountant should possess.

- A forensic accountant should be expert in dealing with financial statements and be able to review them and track back the transactions completed. This is a very important skill of the forensic accountant as it aids them in discovering abnormalities in transactions..
- They must possess enough knowledge and expertise to deal with frauds and should be aware of all previous cases of frauds relative to asset misappropriations, bribery, corruption and money laundering.
- The capacity to comprehend the functioning of the inside control frameworks of organizations, and be able to set up a control framework that evaluates risks, fulfill the objectives of the management, review the nature of the program so that required amendments can be made and train employees of their control duties.
- The forensic accountant must possess computing skills to help them in dealing with e-banking transactions and computerized accounting system.
- To know the basic functioning of the human brain and psychology such that he is able to know the motives behind criminal behavior and set up preventive strategies accordingly

- Interpersonal and relational abilities, which help in providing information about the organization's moral policies and help forensic accountants to lead meetings and obtain much needed data.
- Thorough knowledge of organization's governance policies and the laws that relate to these policies.

Forensic accountants, also referred to as forensic auditors or investigative auditors, often have to give expert evidence at the eventual trial (Crumbley et al. 2005). Forensic accountants utilize an understanding of business information and financial reporting systems, accounting and auditing standards and procedures, evidence gathering and investigative techniques, and litigation processes and procedures to perform their work. Forensic accountants are also increasingly playing more proactive risk reduction roles by designing and performing extended procedures as part of statutory audit, acting as advisers to audit committees, fraud deterrence engagements, and assisting in investment analyst research (Ozkul and Pamukc 2012).

Fraud Management

Coderre (2001) viewed that fraud management can be through detection and prevention and two main arguments were raised for who is responsible for fraud management - one states that management has the responsibility for the prevention and for the detection of fraud. Management however;

is responsible for the day to day business operations;

is responsible for developing and implementing controls;

has authority over the people, systems, and records; and

has the knowledge, and authority to make changes

On the other hand, fraud prevention and detection is audit's problem.

Audit:

has expertise in the evaluation and design of controls;

reviews and evaluates operations and controls; and

has a requirement to exercise 'Due Diligence'

He concludes that both management and audit have roles to play in the prevention and detection of fraud and the best scenario is one where management, employees, and internal and external auditors work together to combat fraud. He furthermore said that, internal controls alone are not sufficient, corporate culture, the attitudes of senior management and all employees, must be such that the company is fraud resistant.

Wilhelm (2004) viewed fraud management at various stages called "The Fraud Management Lifecycle" it is a network lifecycle where each node in the network, each stage in the lifecycle, is an aggregated entity that is made up of interrelated, interdependent, and independent actions, functions, and operations.

The Fraud Management Lifecycle is made up of eight stages.

1. **DETERRENCE:** According to Oxford Dictionaries deterrence is defined as the action of discouraging an action or event through instilling doubt or fear of the consequences. This first stage, is characterized by actions and activities intended to stop or prevent fraud before it is attempted; that is, to turn aside or discourage even the attempt at fraud through, for example, card activation programs.

2. **PREVENTION:** According to Cambridge Dictionary, Prevention is defined as, the act of stopping something from happening or of stopping someone from doing something In the fraud arena, prevention is to hinder, check, or stop a fraudster from performing or perpetrating fraudulent

activities to prevent fraud from occurring.

3. **DETECTION:** To detect, is to uncover or reveal, to discover the existence or presence of the fact of something hidden or obscure. Detection, is characterized by actions and activities intended to identify and locate fraud prior to, during, and subsequent to the completion of the fraudulent activity.. The intent of detection is to uncover or reveal the presence of fraud or a fraud attempt.

4. **MITIGATION:** Mitigation is begun once the presence or a reasonable suspicion of fraudulent activity has been detected. This stage, is to stop losses from occurring or continuing to occur and/or to hinder a fraudster from continuing or completing the fraudulent activity for example by blocking an account, Mitigation focuses upon fast actions that are intended to reduce the extent of the fraud, the amount of the associated fraud losses, and the effort and expense required to recover or correct the impact of the fraudulent activity..

5. **ANALYSIS:** is defined as, “the separation of anything into its constituent parts or elements, to analyze, to make an analysis of, to study in detail the factors of a situation, problem or the like, in order to determine the solution or outcome” (Webster Dictionary) Analysis is characterized by activities to identify and understand losses that occurred despite the deterrence, detection, prevention, and mitigation stage activities .It also evaluate the impact of fraud management activities upon legitimate customers. Analysis provides the performance reporting metrics that allow fraud management to make informed, calculated, and relevant decisions

6. **POLICY:** Policy is characterized by activities to create, evaluate, communicate, and assist in the deployment of policies to reduce the incidence of fraud. Policy must seek to balance deterrent value, loss reduction, sales volume, operational scalability, and cost effectiveness. Balancing

prudent fraud reduction policies with resource constraints and effective management of legitimate customer activity is also part of policy measures to curtail the incidence of fraud. For instance, the limit of approval by management or cash transaction over N1000,000 should be reported for investigation.

7. **INVESTIGATION:** is defined as, “to investigate; a careful search or systematic inquiry; to follow up or make research by patient inquiry, observation, and examination of facts” (Webster dictionary).

Investigation activities obtain enough evidence and information to stop fraudulent activity, to obtain recovery of assets or restitution, and to provide information and support for the successful prosecution and conviction of the fraudster(s). Fraud investigations comprises of three primary areas of activity: Internal investigations, External investigations, and Law Enforcement Coordination.

The internal investigations, includes investigations of employees, contractors, consultants, or vendors. External investigations are conducted on “customers” (fraudulent claims), “fraudsters” (individual crooks), and “organized groups” (an association of criminals). Frequently fraud cases are neither exclusively internal nor external. In these situations, internal fraudsters and external fraudsters work in concert to commit fraud. One of the more common examples of this situation is when a fraudster or organized group targets an employee to assist them with the commission of the fraud.

Law enforcement coordination is the provision of information and resources to, and the maintenance of, a partnership with federal, state, regional, and local law enforcement authorities. Rigorous and routine investigations provide for both an incremental lift in deterrence and the maintenance of an effective relationship with law enforcement.

A rigorous investigation includes comprehensive and detailed case documentation, complete detailed descriptions of the activity, accurate and complete interview notes, extensive contact information, and high quality physical and digital evidence documentation and storage. Each case is investigated with the idea that it will be prosecuted.

8.PROSECUTION: According to Merriam Webster, prosecution is the act or process of holding a trial against a person who is accused of a crime to see if that person is guilty. Prosecution is very important in fraud management especially in main three ways The first is to punish the fraudster in an attempt to prevent further theft. Secondly, prosecution seeks to establish, maintain, and enhance the business enterprise's reputation of deterring fraud, so that the fraud community becomes aware of it. This is accomplished by the aggressive and successful catching and punishing of fraudsters who target the company. The third goal is to obtain recovery or restitution wherever possible. He also emphasis the issue of information technology as a key to success or failure at every stage of fraud management.

Theoretical Frame Work.

The basic theory used in this study is white collar crime theory by Edwin Sutherland in 1939. Sutherland (1983) defined white collar crime as form of crime committed by people who have social status and respect associated with his or her work. He further said that “crime is committed by a person of respectability and high social status in the course of his occupation.” According to him, criminal behavior is a learned behavior and copied which public officials learn to be corrupt after observing from their colleagues while believing and justifying their crime as a normal behavior to follow.

Baker (2004) viewed that persons of the upper socioeconomic class engage in much criminal

behavior and differs from the criminal behavior of the lower socioeconomic class. He further said white-collar crime served to focus attention on the social position of the perpetrators and added a bite to commentaries about the illegal acts of businessmen, professionals, and politicians that is notably absent in the blander designations, such as "occupational crime" and "economic crime," that sometimes are employed to refer to the same kinds of lawbreaking. The white collar criminals are opportunists, that normally learn to take due advantage of their positions in order to accumulate wealth. Those kinds of people are knowledgeable, rich, educated and indeed can hold positions of authority in organizations or the society. However, this theory is relevant in this study because of the continuous existence of high status of those criminal elements in the organization and a need for trained and highly experienced forensic accountants or auditors is absolutely important to prevent high rate of fraud.

EMPIRICAL REVIEW.

Ogundana, Okere , Ogunleye and Oladapo (2018) examined the role of the forensic accounting in the prevention and detection of fraud in the Nigeria banking sector. The study adopted the Survey research design while the source of data is the primary data. The statistical tool used in the study was simple regression with Independent T-test and One way Anova The study found out that forensic accounting has a significant impact on fraud prevention and detection. The study also revealed that there is a low level of the awareness of forensic accounting in the Nigeria banking industry. The study recommended that Nigerian Government should provide the enabling environment for forensic accounting profession to thrive in the country by strengthening the legal, educational and political frame work in the country. The researcher covers only banking industry while this study goes beyond banking industry to cover all

firms listed on the Nigerian Stock Exchange.

Ehioghiren & Atu (2016) examined forensic accounting and fraud management, evidence from Nigeria. Primary sources of data were appropriately used. The researcher instrument used was questionnaire. The Researchers used SPSS 21 to test the hypothesis to determine the F-value. The researcher found out that Forensic accounting significantly influences fraud detection and control, also, that there is significant difference between the duties of professional Forensic Accountants and that of traditional External Auditors. The study recommended that trained experts like the Professional Forensic Accountants should conduct the investigation, where there is evidence of fraud, appropriate disciplinary action in accordance with the Provision of rules should be implemented, and the restructuring of corruption agencies by the government for better performance. The scope is too wide as it covers all organization listed and not listed on the Nigerian Stock Exchange where as this study focuses on firms listed on the Nigerian Stock Exchange.

Gbegi & Adebisi (2014) examined Forensic Accounting Skills and Techniques in fraud investigation in the Nigerian public sector. The study population comprised of 129 senior staff of the three Anti-Corruption Agencies in Nigeria (EFCC, ICPC, and CCB). The methodology were includes both primary and secondary sources of data collection. Questionnaire was used in collecting primary data while secondary data were obtained from EFCC, ICPC and CCB. The Statistical tools used for the testing of hypotheses were Analysis of variance (ANOVA) and time series analysis with the aid of SPSS version 17.0. The study revealed that, forensic accounting skills and techniques have significant effect on uncovering and reducing fraud in the Nigerian public sector. The research recommended that,

anti-corruption agencies in Nigeria should establish forensic units and forensic laboratories to allow room for more effective and efficient investigation of suspected and confirmed fraud cases. Second, the public sector (government) should develop interest in forensic accounting by making sure that forensic accounting is institutionalized in all ministries, extra-ministerial departments and parastatals to build up effective internal control system that will enhance more effective performance in the Nigerian public sector. The study therefore examined forensic accounting skills and techniques in fraud investigation in the Nigerian public sector while this study examined forensic accounting and fraud management evidence from firms listed on Nigerian Stock Exchange,

METHODOLOGY

The survey research design was used in this study. Data was gathered through primary sources. Questionnaire and interview instruments were employed to collect the data from the sampled respondents. The study used Likert scale questionnaire with 4 points scale viz; Strongly Agree, Agree, Disagree, and Strongly Disagree, to ensure validity of the questionnaire for the study. The population of the study comprised of 170 firms currently listed on the Nigerian Stock Exchange. The sample size of twenty (20) firms was randomly selected. Twenty (20) copies of the questionnaire were administered to each of the twenty (20) firms with a total of 400 copies administered to the respondents. A total of 350 respondents filled and returned. The respondents in this case consists of accountants, auditors (Internal and External), and management of these firms selected.

DATA PRESENTATION AND ANALYSIS

Q1: Forensic accounting is a means of preventing fraud in an organization

Table 4.1

S/N	Answers	Responses	Percentages %
1.	Strongly Agreed	200	57
2.	Agreed	50	14
3.	Strongly disagreed	-	-
4.	Disagreed	100	29
	Total	350	100%

Source: Field survey 2018.

Table 4.1 shows that, 57% of the respondents strongly agreed that forensic accounting is a means of preventing fraud in the organization while 14% agreed and none of the respondent strongly disagreed and 29% disagreed. This means that forensic accounting plays a vital role in preventing fraud in an organization.

Q2: Forensic accounting is a means of detecting fraud in an organization

Table 4.2

S/N	Answers	Responses	Percentages %
1.	Strongly Agreed	200	57
2.	Agreed	150	43
3.	Strongly disagreed	-	-
4.	Disagreed	-	-
	Total	350	100%

Source: Field survey 2018.

Table 4.2 shows that 57% of the respondent strongly agreed that forensic accounting is a means of detecting fraud in an organization. 43% of the respondents agreed while no respondent strongly disagreed and disagreed. This implies that, forensic accounting is means of detecting fraud in an organization.

Q3: Forensic accounting is an internal control tool.

Table 4.3

S/N	Answers	Responses	Percentages %
1.	Strongly Agreed	200	57
2.	Agreed	-	-
3.	Strongly disagreed	100	29
4.	Disagreed	50	14
	Total	350	100%

Source: Field survey 2018.

Table 4.3 shows that 57% of the respondents

strongly agree that, forensic accounting is an internal control tool, no respondent agreed while 29% strongly disagreed and 14% disagreed that forensic accounting is an internal control tool.

Q4: Forensic Accountants provides expert knowledge in frauds investigation relating to asset misappropriations, bribery, corruption and money laundering

Table 4.4

S/N	Answers	Responses	Percentages %
1.	Strongly Agreed	150	43
2.	Agreed	150	43
3.	Strongly disagreed	50	14
4.	Disagreed	-	-
	Total	350	100%

Source: Field survey 2018.

Table 4.4 shows that 43% of the respondents strongly agreed that Forensic Accountant provides expert knowledge in fraud investigation relating to asset misappropriations, bribery, corruption and money laundering. 43% of the respondents agreed, while 14% respondents strongly disagreed and none of the respondent disagreed. This implies that Forensic Accountants provides expert knowledge in frauds investigation relating to asset misappropriations, bribery, corruption and money laundering.

Q5: Forensic accountants provide expert witness in the court concerning financial crime.

Table 4.5

S/N	Answers	Responses	Percentages %
1.	Strongly Agreed	200	57
2.	Agreed	50	14
3.	Strongly disagreed	-	-
4.	Disagreed	100	29
	Total	350	100%

Source: Field survey 2018.

Table 4.5 shows that 57% of the respondents strongly agreed that Forensic accountants provide expert witness in the court concerning financial

crime. 14% of the respondents agreed while no respondent strongly disagreed and 29% of the respondents disagreed. This means that, Forensic accountants provide expert witness in the court concerning financial crime.

Q6: Forensic accountants provide analytical performance report for fraud management.

Table 4.6

S/N	Answers	Responses	Percentages %
1.	Strongly Agreed	150	43
2.	Agreed	50	14
3.	Strongly disagreed	-	-
4.	Disagreed	150	43
Total		350	100%

Source: Field survey 2018.

Table 4.6 shows that 43% of the respondents strongly agreed that Forensic accountants provide analytical performance report for fraud management, 14% of the respondents agreed while no respondent strongly disagreed and 43% of the respondents disagreed. This means that,Forensic accountants provide analytical performances report for fraud management hence the total percentage of strongly agreed and agreed of respondents is more than disagreed.

Test of Hypothesis: The statistical tool used in this study for test of hypothesis is Regression Analysis with the help of SPSS software.

Hypotheses 1: Questions 1, 2 and 3 were used to test hypothesis one.

Ho1: Forensic accounting does not significantly affect fraud management.

Variable	R	R ²	F	B	P-value
Constant	.992	.984	2094.85		.000
Preventing fraud in an organization				.644	

The result indicates that forensic accounting affect fraud management($R = .992, R^2 = .984, F(1, 348) = 2094.85, B = .644, P > 0.05$) and p-value of 0.00 is less than 0.05 level of

significance, the null hypothesis which states that forensic accounting does not significantly affect fraud management, therefore rejected the alternate hypotheses forensic accounting significantly affect fraud management is accepted.

Hypotheses 2: Questions 4,5 and 6 were used to test hypothesis two.

Ho2: Forensic accountants are not relevant in investigating fraud and corruption in the private sector.

Variable	R	R ²	F	B	P-value
Constant	.780	.608	538.938		.000
Fraud expert knowledge				.992	

The result indicates that forensic accountants are relevant in investigating fraud and corruption in the private sector ($R = .780, R^2 = .608, F(1, 348) = 538.938, B = .992, P > 0.05$) and P-value of 0.00 is less than 0.05 level of significance, the null hypothesis which states that forensic accountants are not relevant in investigating fraud and corruption in the private sector is therefore rejected the alternate hypotheses which states forensic accountants are relevant in investigating fraud and corruption in the private sector is accepted.

Discussion of Findings:

Based on the regression analysis used for the first and second hypothesis the results of the findings are stated below;

The research findings for the first hypothesis revealed that forensic accounting is a means of preventing and detecting fraud and does significantly affects fraud management in the organisation.

The second hypothesis also revealed that Forensic Accountants are relevant in investigating fraud and corruption and also provides expert knowledge in fraud management in the private sector.

CONCLUSION

This study has analyzed forensic accounting and fraud management on the firms listed on the Nigerian Stock Exchange and concludes that there is a need for forensic accounting for detecting and preventing fraud in the organization. Also, the use of expert knowledge of Forensic Accountants will go a long way in managing fraud in the private sector organizations.

RECOMMENDATIONS:

From the result of the interviews above, the researcher recommended that Forensic Accountants with expert's knowledge should conduct the investigation in the organization to unravel evidence of fraud and appropriate disciplinary action should be taken against fraudsters.

Secondly, Professional Accountancy Bodies in Nigeria should ensure that forensic accountants are properly trained with modern skills and techniques in order to prevent fraud in organizations.

Thirdly, Government should provide an enabling act for forensic accountants to discharge their skills and duties effectively and efficiently both in private and public sector organization appropriately.

Lastly, private and public firms should employ the services of Forensic Accountants in order to set up a control framework that evaluates risks, fulfill the objectives of the management.

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