



AN EMPIRICAL STUDY OF FORENSIC ACCOUNTING AND FRAUD MANAGEMENT BY LISTED BANKS IN NIGERIA

Ogah Idagu Joseph (Ph.D.)

Department of Accountancy, University of Cross River State, Ogoja Campus, Cross River
State, Nigeria.

Email: idaguogar@gmail.com; Tel.: +2349079689288

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ABSTRACT: *The study examined the effect of forensic accounting services such as fraud investigation and litigation support services on fraud management using listed banks in Nigeria. Two research hypotheses were formulated and tested in the course of the study. The study adopted the descriptive survey research design with a population of 125 staff of forensic accounting and internal control departments of 25 listed banks. A sample of 95 respondents drawn from 12 listed banks in Nigeria was used for the study. The researcher developed an instrument titled “Forensic Accounting and Fraud Management Questionnaire (FAFMQ)” and used it for data collection. The instrument was tested and validated by experts. The data were analyzed through analysis of variance using Statistical Package for Social Sciences version 21 (SPSS 21). The hypotheses were tested at a 5% level of significance. The study revealed that the application of forensic accounting by banks has a significant effect on fraud management by listed banks in Nigeria. The study also showed that fraud investigation and litigation support significantly managed fraud among the listed banks in Nigeria. It was recommended that banks should take advantage of forensic accounting services to ensure operational efficiency and effectiveness in fraud management. The study recommends the establishment and enhancement of forensic accounting and auditing functions in banks as separate departments in order to manage the prevalence of fraud among Nigerian banks.*

KEYTERMS: Forensic Accounting, Fraud Investigation, Litigation Support and Fraud Management.



INTRODUCTION

Forensic accounting came into the limelight and gained rapid acceptability due to the prevalent rate of financial fraud and white-collar crimes. The integration of accounting, auditing and investigative skills creates the specialty, known as forensic accounting. Forensic means suitable for use in a court of law, and it is to that standard and potential outcome that forensic accountants generally have to work. The word forensic underscores the application of scientific methods and techniques to the investigation of crime, as much as it is concerned with courts of law. (Smith, 2021)

In effect, forensic accounting refers to the application of accounting principles, theories and discipline to facts and hypotheses at issue in a legal context, embracing litigation or any other form of dispute resolution such as arbitration. Forensic accounting (FA) is an umbrella term which consists of accounting, auditing and investigative skills. It is a type of accounting suitable for legal review and blended with services like providing the highest level of assurance gathered through legal documentation of the latest scientific fashion, core knowledge of generally accepted accounting principles (GAAPs), standards and codes. (Bassey, 2021)

According to Webster's Dictionary, Forensic Accounting means Belonging to, used in or suitable to court, of judicature or to public discussions, debate and ultimately dispute resolutions. It is also defined as an accounting analysis that is suitable to the court which will form the basis for discussion, debate and ultimately dispute resolution in the banking sector.

Banks in most economies are the principal depositories of the public's monetary savings, the nerve centre of the payment system, the vessel endowed with the ability to money creation and allocate financial resources and the conduit through which monetary and credit policies are implemented. (Akindele, 2021). The success of monetary policy, to a large extent, depends on the health of the banking institutions through which the policies are implemented (Adeyemo, 2012; Godwin, 2009; Oye, 2003). Whatever problems that militate against the proper functioning of the banking sector will invariably have multiplier effects on the other sectors of the economy. Fraud has been identified as a major threat to the growth and development of the banking sector, not only in Nigeria but globally. This is one of the reasons why it is essential to effectively manage the rate of fraud occurrence in banks to forestall its negative effect on the smooth functioning of the banking sector globally.

In 2008, the Central Bank of Nigeria (CBN), commissioned special examinations on all banks in Nigeria. These examinations highlighted significant deficiencies in capital adequacy and liquidity requirements and illustrated major weaknesses in corporate governance and risk management practices.

The examination showed clearly that 9 banks were in a 'grave Situation', i.e.: Oceanic Bank International Nigeria Plc, Union Bank of Nigeria Plc, Intercontinental Bank Plc, Bank PHB Plc, Afribank Nigeria Plc, Finbank Plc, Equitorial Trust Bank Ltd, Spring Bank Plc and Wema Bank Plc. The CBN commissioned accounting firms to prepare: (i) forensic reports to further look into the management and corporate governance of each bank, and (ii) diagnostic reports to ascertain the true financial state of each bank. Both the forensic and diagnostic reports on each of the banks confirmed a pattern of bad corporate governance and a suspicion of fraudulent activities in the banks by the then Chief Executives.



The Economic and Financial Crimes Commission (EFCC) and the Attorney General of the Federation, upon review of the reports on these banks, were also of the firm view that what was disclosed pointed to serious economic crimes. Several persons in each of these banks were charged with a range of crimes; including theft, fraud and money laundering, before the Federal High Court and the Lagos State High Court. The Securities and Exchange Commission (SEC) also came to the same determination of major infractions of securities regulation, leading to actions at the Investment and Securities Tribunal. The challenges mirrored in the scenarios enumerated above gave rise to why this research is undertaken to ascertain whether the use of forensic accounting services could affect significantly on fraud rate management.

Statement of the problem

In recent times, a series of frauds have been committed both in the public sector and the private sector of the economy including the banking industry. These frauds in no doubt are perpetrated under the supervision of the internal auditors of the organization. It suffices to say that the independence of the internal auditor is not guaranteed because he works as an employee of the government or organization. Then comes the idea of external auditors, yet frauds are still being committed on a daily basis. The above scenario indicated that as more and more developments are recorded both in the Information Communication Technology (ICT) world and in other fields, fraudsters continue to groom their tactics towards fraudulent practices. It, therefore, becomes pertinent that forensic accounting be introduced, practised and fully implemented since the external auditors do not or may not have the required training to tackle modern frauds like white collar crimes such as security fraud, embezzlement, bankruptcies, contract disputes and possibly criminal financial transaction; including money laundering by organized criminals, also is the ability of the forensic accountant to provide litigation support and investigative accounting.

Despite efforts by the regulatory authorities to curb financial fraud and clean up the banking system, Nigerian banks recorded 20,768 cases in the first six months of 2018 costing them N19.77 billion. The Central Bank of Nigeria (CBN) made this known in its economic report for the first half of 2018, released on Friday, November 2, 2018. According to the apex bank, the reported fraud and forgery incidences were perpetrated by both bank staff and non-bank culprits. In the period under review, the actual loss by banks to fraud and forgery, however, amounted to N12.06 billion, compared with the N0.78 billion and \$0.03 million, suffered in the first half of 2017. The problem of this study therefore is: what is the effect of forensic accounting services on fraud rate management among selected banks in the Nigerian banking industry?

Objectives of the Study

The main objective of this study is to examine the effect of forensic accounting services on fraud rate management among selected banks in the Nigerian banking industry. The specific objectives are:

1. To determine the effect of fraud investigation on fraud management by listed banks in Nigeria.
2. To determine the effect of litigation support on fraud management by listed banks in Nigeria.



Research Questions

For this study, the following research questions were drawn:

1. To what extent has fraud investigation affected fraud management by listed banks in Nigeria?
2. What is the effect of litigation support on fraud management by listed banks in Nigeria?

Hypotheses

The following hypotheses were formulated and are to be tested at .05 alpha levels.

1. Fraud investigation has no significant effect on fraud management by listed banks in Nigeria.
2. There is no significant effect of litigation support on fraud management by listed banks in Nigeria.

Significance of the Study

The role of forensic accounting provokes many areas in which research can be carried out, but this study focused on determining the effect of forensic accounting services such as fraud investigation and litigation support on fraud management in the banking sector. The study is useful to various groups such as government, researchers and academicians, investors, financial institutions and bank management.

Forensic Accounting

Dhar and Sarkar (2010) defined forensic accounting as the application of accounting concepts and techniques to legal problems. It demands reporting, where accountability of the fraud is established and the report is considered as evidence in a court of law or administrative proceedings. They stated further that forensic accounting is the science of gathering and presenting information in a form that will be accepted by a court of jurisprudence against perpetrators of economic crimes. This implies that forensic accounting is a hybrid field that derives its origin from the fusion of diverse speciality fields of accounting, finance, law auditing etc.

Forensic accounting to Okoye and Gbengi (2013) involves the use of accounting, auditing and investigative skills to assist in legal matters. It consists of two components; litigation services that recognise the role of an accountant as an expert consultant, and investigative source that uses forensic accounting skills and may require possible courtroom testimony. They further reiterated that forensic accounting may involve the application of special skills in accounting, auditing, finance, quantitative methods, the law and research. It also involves qualitative skills to collect, analyze and evaluate financial evidence, as well as the ability to interpret and communicate findings. Forensic accounting is the fastest-growing and highest-paying field of accounting, with the integration and complexity of the global market and financial institutions, it will be in greater demand within the next few decades.

Forensic accounting is the specialty area of the accountancy profession which describes engagements that result from actual or anticipated disputes or litigation. Forensic accounting



is recognized as a particular form of professional expertise. It is a science dealing with the application of accounting facts and concepts gathered through auditing methods, techniques and procedures to resolve legal problems which require investigative, accounting and auditing skills (Arokiasamy & Cristal, 2009).

Forensic accounting is a discipline that has models and methodologies of investigative procedures that search for assurance, attestation and advisory perspective to produce legal evidence. It is concerned with the evidence-based nature of accounting data, and as a practical field concerned with accounting fraud and forensic auditing; compliance, due diligence and risk assessment; detection of financial misrepresentation and financial statement fraud (Skousen & Wright, 2008).

Forensic accounting draws conclusions, calculates values and identifies irregular patterns or suspicious transaction trends by critically analyzing the financial data. It provides an accounting analysis to the court for dispute resolution in certain cases and it also provides the courts with an explanation of the fraud that has been committed (Adrian, 2009). This is the reason why forensic accounting may play a vital role in managing fraud rates in the banking sector.

Fraud Investigation Service

The word “fraud” has several meanings and relates to many types of allegations and investigations. Fraud investigators are financial detectives, isolating problems swiftly, minimizing the potential damage to your business and securing the evidence needed to obtain a conviction. Fraud could be perpetrated by junior-level staff or top management-level staff and it could be from small cash to high-value assets. Fraud could sometimes be caused by professional negligence in which case the person who provides professional service negligently fails to detect mistakes or fails to do something that the normal professional should do. To detect whether a professional displayed negligence or not, the company would normally engage the services of Forensic Accountants. Forensic Accountants also carry out criminal investigations (Albrecht & Albrecht, 2002). Forensic accountants possess both investigative ability and technical skills needed in reviewing documents, accounting records, accounting documents etc. Areas covered by forensic fraud investigation include:

- Employee fraud which relates to thefts and embezzlements by employees
- Financial statement fraud refers to companies misrepresenting their position and results within their published financial statements
- Bank fraud relates to customers defrauding financial institutions in many ways.
- Fiduciary fraud relates to theft or embezzlement by someone in a position of trust over someone else's assets.

Litigation Support service

The use of forensic accountants in litigation matters has been growing. More and more attorneys have come to realize the value forensic accountants can add to a case, delivering specialized accounting expertise in a number of areas and providing a strategy. Litigation



support services are needed because the experts are highly experienced in providing testimony in court, drawing on accounting, auditing, tax and financial expertise as well as their specific knowledge of court procedures.

From record requests through expert testimony, forensic accountants can prove invaluable in assisting counsel. In many cases, their skills are used to assist counsel in drafting document requests that will facilitate the grounds of the case in dispute. By obtaining adequate financial records, reviewing provided records for completeness and reasonableness, reconstructing records and accounts as needed, preparing support for interrogatories and depositions, performing calculations and providing expert witness services, forensic accountants can play a major role in litigation (Akhidime & Uagbale-Ekatah, 2014).

Fraud Prevention & Internal Controls

The best scenario when it comes to fraud is prevention and deterrence. Properly designed internal controls are the primary defence against employee theft and embezzlement. Establishing and maintaining sound and practical internal controls for any company, organization or governmental agency ensures that every transaction is properly authorized, approved, recorded, documented and reflected within financial statements and reports. Focusing mainly on theft and embezzlement, any organization's internal controls, financial policies and accounting procedures can fall victim to the deliberate acts of an employee, resulting in substantial loss to the organization.

Fraud control and prevention services provided by Forensic Accountants are key in fraud rate management because forensic experts have wide experience in selecting, implementing, documenting, and evaluating internal control systems. The experts assist organizations by objectively reviewing their current systems of internal controls, financial policies and accounting procedures.

The result will not yield a "fraud-proof" system of internal controls, as no system can guarantee absolute assurance that fraud will not occur, but rather provides the organization's owners, management and board members with a road map of where opportunities exist as well as practical recommendations to address each area. (Skousen & Wright, 2008).

Fraud management

Financial fraud management has been variously described in the literature but no one description suffices. The concept of fraud management according to the 2019 Global Electronic Commerce Fraud Management Report implies the adoption of integrated strategies or methods towards accurately detecting and rejecting fraudulent transactions to minimize fraud losses and efficiently managing the operational costs of fraud management activities while also delivering a positive experience for genuine customers and maximizing the acceptance of genuine transactions.

However, some of the challenges Banks face in implementing fraud rate management include: Keeping up with regulatory/ scheme rule changes, lack of sufficient internal resources, lack of internal expertise and challenges that come with international expansion. To surmount these challenges the 2019 Global e-Commerce Fraud Management Report suggests the automation of fraud management processes by banks through the use of an array of effective fraud



management tools that include validation services, proprietary data, multi-merchant data, and purchase-device tracing (Albrecht & Albrecht, 2002). The report also recommends the maintenance of positive and negative lists to allow seamless processing of known genuine customers, and automatic filtering of known fraudsters, creation of customer-centric rules to allow genuine customers to carry out transactions with unhindered access and ensure that these rules are continually reviewed and recalibrated, streamlining the review process by using an effective case management system that brings together all the tools reviewers need to review orders efficiently and ensuring that there is a feedback loop so that insights from the review team can be fed into the automation rules and positive/ negative lists.

THEORETICAL FRAMEWORK

This study reviewed the fraud triangle theory, fraud diamond theory, the policeman theory, the theory of inspired confidence, differential association theory, and the anomie theory to examine the link between forensic accounting services and fraud rate management.

Empirical Review

Bassey's (2021) study determines the impact of forensic accounting in combating fraudulent activities in order to ensure good corporate governance practices in the Nigerian banking sector. Two hypotheses were formulated in line with the objectives of the study. The survey method was adopted and data were collected through the use of a questionnaire. Data was collected from a sample of fifty-five (55) respondents from commercial banks in Awka, Anambra state and were analyzed with a 5-point Likert scale. The two hypotheses formulated were tested using t-test statistical techniques with the aid of SPSS version 20.0. The study found among others Forensic accounting is an effective tool for addressing financial crimes in the banking system. Also, the forensic audit is necessitated to ensure corporate governance in corporate organizations. Based on this, the study recommended among others that the apex bank need to engage the service of a forensic accountant to complement the efforts of other professionals in reducing fraudulent activities in order to ensure corporate governance in the financial sector.

Okafor and Agbiogwu (2020) investigated the effect of forensic accounting skills based on experts' consultancy services on the management fraud rate among selected banks in Nigeria. The study answered and tested five research questions and hypotheses. The research design was the ex-post facto research design using purposive and accidental sampling techniques to select the five (5) commercial Banks used as the population for the study. A sample of three (3) banks was used in the study. A well-validated instrument was used for data collection which was validated by experts with a reliability index that ranges from .85. The one-way Analysis of variance was used for data collection and the findings of their study reveal that the use of basic expert consultancy services significantly reduced the occurrence of fraud cases in the banking sector and that there is a significant difference between services of forensic accountants and External auditors, and that the presence of forensic accountants in Banks can aid in reducing fraud cases.

Uyesi (2018) conducted a study on the effect of litigation support on fraud rate management. The study tested six hypotheses with a descriptive survey design. It revealed that the advent of rapid technological change and globalization has prominently decreased the ability of



traditional methods to deal with financial information manipulation. Forensic accounting has brought a contemporary approach to the investigation of financial information manipulation.

Ogundana, Ogunleye and Oladapo's (2018) study examined the role of the forensic accountant in the prevention and detection of fraud in the Nigerian banking sector. The study adopted the Survey research design while the source of data is the primary data and the data sourced was gleaned from copies of the questionnaire administered to selected banks. Three (3) hypotheses were formulated and tested using Simple regression at a significant level of 5%, Independent T-test and One-way ANOVA. Findings revealed a negative significant relationship between IFRS adoption and foreign direct investment of Nigeria banks. Findings also revealed that forensic accounting has a significant impact on fraud prevention and detection. In addition, the findings of this study also revealed that there is a low level of awareness of forensic accounting in the Nigerian banking industry. Consequently, the study recommended that the Nigerian Government should provide the enabling environment for the forensic accounting profession to thrive in the country by strengthening the legal, educational and political framework in the country.

METHODOLOGY

The target population under study is 125 staff of forensic accounting and internal control units of 25 commercial banks in Nigeria.

Sample and Sampling technique

A sample of 95 respondents was drawn from a population of 125 staff of forensic accounting and internal control units of 12 commercial banks in Nigeria using probabilistic sampling.

Data collection instrument

A researcher's developed instrument tagged Forensic Accounting Services, Fraud Rate Management Questionnaire (FAFMQ) was used for data collection. Also, secondary data was obtained from publications and reports published by key regulatory authorities like the Central Bank of Nigeria (CBN) and Nigeria Deposit Insurance Corporation (NDIC).

Validity and Reliability of the Instrument

To establish the validity and reliability of the instrument, three (3) experts were involved; two in Accounting and one in Measurement and Evaluation in the University of Cross River State, who scrutinized the instrument to ensure that the items were well worded. Their various suggestion and modifications were finally incorporated into the final version of the instrument before administration.

The data was analyzed using Statistical Package for Social Sciences version 21 (SPSS 21). The result is presented in Table 3 below:

**Table 3 Reliability analysis for the research instrument (N=40)**

S/N	VARIABLE	K	$\sum S_i^2$	SX^2	\bar{X}	SD	R
1	Fraud investigation	6	1.42	4.01	19.67	2.11	0.94
2	Litigation support	6	1.76	3.97	20.98	2.27	0.83
3	Fraud rate management	18	1.21	4.32	18.00	3.39	0.88

Key: K=total number of items.

$\sum S_i^2$ =sum of item variance.

SX^2 = item variance.

SD = Standard Deviation.

∞ or r =reliability coefficient with Cronbach Alpha

Model Specification

The one-way ANOVA model of fraud management versus indicators of forensic accounting services was used to examine the influence of the variables. The study used fraud management as the dependent variable and various indicators of forensic accounting services (fraud investigation and litigation support) as the independent variables which were categorized in terms of high, moderate and low accordingly. The algebraic expression of the analytical model is presented in the formula as stated below:

1. A sum of square for total $TSS = \sum_{i=1}^n (y_i - \bar{y})^2$
2. A sum of square for between or BSS or $SSB = \sum_{i=1}^k n_i (\text{Mean}_i - \text{GrandMean})^2$
3. A sum of square for within or WSS or $SSW = \sum \text{EachGroup} [\sum ((X - X_{\text{group}})^2)]$
4. Degree of freedom for total = $Dft = N - 1$
5. Degree of freedom for between = $DfB = K - 1$
6. Degree of freedom for within = $Dfw = N - K$
7. Mean Sum for within or $MSB = SS(\text{Between})/(m-1)$
8. Mean sum for within or $MSW = SSW/df$
9. F-ratio = MSB/MSW

The role of fraud investigation and litigation support services in fraud management was measured based on their indices on the responses derived from the Likert scale questions.



RESULTS AND DISCUSSION

Hypothesis one

Fraud investigation has no significant effect on fraud management among the selected banks in Nigeria. The independent variable in this hypothesis is fraud investigation which has three levels: high, moderate and low. The dependent variable is fraud management which was measured continuously. To test this hypothesis, One-Way ANOVA was employed as presented in Tables 4, 5 and 6.

TABLE 4: Result of descriptive statistical analysis with the effect of fraud investigation on fraud management

Level of fraud investigation	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean Lower Bound Upper Bound	Minimum	Maximum
High	28	42.2069	3.47116	3.24431	35.5612 48.8526	18.00	71.00
Moderate	52	34.1481	4.43387	2.37245	29.3896 38.9067	18.00	68.00
Low	15	45.2000	4.10775	3.64261	37.3874 53.0126	24.00	69.00
Total	95	40.5183	4.00043	1.76249	34.7264 41.7225	18.00	71.00

Table 5: Result of One-way Analysis of Variance with the Effect of fraud investigation on fraud management

Sources of variance	Sum of Squares	Df	Mean Square	F	p-value
Between Groups	2087.088	2	1043.544	3.613	.031
Within Groups	27441.973	93	288.863		
Total	29529.061	95			

Table 6: Post-hoc comparison with the effect of fraud investigation on fraud management

Fraud investigation	Fraud management	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval Lower Bound Upper Bound
High	Moderate	8.05875*	3.91281	.042	.2908 15.8267
	Low	-2.99310	5.40540	.581	-13.7242 7.7380
Moderate	High	-8.05875*	3.91281	.042	-15.8267 -.2908
	Low	-11.05185*	4.96053	.028	-20.8997 -1.2040
Low	High	2.99310	5.40540	.581	-7.7380 13.7242
	Moderate	11.05185*	4.96053	.028	1.2040 20.8997

* The mean difference is significant at the 0.05 level.

It can be discerned from Table 4 of the descriptive statistics using 95 respondents with three levels of fraud investigation, categorized into high, moderate and low that, while high has 40 respondents sampled, moderate has 48 and low has 7 respondents respectively. Their means



are 42.20, 34.14 and 45.20 with a corresponding standard deviation of 3.47, 4.43 and 4.11 respectively.

The inferential statistical analysis in Table 5 with One-way Analysis of variance showed that the p-value is .007 (F-ratio=5.244) which is less than the chosen alpha of .05. Thus, the null hypothesis is rejected. This implies that there is a significant effect of fraud investigation on fraud management among selected banks in Nigeria. To confirm the direction of the mean difference, a post-hoc was performed with Fisher's Least Significant Difference (LSD) to show the mean differences among groups as presented in Table 6.

The Fisher's Least Significant Difference (LSD) in Table 6 shows that the mean differences for high and moderate are not statistically significant as ($p=.251$, $=4.00$). For high and low, there is a significant statistical mean difference as ($p=.013$, $=-16.45$), while moderate and low differ significantly as ($p=.0042$, $=20.54$). The results indicate that there is no significant mean difference between high and moderate, while there is a significant mean difference between high and low, moderate and low respectively.

Hypothesis two

Litigation support has no significant effect on fraud management among selected banks in Nigeria. The independent variable in this hypothesis is litigation support which has three levels: high, moderate and low. The dependent variable is fraud management which was measured continuously. To test this hypothesis One-Way ANOVA was employed as presented in Tables 7, 8 and 9.

TABLE 7: Result of descriptive statistics with the effect of litigation support on fraud management

Levels of litigation support	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
High	40	38.9268	18.09197	2.82549	33.2163	44.6374	18.00	71.00
Moderate	48	34.8367	16.45745	2.35106	30.1096	39.5639	18.00	68.00
Low	7	55.3750	8.45049	2.98770	48.3102	62.4398	46.00	69.00
Total	95	38.2245	17.44773	1.76249	34.7264	41.7225	18.00	71.00

TABLE 8: Result of One-way Analysis of Variance with the effect of litigation support on fraud management

Sources of variance	Sum of Squares	Df	Mean Square	F	p-value
Between Groups	2935.712	2	1467.856	5.244	.007
Within Groups	26593.349	93	279.930		
Total	29529.061	95			

**TABLE 9: Result of post-hoc comparison with the effect of litigation support on fraud management**

Litigation support	Fraud management	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
High	Moderate	4.09009	3.54125	.251	-2.9402	11.1204
	Low	-16.44817*	6.46675	.013	-29.2863	-3.6101
Moderate	High	-4.09009	3.54125	.251	-11.1204	2.9402
	Moderate	-20.53827*	6.37998	.002	-33.2041	-7.8724
Low	High	16.44817*	6.46675	.013	3.6101	29.2863
	Moderate	20.53827*	6.37998	.002	7.8724	33.2041

*. The mean difference is significant at the 0.05 level.

It can be deduced from Table 7 of the descriptive statistics using 95 respondents with three levels of litigation support categorized into high, moderate and low that, while high has 28 respondents sampled, moderate has 52 and low has 15 respondents respectively. Their means are 38.93, 34.84 and 55.38 with a corresponding standard deviation of 18.09, 16.46 and 8.45 respectively.

The inferential statistical analysis in Table 1 with One-way Analysis of variance showed that the p-value is 031 (F-ratio=3.613) which is less than the chosen alpha of .05. Thus the null hypothesis is rejected. This implies that there is a significant effect of litigation support on fraud management among selected commercial banks in Nigeria. To confirm the direction of mean differences, a post-hoc was performed with Fisher's Least Significant Difference (LSD) to show the mean differences among groups as presented in Table 8.

The Fisher's Least Significant Difference (LSD) in Table 9, shows that the mean differences for high and moderate is statistically significant as ($p=.042$, $=8.06$). For high and low, there is no statistical mean difference as ($p=.581$, $=-2.99$), while for moderate and low the mean differs significantly as ($p=.028$, $=-11.05$). The result indicates that there is a significant mean difference between high and moderate, while there is no significant mean difference between high and low and there is a significant mean difference between moderate and low respectively.

DISCUSSION OF FINDINGS

Fraud investigation and fraud management:

The result of the study has shown that Fraud investigation has a significant effect on fraud management. This result is obvious because when organizations employ the services of specialized fraud investigators to unmask the identity and methodology of the perpetrators, fraud prevalence will definitely be reduced. Rose and Abi-Rched (2012) using a graphical representation of 15 fraud cases found preliminary evidence that fraud auditors who adopted the fraud specialist pattern of knowledge of organization improved their accuracy of risk assessment.



Litigation support on fraud management:

Litigation support has been found to have a significant effect on fraud management as clearly depicted by the result of this research.

CONCLUSION

From the discussion, the researcher concludes that most banks in Nigeria have adopted various forensic accounting services which include fraud investigation, litigation support, business advisory services, dispute resolution and expert consultancy services. The study further concludes that there is a positive effect of forensic accounting services on fraud management. A firm wishing to manage fraud and grow must therefore put into place sufficient resources to properly practice forensic accounting in its different departments. The study concludes that to sustain effective operations in the bank, cyber fraud and fraudulent expense claims by employees must be monitored since they are the most prevalent type of fraud which occurred in the banking sector. Theft of cash, physical assets and identity theft of confidential information was also affected to a greater extent with payroll being the least affected.

The study concludes that just as banks use other means of reducing the occurrence of fraud, forensic accounting services provide confidence in financial statements as it had a positive effect on fraud management. Among legal strategies utilized in different organizations, personal responsibility has emerged as one of the most preferred strategies for curbing fraud. The study concludes that forensic accounting services have the highest application in enhancing the quality of financial reporting and management of fraud in banks.

RECOMMENDATIONS

The study recommends that it is important to review the Banks' organizational structure for better alignment with the workings of forensic accounting services in line with the findings of the study. This is to allow for clear functionality of different departments without conflicting with each other. The creation of a separate Forensic accounting department having sub-units for specialist fraud investigation and Litigation support is highly imperative.

The Banks also need to formulate clear policies to guide the practice of forensic accounting in the banking sector. It was recommended that the internal control staff and management be educated and informed of the most common type of fraud and the department responsible so that unreasonable loss of money and fraudulent practices could be addressed.

It is also important for the Banks to use better accounting and auditing standards as per the International Accounting Standards Board and International Standards of Auditing. This is to ensure that forensic accountants and auditors undertake objective financial reporting and the increased accuracy of the prepared financial statements.

Appropriate action must be applied when fraud is detected. Proper forensic procedures should be followed during investigations in matters of prosecution by professional forensic accountants and disciplinary action is to be taken in cases of fraud.



Every bank should establish a code of conduct and the banks' officials should be made to declare their assets from time to time. Training on independence, transparency, accountability, and competence should be fostered to enhance the smooth operation of forensic accounting services.

Finally, banks should deploy modern technology for the automation of basic forensic checks and leverage advanced machine learning techniques to suggest rules, based on their own historical data that are likely to help them achieve their fraud management objectives. Possession of a significantly greater range of capabilities gives the bank agility to respond to the dynamic fraud landscape it operates. These include the ability to adapt fraud management processes and rules, to identify and mitigate risk from new fraud patterns, and to use data effectively to manage fraud is also recommended.

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