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FORENSIC INVESTIGATION DYNAMICS AND FINANCIAL REPORTING FRAUD BEVERAGE COMPANIES IN NIGERIA

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ABSTRACT*: Financial reporting fraud remains a significant challenge in many industries worldwide, including the Beverage sector. This type of fraud involves the intentional misrepresentation of financial information by companies to deceive stakeholders, manipulate financial results, and enhance the perceived financial health of the organization. This study examined forensic investigation dynamics and financial reporting fraud beverage companies in Nigeria. The research design adopted in the study is the survey research design. Data was collected through the distribution of questionnaires. Method of data analysis adopted is the linear regression with the adoption of Ordinary Least Squares (OLS) techniques. The major findings of the study include the following: benchmarking technique has a significant effect on financial reporting fraud in beverage companies in Nigeria; exception reporting technique has a significant effect on financial reporting fraud in beverage companies in Nigeria and the risk assessment technique has no significant effect on financial reporting fraud in beverage companies in Nigeria. The study concluded that forensic investigations have a profound impact on detecting, addressing, and preventing fraud in financial statements. By uncovering fraudulent activities, enhancing the accuracy of financial reporting, and strengthening internal controls, forensic investigations help organizations maintain the integrity of their financial statements. It is therefore the recommendation of the study that beverage companies should focus on training and developing their employees to effectively use benchmarking forensic tools and techniques. Regular training programs and workshops can keep staff updated on the latest developments in forensic accounting and fraud detection.*

KEYWORDS: Forensic, Benchmarking reporting, Exceptional reporting, Risk assessment.

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INTRODUCTION

Financial reporting fraud remains a significant challenge in many industries worldwide, including the Beverage sector. This type of fraud involves the intentional misrepresentation of financial information by companies to deceive stakeholders, manipulate financial results, and enhance the perceived financial health of the organization (Oyewole *et al.*, 2024). In Nigeria, the beverage industry is a critical component of the economy, contributing significantly to employment, revenue generation, and overall economic development. However, the prevalence of financial reporting fraud in this sector can undermine investor confidence, distort market dynamics, and lead to substantial economic losses (Jejeniwa, Mhlongo & Jejeniwa, 2024).

In the accounting field, forensic auditing and investigation emerged as intentional accounting strategies focused on combating fraud. Forensic auditing focuses on detecting and preventing fraud, financial misconduct, or irregularities within an organization. It often involves the use of specialized auditing techniques to identify fraud and gather evidence that can be used in legal proceedings (Knechel, Thomas & Driskill, 2020). Often used in cases of suspected fraud, embezzlement, or financial disputes. It can also be used in corporate investigations, mergers and acquisitions, and legal disputes involving financial matters. Financial investigation aims to gather information about financial activities to determine the legitimacy, origin, or destination of funds. It can be used to investigate crimes like money laundering, terrorist financing, tax evasion, and other financial crimes (Xu, Chen, Lin, & Yu, 2024). Financial investigation involves analyzing financial records, bank statements, and transaction histories to trace money flows and uncover hidden assets. Financial investigators often work closely with other agencies, such as law enforcement and regulatory bodies.

Forensic investigation techniques have emerged as a powerful tool in detecting, preventing, and addressing financial reporting fraud. These techniques involve the application of accounting, auditing, and investigative skills to uncover fraudulent activities and ensure the integrity of financial statements (Seo, *et al*, 2023). The use of forensic investigation in combating financial reporting fraud has gained prominence due to its effectiveness in identifying fraudulent schemes, tracing illicit transactions, and providing evidence for legal proceedings (Saleh, *et al.* 2023).

Forensic investigations have played a significant role in uncovering financial statement frauds in Nigeria. Cadbury Nigeria, a subsidiary of Cadbury Schweppes, was involved in a major financial scandal where the company overstated its financial position by over N13 billion. Forensic auditors from PricewaterhouseCoopers (PwC) uncovered the fraud. The investigation revealed that the company had manipulated its accounts to present a healthier financial position to investors and stakeholders (Falope, Ogala, & James, 2024). The Central Bank of Nigeria (CBN) found irregularities in the financial statements of Oceanic Bank during a routine examination. Forensic investigations revealed that the bank had underreported its non-performing loans and engaged in insider lending practices. African Petroleum (now Forte Oil) was embroiled in a financial scandal involving the misstatement of financial results. Forensic investigations revealed that the company had inflated its earnings and manipulated its financial statements to deceive investors (Offor, 2023).

There are three major forensic investigation techniques namely; benchmarking technique, exception reporting, and risk assessment technique. Benchmarking forensic technique involves comparing the forensic practices, procedures, and performance metrics of an organization with

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industry standards or best practices. It helps identify gaps, inefficiencies, and areas for improvement (Akinbowale, Mashigo, & Zerihun, 2023). Exception reporting technique is a process in which deviations from expected results, predefined thresholds, or normal patterns are identified and reported. It focuses on highlighting anomalies, outliers, or irregularities that may indicate errors, fraud, or operational issues (Saluja, *et al*. 2024). Risk assessment is a systematic process of identifying, analyzing, and evaluating risks to an organization's assets, operations, and objectives. It involves determining the likelihood and impact of various risks and developing strategies to manage them (Naz and Khan, 2024).

In Nigeria, the Beverage firm plays a crucial role in economic development, making it imperative to address any issues that undermine its financial transparency. Forensic investigation techniques have proven effective in uncovering fraudulent activities and ensuring the accuracy of financial reporting. This study explores the role of these techniques in combating financial reporting fraud in selected Beverage companies in Nigeria.

LITERATURE REVIEW

Financial Reporting Fraud

Financial reporting fraud, also known as accounting fraud or financial statement fraud, involves intentional misstatement or omission of financial information in a company's financial reports. The primary aim of this type of fraud is to mislead stakeholders such as investors, creditors, and regulators about the true financial condition of the company (Mabior & Wanyama, 2024). Fraud in financial reporting is based on the conscious intent and effort of the perpetrator (directors, auditors, employees, etc.) to wrongfully present the reality for personal or corporate gains. Financial statement fraud is the deliberate alteration of the company's financial statements in order to mislead the users of financial information and create a rosy picture of the company's financial position, performance, and cash flows (Nursansiwi, 2024). Financial statement fraud is the deliberate misrepresentation of a company’s financial statements whether through omission or exaggeration, to create a more positive impression of the company’s financial position, performance and cash flow. Usually committed by senior management, this crime is typically a means to an end. The motives for perpetrating financial statement fraud include personal gain, keeping the business afloat, and retaining status as a leader in the organization. Fraudsters attempt to inflate the perceived worth of the company to make the stock appear more attractive to investors, to obtain bank approvals for loans and/or to justify large salaries and bonuses when compensation is tied to company performance (Nursansiwi, 2024).

Benchmarking Investigative Technique

Benchmarking is a systematic process used to measure and compare an organization's performance against industry standards or best practices from other companies (Olson, *et al.* 2023). This technique is widely applied across various business functions to identify areas for improvement and to foster a culture of continuous development. The process of benchmarking forensic techniques involves comparing internal corporate financial procedures to those of other companies as part of a forensic inquiry. Comparison calls for a fundamental line of parallels. Only items that are comparable to one another can be compared. As a result, it's important to understand one's own methods and procedures (Zaidan, *et al.* 2024). This forensic

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method is employed to ascertain whether a crime has actually occurred, whether it is likely that one has, and the degree of purpose with which it might have occurred.

Benchmarking as an investigative technique is a powerful tool for detecting fraud, assessing risks, and improving organizational performance. By systematically comparing processes and metrics against industry standards and best practices, organizations can identify anomalies, inefficiencies, and areas for improvement. Despite challenges related to data availability, comparability, and resource intensity, the benefits of objective analysis, early detection, and informed decision-making make benchmarking an invaluable component of a comprehensive investigative strategy (Akinbowale, Mashigo, & Zerihun, 2023).

Exception Reporting Technique

Exception reporting involves automatically generating reports that flag transactions or events that fall outside predefined parameters or thresholds. These reports help management focus on significant variances that may require investigation or corrective action (Chang and Choi, 2016).

Exception reporting technique is the use of specialized software to search for anomalies, trends, and correlations in datasets to anticipate outcomes. It makes it easier to extract hidden predictive information from massive databases and can help companies' spot patterns, abnormalities, and other odd actions, allowing businesses to make proactive knowledge-driven decisions. Exception reporting technique software, which has scripting capabilities and can scan businesses' datasets for abnormalities and suspicious patterns that are indications of fraud, is particularly useful in identifying fraud (Ugo, 2020).

Risk Assessment Technique

As a forensic investigative approach, risk assessment analysis is performed to evaluate data on a historical, industry, or benchmark basis. It detects fraud by studying data patterns to identify potentially deceptive transactions. Risk analysis is the process of determining the links between various financial statement items as well as these items and non-financial data. Vertical analysis compares aspects of a financial statement to a common base item, whereas horizontal analysis is used to analyze the ratio of change in distinct financial statement items over a specific period (James, 2017). Vertical analysis, on the other hand, converts financial statements into percentages. Because percentages are clearly understood by anyone, the approach is particularly effective for fraud detection. When using vertical analysis to examine changes in the income statement, gross sales are set to 100% and all other values are transformed into a percentage of sales. The horizontal analysis is concerned with changes throughout time. While ratios and vertical analysis translate statements to numbers that are simpler to understand and compare the figures from period to period, horizontal analysis converts changes in quantities from period to period to percentages. A technique like this is involved in assessing digital data ratios to uncover indications of fraud operations (Jamil, 2012).

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Empirical Studies Review

Studies that are related to the subject under investigation are reviewed and discussed, and gaps are identified here.

Henry and David (2020) investigated the relationship between benchmarking forensic investigation and organizational performance of selected telecommunications in Sri Lanka. The study used the survey research design where the data for the study was extracted through the distribution of well-structured questionnaires to the internal auditors of the telecommunication companies. The study utilized a self-administered structured questionnaire, which was refined after a pilot study. A content validity index of 0.78 was obtained; this was judged to be acceptable, as it is more than the 0.70 value recommended minimum. Findings from the study show benchmarking technique has a positive relation to the organizational performance of the selected telecommunications companies in Sri Lanka. The relationship between the reviewed and present study is that they are both conducted to ascertain the effect of forensic investigation on financial fraud reporting. The difference is that the reviewed study was carried out in Sri Lanka while the present study will be carried out in Nigeria. The reviewed study made use of factor analysis to show the relationship between the dependent and independent variables in the study while the present study will make use of linear regression as its method of data analysis.

John (2017) did a study on the effect of benchmarking techniques on fraud detection in selected manufacturing companies in Enugu state, Nigeria covering the period 2014 -2016. A descriptive survey was used for the study. The interviews were conducted from 60 to 90 minutes, and for some respondents, the interviews were divided into two sessions. The interview questions contained three key issues in benchmarking technique and fraud detection. These data sources also include organizational actors from different hierarchical levels, functional areas, and groups. The study used embedded design, that is, multiple-level analysis. The population size was 14. Findings from the study showed that the benchmarking technique was not effective in fraud detection in the selected manufacturing firms in Nigeria. The difference between the reviewed study and the present study is that the reviewed study was carried out in Enugu, Nigeria but the present study will be carried out in Abuja Nigeria. The reviewed study used no sampling technique because of the small number of its population but the present study used the simple random sampling technique.

Monday (2018) carried out an empirical analysis of the effect of benchmarking technique on financial reporting fraud in selected consultancy companies in Nairobi. Data for the study were collected through the use of questionnaires and oral interviews. The major respondents were auditors and management. Data for the study was analyzed with the use of a correlation matrix. The findings of the study revealed that there is a negative association between benchmarking technique and financial reporting fraud in Nairobi for the periods under analysis. Both studies are focused on forensic investigation and financial reporting fraud. However, their areas of difference are discussed as follows. The reviewed study was carried out in Nairobi while the present was carried out in Nigeria. The method of data analysis used in the reviewed study was the correlation matrix while the present study will make use of multiple regression techniques. Both the reviewed and present study made use of primary data for data collection however, the reviewed study added oral interviews to its method of data collection which is not adopted in the present study.

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Oluwaseun (2020) investigated the effect of exception reporting forensic investigation on reducing fraud in the Nigerian deposit money sector and was carried out in Lagos state on 125 senior and management staff in one of the quoted banks (Eco-Bank) in Nigeria. Data were collected through a questionnaire and analyzed using descriptive statistical tools. Hypotheses were tested through chi-square statistics. The result of the findings shows that exception reporting forensic investigation is significantly useful in fraud control and reduction in the Nigerian banking industry and positively influences banks' performance. The study recommended that bank management should ensure the role and functions of forensic accountants and auditors are clearly defined, most especially in the area of reducing fraud in the banking sector. The dependent variable of the reviewed study is fraud control while the dependent variable of the present study is financial reporting fraud. These are related but not the same thing. The case study of the reviewed study is the banking sector while for the present study, it is the manufacturing sector.

Eziamaka (2021) examined the effectiveness of exception-reporting forensic investigation in strengthening the internal control of business organizations in Nigeria. The study employed survey design and purposive sampling was used to select five companies. Data were collected using questionnaires and all the hypotheses were tested using regression analysis. The results of the empirical findings show that exception-reporting techniques play a significant role in controlling fraud in business organizations. It is recommended that internal control should be undertaken with effective continuous monitoring of the controls and companies should be stricter with compliance to control procedures. The dependent variable of the reviewed study is internal control while it is financial reporting fraud for the present study. The case study for the reviewed study as seen in the previous study is the banking sector while it is the manufacturing sector for the present study.

Adam (2022) examined the effects of exception-reporting forensic techniques on the performance of commercial banks in Nigeria. The sampling frame of twenty-one commercial banks was taken. A sample of sixty-one respondents was used which was spread proportionately across 6 strata. The study used primary data that was collected through self-administered questionnaires and analyzed using regression analysis. The findings indicated that exception reporting forensic investigation and forensic litigation was statistically significant in explaining changes in the financial performance of commercial banks. The study recommended that the majority of commercial banks in a developing economy ought to adopt forensic accounting to mitigate financial irregularities. The reviewed study is on the performance of banks while the present study is on forensic investigation and financial reporting fraud. The reviewed study is also on the banking sector while the present study is on manufacturing firms.

Obi (2018) examined the correlations of utilizations of risk assessment forensic investigative techniques and the extent of financial fraud by top management. The study utilized a survey research design and the population included management staff of selected financial institutions. A sample of one hundred and five respondents was adopted. The sampling was done using simple random sampling and data was generated using a well-structured Likert scale questionnaire. The study employed the Spearman rank correlation as the data analysis method. The result from the study shows there is evidence of a significant negative correlation between risk assessment techniques and financial fraud in the selected financial institutions. The present study did not disaggregate the various dimensions of forensic investigations. It can also be seen that it lacks statistical coherence.

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Peter (2018) carried out an empirical investigation of the relationship between risk assessment forensic investigation and financial reporting fraud in selected organizations in Gabon. The reviewed study adopted the descriptive survey design. Data for the study were generated through questionnaires and oral interviews. The instrument was validated by the researchers' supervisor and two other experts. Two research assistants were employed for the administration of the instrument. The analysis of variance (ANOVA) was used to test null hypotheses at a 0.05 level of significance. The findings of the study revealed that the risk assessment forensic technique has an insignificant relationship with financial reporting fraud in selected organizations in Gabon. The relationship between the reviewed study and the present study was the use of a questionnaire; however , the reviewed study added oral interviews in its method of data collection. The difference between the reviewed study and the present study was that the reviewed study was carried out in Gabon while the present study was carried out in Nigeria. The reviewed study used analysis of covariance (ANCOVA) for the hypothesis testing but the present study used linear regression as its method of data analysis.

Theoretical Review

Decision Usefulness Theory

Decision Usefulness Theory which was propounded by Staubus (1980) serves as one of the study's guiding theories. The theory was chosen because it was pertinent to the study's ideology and had a clear connection to it. According to Glautier and Underdown (2001), the decision usefulness theory argues that quality information disclosure in the financial statements would help management, investors, and other stakeholders use the financial statements to forecast and evaluate business activities, including firm performance. According to this theory, the best accounting standard is the one providing the most helpful financial. This study is anchored on this theory. This is because the theory asserts that the more accurate users can predict economic and financial events using accounting information, the more useful this information is for them. This criterion should give standard setters a handy tool in the choice of the best accounting measurements information to users in their decision process.

Routine Activity Theory

The Routine Activity Theory, developed by criminologists Lawrence Cohen and Marcus Felson, posits that crime occurs when three elements converge: a motivated offender, a suitable target, and the absence of a capable guardian. Applied to fraud detection, this theory suggests that preventing fraud involves disrupting the convergence of these elements by increasing the perceived risks and decreasing the perceived rewards for potential offenders, as well as enhancing guardianship mechanisms to protect against fraud.

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RESEARCH METHODOLOGY

Research Design

The study adopted a descriptive survey design. The method ensured that the researcher collected relevant data at a particular period from the selected sample to describe a large population at that particular point in time. The method was employed because it enables the researcher to use the sample drawn to represent the diverse elements of the population under study.

Population, Sample and Sampling Technique

The population of this study consists of the accounting staff of the headquarters of the selected manufacturing firms. Table 1 below is a display of the total population distribution of the study.

Table 1: Population of the Selected Manufacturing Companies

Manufacturing Firm	Staff Size
Nestle	15
Nigerian Breweries	18
Nigeria Bottling Company	21
Flour Mills of Nigeria	12
Red Bull Nigeria Plc	11
Grand Total	**77**

Source: Field Survey, 2024.

Sample

For this research, the sample size was derived using the Taro Yamane (1960) statistical technique. This is given as:

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

Where;

n = Sample Size

N = Population Size

1 = Constant Factor

e = Margin of error taken at 5% = 0.05

$$n = \frac{77}{1 + 77(0.05)^2}$$

$$n = \frac{77}{1 + 77(0.0025)}$$

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$$n = \frac{77}{1.1925} = 65$$

Having applied the Taro Yamane sample size derivation statistic, the value derived is sixty-five (65)

Table 2 Population and Sample Distribution of the Study for 5 Selected Beverage Companies

Beverage Company	Population	Final Sample size
NESTLE	65/77*15	13
NIGERIAN BREWERIES	65/77*18	15
NIGERIAN BOTTLING COMPANY	65/77*21	18
FLOUR MILLS OF NIGERIA PLC	65/77*12	10
RED BULL NIGERIA PLC	65/77*11	9

Source: Field Work, 2024.

The analysis clearly shows that 13 copies of the questionnaire were distributed to Nestle Plc Abuja, 15 goes to Nigerian Breweries, 18 copies to Nigerian bottling company, 10 copies to flour mills of Nigeria and 9 to Red Bull Nigeria Plc accounting department.

Sampling Technique

The researcher in the course of conducting this study will use simple random sampling techniques. Simple random sampling will be used as the sampling technique for the reason that the method ensures an equal chance of selection among the respondents but also, the method avoids, and minimizes bias hence enhancing validity and reliability.

Method of Data Collection

For the purpose of this study, primary data was employed. The data was collected with the aid of a questionnaire that was properly drafted using the 5-point Likert scale for the questionnaire.

Technique for Data Analysis

The data was presented in tables and the corresponding values will be expressed in percentages, mean, and standard deviation. The hypotheses will be tested with multiple linear regression (MLR) using the Statistical Package for Social Sciences (SPSS) version 21. Multiple regression is a statistical technique that uses several explanatory variables to predict the outcome of a response variable. Simple regression is an extension of linear (OLS) regression that uses just one explanatory variable.

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Model Specification

The model that was estimated in course of the study is given as:

FRF = bo + b_1BMT + b_2ERT + b_3RAT + μ ……………. 3.1

By definition;

FRF = Financial Reporting Fraud

BMT = Benchmarking Technique

RAT = Risk Assessment Technique

b's = Structural Parameters

μ = Stochastic Error Term

Decision Rule

In testing hypotheses, the calculated value of the test statistic will be compared with the critical or table value of the statistic. The critical or table value serves as a benchmark for accepting or not accepting the null hypotheses. In the study, the 95% confidence level will be applied. Therefore, the decision rule that will guide the research will be to accept the alternative if the calculated value is ≤ 5% (0.05) significance level, otherwise do not accept.

DATA PRESENTATION AND ANALYSIS

Questionnaire Administration

The sample size derived from this study is three hundred and seventy (370) copies of the questionnaire were administered to respondents in accordance with the sample size determined earlier, and three hundred and sixty-one (361) copies were returned (that is a 97.56%) response rate). This was derived through the following formula: QR/QD X 100 = 361/370 x 100 = 95.56%. Where QR is the questionnaire returned and QD represents the questionnaire distributed.

Test of Hypotheses

In this section of the study, the hypotheses specified were analyzed based on the decision rules. The data was analyzed with the regression technique and the probability statistic was used to accept or reject the null hypothesis.

Test of Hypothesis One

Ho_1: Benchmarking technique has no significant effect on financial reporting fraud in Beverage companies in Nigeria.

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Table 2: Regression Output 1

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	10.004	9.595		1.043	.298
	Benchmarking Technique	.862	1.645	.028	2.524	0.0031

a. Dependent Variable: Financial Reporting Fraud

Source: *Researcher's Computation Using SPSS 27.*

Decision

From table 2, it is clearly seen that the probability value (Sig.) of benchmarking technique is 0.0031 and this value is less than 0.05(5%). This results in the non-acceptance of the null hypothesis (Ho) and acceptance of its alternative. Hence; benchmarking technique has a significant effect on financial reporting fraud in Beverage companies in Nigeria.

Test of Hypothesis Two

Ho2: Exception reporting technique has no significant effect on financial reporting fraud in Beverage companies in Nigeria.

Table 3: Regression Output 2

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-.262	1.425		-.184	.854
	Exception Reporting Technique	1.078	.156	.343	6.923	.000

a. Dependent Variable: Financial Reporting Fraud

Source: *Researcher's Computation Using SPSS 27*

Decision

From the regression output in table 3, it is clearly seen that the probability value (Sig.) of the exception reporting technique yielded 0.000 and this value is less than 0.05(5%). This compels the rejection of the null hypothesis (Ho) and acceptance of its alternative. Hence; exception reporting technique has significant effect on financial reporting fraud in Beverage companies in Nigeria

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Test of Hypothesis Three

Ho3: Risk assessment technique has no significant effect on financial reporting fraud in Beverage companies in Nigeria.

Table 4: Regression Output 3

Coefficients[a]

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.430	1.435		-.300	.764
	Risk Assessment Technique	1.083	.156	.344	.934	.236

a. Dependent Variable: Financial Reporting Fraud

Source: *Researcher's Computation Using SPSS 27.*

Decision

From Table 4, it is seen that the probability value (Sig.) of the risk assessment technique yielded 0.236 and this value is greater than 0.05(5%). This compels the acceptance of the null hypothesis (Ho). Hence; the risk assessment technique has no significant effect on financial reporting fraud in Beverage companies in Nigeria.

SUMMARY AND DISCUSSION OF FINDINGS

The focus of this study is to examine the effect of forensic investigative techniques on financial reporting fraud. In this study, three parameters were used to measure forensic investigative techniques. The findings of these dimensions were discussed in line with the empirical studies associated with those studies.

The first objective of this study is to ascertain the effect of benchmarking forensic techniques on financial reporting fraud in Beverage companies in Nigeria. The result as shown from the analysis revealed that benchmarking technique has a positive and significant effect on financial reporting fraud in Beverage companies in Nigeria. This is in agreement with the findings of Henry and David (2020) who investigated the relationship between benchmarking forensic investigation, and the organizational performance of selected telecommunications in Sri Lanka and discovered that benchmarking technique has a positive relative to the organizational performance of the selected telecommunications companies in Sri Lanka. This is not in line with the findings of Benjamin (2019) who carried out an empirical analysis of the effect of benchmarking forensics on fraud reporting in selected deposit money banks in Ghana and found that benchmarking forensic technique has no significant effect on financial fraud reporting for the period under analysis. The findings are also not in agreement with the findings

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of Monday (2018) who carried out an empirical analysis of the effect of benchmarking techniques on financial reporting fraud in selected consultancy companies in Nairobi.

The second objective of the study is to examine the effect of exception-reporting techniques on financial reporting fraud in Beverage companies in Nigeria. The findings of the present study reveal that the exception reporting technique has a significant effect on financial reporting fraud in Beverage companies in Nigeria. This finding is in tandem with the findings of Oluwaseun (2020) who investigated the effect of exception reporting forensic investigation on reducing fraud in the Nigerian banking sector and was carried out in Lagos state on 125 senior and management staff in one of the quoted banks (Eco-Bank) in Nigeria. The result of the findings shows that exception reporting forensic investigation is significantly useful in fraud control and reduction in the Nigerian banking industry and positively influences banks' performance. The findings of the study are also in corollary with the findings of Elizabeth and George (2018) who examined the effect of exception-reporting forensic investigation methods in corporate fraud deterrence in Nigerian banks and found that there is a significant relationship between the exception-reporting forensic investigative methods and corporate fraud deterrence. The study is also in line with the findings of Eziamaka (2021) who examined the effectiveness of exception-reporting forensic investigation in strengthening internal control of business organizations in Nigeria and found that exception reporting techniques play a significant role in controlling fraud in business organizations. The present study's findings are also in agreement with the findings of Adam (2022) who examined the effects of exception-reporting forensic technique on the performance of the commercial bank in Nigeria and found that exception-reporting forensic investigation and forensic litigation was statistically significant in explaining changes in the financial performance of commercial banks.

The third objective of this study is to evaluate the effect of risk assessment techniques on financial reporting fraud in Beverage companies in Nigeria. Findings from this objective revealed that risk assessment technique has no significant effect on financial reporting fraud in Beverage companies in Nigeria. This is in line with the findings of Obi (2018) who examined the correlations of utilizations of risk assessment forensic investigative techniques and the extent of financial fraud by top management. The result from the study shows there is evidence of a significant negative correlation between risk assessment techniques and financial fraud in the selected financial institutions. The finding of the present study is not in line with the findings of Bernard (2017) who examined the role of risk assessment forensic investigation in reducing financial corruption and discovered that there is a significant relationship between the risk assessment forensic accounting methods and the effectiveness of the control and auditing bodies to detect financial corruption cases.

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SUMMARY, CONCLUSION AND RECOMMENDATIONS

The essence of this study is to examine the effect of financial reporting fraud on forensic investigation in the Beverage industry in Nigeria. Three variables were used to measure forensic investigation namely; benchmarking, exception reporting, and risk assessment. The concepts of forensic investigation techniques and financial reporting fraud are in the second chapter. The second chapter also contained a review of the past and related empirical studies and theories. The theories reviewed in the study are the decision usefulness theory and routine activity theory. The study adopted a descriptive survey design. Based on the results of the statistical analysis, the following major findings were extracted:

i. Benchmarking techniques have a significant effect on financial reporting fraud in Beverage companies in Nigeria.

ii. Exception reporting technique has a significant effect on financial reporting fraud in Beverage companies in Nigeria.

iii. The risk assessment technique has no significant effect on financial reporting fraud in Beverage companies in Nigeria.

CONCLUSION

Forensic investigations have a profound impact on detecting, addressing, and preventing fraud in financial statements. By uncovering fraudulent activities, enhancing the accuracy of financial reporting, and strengthening internal controls, forensic investigations help organizations maintain the integrity of their financial statements. They also deter fraudulent behavior, ensure legal compliance, and build stakeholder confidence. Despite challenges related to resource allocation and maintaining confidentiality, the benefits of forensic investigations make them an essential tool in the fight against financial statement fraud.

RECOMMENDATIONS

Based on the findings from the study on the effect of forensic investigation techniques on financial reporting fraud in selected Beverage companies in Nigeria, the following recommendations are made to enhance the effectiveness of these techniques and to mitigate financial reporting fraud:

1. Beverage companies should focus on training and developing their employees to effectively use benchmarking forensic tools and techniques. Regular training programs and workshops can keep staff updated on the latest developments in forensic accounting and fraud detection.

2. Strong internal controls are essential for preventing and detecting financial fraud. Beverage companies should regularly review and update their internal control systems to ensure they are robust and capable of identifying fraudulent activities. This includes implementing segregation of duties, authorization processes, and periodic engagement of exception reporting techniques.

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3. Regular forensic audits can help beverage companies identify potential fraud risks and address them proactively. By incorporating regular risk assessment analysis and forensic audits into their routine financial oversight, companies can maintain transparency and build stakeholder trust.

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