



AN ASSESSMENT OF FORENSIC ACCOUNTING IN NIGERIA: EVIDENCE FROM THE BANKING INDUSTRIES

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ABSTRACT

This study was carried out under the title “an assessment of forensic accounting in Nigeria – evidence from the banking industries”. The objectives of the study was to examine the extent to which the application of forensic accounting services in the banking industries deter fraudulent activities, to determine how the application of forensic accounting detect and minimize computer related fraud, as well as to investigate the relationship between forensic accounting and financial fraud control in the banking industries. The instrument used for the purpose of this research was gathered through primary source. The mass of information generated from the questionnaires was summarized in form of table and analyzed using simple percentage. The researcher administered two hundred (200) questionnaires to respondents, out of which one hundred and eighty-eight (188) were retrieved for the purpose of presenting and analyzing responses to issues raise in the questionnaires. The hypotheses were tested using chi-square statistical tool. The findings from the analysis revealed among other things that the application of forensic accounting services in the banking industries deters fraudulent activities. It study also show that the application of forensic accounting detect and minimize computer related fraud, and that there is a significant relationship between forensic accounting and financial fraud control. In line with the findings, we therefore recommend that corporate organizations (especially banks) should encourage active personnel to learn financial rules of crimes and their application such as forensic accounting.

Keywords: Forensic accounting, computer, fraud, criminals, banking industries.

INTRODUCTION

The banking sector is one of the most critical sectors in virtually all economics of the world arising from its wide effects on the magnitude and direction of economic growth and transformation (Badejo, Okuneye & Taiwo, 2017). As intermediaries to both suppliers and users of funds, the banking sector plays a pivotal role in

stimulating the level of economic activities (Badejo, Okuneye & Taiwo, 2017). **According to Oyeibisi, Wisdom, Olusogo and Ifeoluwa (2018), the Nigeria banking sector is composed of deposit money banks, development banks, merchant banks and the Central Bank of Nigeria (CBN), which is the apex bank. The apex bank is charged with the responsibility of administering the Banks and other Financial Institutions (BOFIA) Act 1991 as amended, with the sole aim of ensuring high standard of banking practice and financial stability through its surveillance activities as well as the promotion of an efficient payment system (Oyeibisi, Wisdom, Olusogo & Ifeoluwa, 2018).**

In recent times, the inability of banks to successfully fulfill their role as intermediaries has been a central issue attributable to the financial crisis that has been witnessed in the sector as well as the risks associated with banks' practices (Badejo, Okuneye & Taiwo, 2017). One of such risks which is increasingly becoming worrisome is the banking risk associated with fraud. According to Udeh and Ugwu (2018) fraud is a pandemic socio-economic disease, as it traverses both public and private sectors of the economy as well as developing and developed nations of the world.

Okoye, Adeniyi and James (2019) explained that financial fraud has for long been categorized as a menace that led to the collapse of many reputable institutions in the world which include Enron, Bernie Madoff scandals, WorldCom, Lehman Brothers, Tyco International Ltd, and Adelphia Communications Corporation in the USA, Parmalat crises in Italy and HIH Insurance Ltd in Australia. In Nigeria, the cases of Cadbury Nigeria Plc; Afribank Nigeria Plc, NAMPAK, Oceanic Bank Nigeria Plc, and African Petroleum Plc were relatively caused by massive fraud (Sule, Ibrahim, & Sani, 2019).

Okunbor and Obaretin (2010) reported that "the spates of corporate failures have placed greater responsibility and function on accountants to equip themselves with the skills to identify and act upon indicators of poor corporate governance, mismanagement, frauds and other wrong doings". Ehioghiren and Atu (2016) opined that it has become imperative 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. Therefore, fraud requires more sophisticated approach from preventative to detection. Ehioghiren and Atu (2016) disclosed that one of the modern approaches that can be used from the prevention to detection is called forensic accounting. According to Okoye and Gbegi (2013) forensic accounting is an investigative style of accounting used to determine whether an individual or an organization has engaged in any illegal financial activities. Similarly, Eze and Okoye (2019) posit that forensic accounting is a rapidly growing field of accounting that involves investigative style of accounting employed to unveil the activities of

individuals or corporate organizations as to ascertain whether the individuals or organizations are involved in any illegal financial activities.

Okoye and Ndah (2019) explained that forensic accountants use various methods in the performance of their roles. These include the analyses of financial statements and other relevant financial records, data mining, assessing testing data for completeness and accuracy as well as interviewing those suspected of fraud. However, large company had been found involved in fraud in Nigeria. This is because it is always possible for high level management to access data and change the information, paper-based system or a computerized system alike (Enofe, Okpako & Atube, 2013). It all relates back to human nature and high level management. The possible way to solve this issue is that the public should be educated and be informed of the use and function of forensic accounting to prevent fraud occurrences (Enofe, Okpako & Atube, 2013). When the public is made known of the concept, then they could actually demand for the service in the company which they invest in.

In the light of the above discussion, this study is conducted with the aim of assessing forensic accounting in Nigeria – evidence from the banking industries.

Statement of the Research Problem

Forensic accounting has evolved as a means of checking fraud since the traditional accounting system and auditing have failed in some areas in checking fraud (Okoye, Adeniyi & James, 2019). Forensic accounting is seen as taking more advance role in fraud prevention, detection, and management. However, its use and effectiveness has raised serious concerns as it has been argued that it is used mainly aftermath of the fraud to find the perpetrators and how it was carried out in order to avoid future occurrence (Okoye, Adeniyi & James, 2019).

A study on the activities of forensic accounting in the banking industries have been investigated empirically in Nigeria, for example; Adesina, Erin, Ajetunmobi, Ilogho and Asiriwuwa (2020), Ewa, Adesola and Eseneyen (2020), Alao and Odum (2019), Okoye, Adeniyi and James (2019), Ekechukwu, Ugwu and Mbah (2018), Raymond, Nwakoby and Okoye (2016).

To the best of the researcher's knowledge, none of the prior empirical studies investigate Zenith Bank Plc branches in Benin metropolis, Benin City, Edo State. This creates room for knowledge gap as to what people perceived to be the association between forensic accounting and the activities of Zenith Bank Plc branches in Benin metropolis, Benin City, Edo State. Hence this research tries to fill this gap by empirically conduct a research on the assessment of forensic accounting in Nigeria, with special emphasis on Zenith Bank Plc branches in Benin metropolis, Benin City, Edo State.

It is against this backdrop, that the following research questions are raised:

1. To what extent does the application of forensic accounting services deter fraudulent activities in the banking industries?

2. Does the application of forensic accounting service detect and minimize computer related fraud in the banking industries?
3. What is the relationship between forensic accounting and financial fraud control in the banking industries?

Objectives of the Study

The broad objective of this study is to assess forensic accounting in Nigeria – evidence from the banking industries. The specific objectives are to;

1. examine the extent to which the application of forensic accounting services deter fraudulent activities in the banking industries.
2. determine how the application of forensic accounting detect and minimize computer related fraud in the banking industries.
3. investigate the relationship between forensic accounting and financial fraud control in the banking industries.

Research Hypotheses

The hypotheses to be tested to enable us achieve the objectives of this project are stated in null form as follows:

- H₀₁: The application of forensic accounting services does not deter fraudulent activities in the banking industries.
- H₀₂: The application of forensic accounting does not detect and minimize computer related fraud in the banking industries.
- H₀₃: There is no significant relationship between forensic accounting and financial fraud control in the banking industries.

LITERATURE REVIEW

Conceptual Review

Forensic Accounting

Forensic accounting, which is likewise called investigative accounting or extortion review, is a merger of criminological science and accounting (Ekechukwu, Ugwu & Mbah, 2018). Raymond, Nwakoby and Okoye, (2016) explain that forensic accounting is the application of financial skills and investigative mentality to unresolved issues, conducted within the context of the rules of evidence. Raymond, Nwakoby and Okoye, (2016) buttress that as a discipline, it encompasses fraud knowledge, financial expertise, and a sound knowledge and understanding of business reality and the working of the legal system.

Dauda and Abubakar (2020) see forensic accounting as a tripartite practice of utilizing accounting, auditing and investigative skills and or a specialized field of accounting that describes engagements which result from actual or anticipated disputes or litigation. Similarly, Ojukwu, Ubi, Olugbemi, Olugbemi, Modupe and

Emefiele (2020) say that forensic accounting is the tripartite practices of utilizing accounting, auditing and investigative skills to assist in legal matters. It is a specialized field of accounting that describes engagements that result from actual or anticipated disputes or litigation. Forensic accounting can therefore be seen as an aspect of accounting that is suitable for legal review and offering the highest level of assurance (Ojukwu, Ubi, Olugbemi, Olugbemi, Modupe & Emefiele, 2020).

Ewa, Adesola and Eseneyen (2020) defined forensic accounting as the application of financial expertise and detailed examination and analysis of financial documents and records for use as evidence in a court of law. According to Abdulrahman (2019) forensic accounting is understood to have evolved in response to certain emerging fraud related cases. For example ENRON and WorldCom scandals have drawn or shocked the world and exposed corporate deceit and greed embedded in human minds to the field of forensic accounting, more and more attention is now given to the field. Abdulrahman (2019) further say that moreover, financial related fraud and increase in financial crime has led to the need of forensic accounting in order to aid investigation and prosecution of the syndicates of financial crimes just liked in the case of some prominent political parties ex-governors in Nigeria are presently facing trials on money laundering, embezzlement, misappropriation of funds, security fraud, breach of contract from different court of laws within the country and many more including some public civil servants that converted public treasury as personal assets to their pockets.

Fraudulent Activities

The costs of fraud are passed on to society in form of increased customer inconvenience, opportunity costs, unnecessary high prices of goods and services, and criminal activities funded by the fraudulent gains (Ijeoma & Aronu, 2013). Fraudulent activities may be describe as any intention to deceive people with the aim of obtaining financial or property gain.

The recurring nature of fraudulent activities in banks in recent years continues to pose stern threat to the stability and survival of banks and the banking industry in general (Mawutor, Enofe & Embele, 2019). Many of the distressed banks in Nigeria today had suffered a great deal from fraud and fraudulent activities (Ilaboya, 2017). Despite the numerous banking reforms, regulatory supervisions by various banking regulatory bodies and internal control measures put in place, fraud is still persistent in banks (Mawutor, Enofe & Embele, 2019). The NDIC (2017), reports had shown increased amount of fraud and fraudulent activities perpetrated in deposit money banks compared to other banking institutions. These reports also show consistent increase in the total amount lost to fraud compared to the provision for expected loss meant to absorb the cases of fraud loss. The costs incurred to deal with the menace

of fraud consume a great deal of the banks resources and imposes additional cost to the banks (Mawutor, Enofe & Embele, 2019).

Computer Related Fraud

The term computer related fraud can be used to describe any criminal activity which involves the computer or the internet network (Okeshola & Adeta, 2013). This term is used for fraud such as crimes, theft, blackmail, forgery, and embezzlement, in which computers or networks are used. Ogunwale (2020) see computer related fraud as any illegal act targeted by means of electronic operations on the security of computer systems and the data process of them. Similarly, Ajayi, (2016) explained that computer frauds, are those criminal acts perpetrated with the use of a computer; stated in other words, computer frauds includes crimes committed against the computer hardware, the materials contained or associated with the computer which includes the software and data; typical examples of computer frauds includes but not limited to embezzlement, crime, financial scams and hacking etc.

Review of Empirical Studies

Forensic Accounting Services and Fraudulent Activities

Okoye, Amughoru and Evbota (2020) examined fraudulent activities and forensic accounting services. The primary data was the instrument for the purpose of research data gathering. The instrument used for the purpose of this research was gathered through primary source. The mass of information generated from the questionnaires was summarized in form of table and analyzed using simple percentage. The researcher administered two hundred (200) questionnaires to respondents, out of which one hundred and eighty-eight (188) were retrieved for the purpose of presenting and analyzing responses to issues raise in the questionnaires. The hypotheses were tested using chi-square statistical tool. The findings from the analysis revealed among other things that the application of forensic accounting services in quoted Nigeria banks deters fraudulent activities. The study also show that the application of forensic accounting detect and minimize computer related fraud.

Okoye and Ndah (2019) investigated the relationship between forensic accounting practices and fraudulent activities in manufacturing companies in Nigeria. Data was collected from primary sources through the issue of fifty (50) structured questionnaires to the accounting staff of ten (10) manufacturing companies. The collected data was analyzed using Ordinary Least Square method of multiple regression analyses. The findings of the research showed that there is a positive and statistically significant relationship between forensic accounting practices and fraudulent activities in manufacturing companies. From the findings, we conclude

that fraud investigation practices are very important for the prevention of fraud in manufacturing companies.

Eze and Okoye (2019) investigated the effects of forensic accounting and fraudulent activities in the Nigerian public sector with Imo state as a case study. The research design used was the descriptive survey. The study adopted structured questionnaire for data collection after validity and reliability test with z-test for the hypothesis testing. The result revealed a significant relationship between forensic accounting and the prevention of fraudulent activities in the public sector.

Agbaje and Adeniran (2017) dwelt on the effects of forensic accounting services on fraudulent activities reduction in the Nigerian banking industry. The specific objectives focused on effect of forensic accounting services on treasury and forex operation and effect of forensic accounting services on loan processing and cash management. To achieve these objectives, survey research method was adopted for the study while primary data were collected, questionnaire were administered. The correlation regression model was used to analyze the data. The findings of the study revealed that forensic accounting services reduce fraudulent activities in banking industry.

Forensic Accounting Service and Computer Related Fraud

Olatunji and Aruwaji (2020) examined forensic accounting investigation in tracking computer related fraud (financial cybercrime) in Nigeria. The sample composed of all Nigeria anti-graft agencies including the Nigeria Communication Commission (NCC). A quantitative method is used in a way to analyze the data. The results of the hypotheses revealed that forensic accounting has significant influence in disclosing computer related fraud (financial cybercrime).

Okoye, Amughoru and Evbota (2020) examined fraudulent activities and forensic accounting services. The primary data was the instrument for the purpose of research data gathering. The instrument used for the purpose of this research was gathered through primary source. The mass of information generated from the questionnaires was summarized in form of table and analyzed using simple percentage. The researcher administered two hundred (200) questionnaires to respondents, out of which one hundred and eighty-eight (188) were retrieved for the purpose of presenting and analyzing responses to issues raise in the questionnaires. The hypotheses were tested using chi-square statistical tool. The findings from the analysis that the application of forensic accounting detect and minimize computer related fraud.

Forensic Accounting and Financial Fraud Control

Ewa, Adesola and Eseneyen (2020) evaluated the application of forensic accounting techniques in preventing/detecting fraudulent practices in commercial banks in

Nigeria by specifically assessing the impact of commercial data mining, ratio analysis and trend analysis techniques in fraud detection/prevention. With the aid of descriptive statistics and Ordinary Least Square (OLS) model, the result revealed the application of forensic accounting techniques significantly enhanced detection/prevention of fraud in the banking system.

Ojukwu, Ubi, Olugbemi, Olugbemi, Modupe and Emefiele (2020) examined the impact of forensic accounting and fraud detection control in Nigerian Universities. The study adopted desk survey methods in gathering relevant information which were extracted from textbooks, libraries, published and unpublished journals. Pearson Product Moment Correlation statistical tool was adopted in this study. It was revealed that there was a significant relationship between forensic accounting and financial fraud detection.

Adesina, Erin, Ajetunmobi, Ilogho and Asiriwuwa (2020) examined the importance of the application of forensic audit in controlling financial frauds that ravage or threaten the soundness and business continuity of Deposit Money Banks (DMBs) in Nigeria. The study used survey design methods, and the primary data were obtained through the administration of structured questionnaire covering seventeen (17) banks out of twenty-two (22) Deposit Money Banks (DMBs) operating in the country, which is 77.3%. In this study, the Ordinary Least Squares (OLS) method was used to analyze and test hypotheses, and the findings showed that the involvement of qualified and experienced forensic auditors would not only contribute to the amelioration of financial frauds in DMBs, but would also lead to much-needed sanity in the banking sector of Nigeria.

Bello (2020) conducted a study on the effect of forensic accounting technological on fraud detection in Nigeria. A qualitative approach was used by administering questionnaires with both structured and semi structured questions. A total of 38 Investigators from the Economic and Financial Crimes Commission (EFCC) were used as sample for the study. It revealed a significant relationship between forensic accounting technological tools and fraud detection in Nigeria.

Theoretical Framework

This study is hinged on Fraud Triangle Theory. According to Dorminey, Fleming, Kranacher and Riley (2010), the origin of the theory dates to the works of Sutherland, who coined the term white collar crime, and Cressey, one of Sutherland's former students. The fraud triangle theory consists of three elements that are necessary for theft or fraud to occur: perceived pressure, perceived opportunity and rationalization.

The fraud triangle has been put forward to explain the prevalence of fraud in organizations. According to Adebisi, Okike and Yoko (2016), forensic accounting relies on the fraud triangle to identify weak points in the business systems and to

identify possible suspects in cases of fraud. It consists of three core concepts which together create a situation ripe for fraud: incentive, opportunity, and rationalization. People must have the incentive and opportunity to commit financial fraud, as well as the ability to justify it. Golden, Skalak and Clayton (2006) asserted that within each of the broad risk categories in the fraud triangle, many different and specific potential red flags may be visible within an organization. They identified the risk categories as: Incentive and Pressure; Opportunity; Justification/ Rationalization and Attitude. Thus, it would be in the interest of the forensic accountant to acquire good knowledge of these factors to better understand how to prevent fraud. Nigrini (2011) posit that the first reason employees get involved in fraud is pressure. He enumerates the pressure factors to include: Pressures with financial content, Pressures stemming from habits and Pressures related with the job. As noted by Olukowade and Balogun (2015), the harsh economic environment in Nigeria has more than anything else pressured employees into financial malpractice in order to take care of financial obligations. Opportunity is another important component of the fraud triangle. It directly involves top management and owners of the business in particular. Providing the opportunity to commit fraud is one of the most important factors arising from frauds. Since the business could greatly influence opportunity factor, this point should receive particular attention for fraud prevention. Mukoro, Ogijo, and Faboyede (2013) asserted that weak internal control systems make it overly easy for employees to pass over certain fraudulent activities. Finally is the attempt or effort by the fraudster to justify or rationalize their nefarious activity. Some individuals are more prone than others to commit fraud. Other things being equal, the propensity to commit fraud depends on people's ethical values as well as on their personal circumstances. Ethical behavior is motivated both by a person's character and by external factors. Depending on ethical values, the fraudster is likely to put forward one of the following as justification for his/her crime: I deserve this; No one is hurt and the company is helped; the company does not really care; It is just temporary among many others (Golden, Skalak & Clayton 2006).

METHODOLOGY

Research Design

This study adopted a descriptive survey design. This is because opinion of respondents on an assessment of forensic accounting in Nigeria – evidence from the banking industries were explored through the use of questionnaire. The interest of the researcher is in the identification and selection of variable, elements, subject which are considered relevant to the investigation. Nworgu (1998) are of the view that survey research involves the assessment of the public opinion beliefs, attitudes and motivations and behaviour, using questionnaire support this view and states that if a study required the opinion of respondents, the survey design is appropriate.

Population of the Study

The population of study consists of the entire three hundred and five (305) employees of Zenith Bank Plc branches in Benin metropolis, Benin City, Edo State.

Sample Size and Sampling Technique

The sample technique for the study is convenient sampling technique. According to Uzuagulu (2011) convenient sampling technique is those elements which the researcher can easily reach in a particular area to air their view on the issue. The sample used is one hundred (100) respondents comprises of staff of Zenith Bank Plc branches in Benin City, Edo State. A breakdown of the sample size shows that fifteen (15) respondents were selected from Zenith Bank Plc (126, Akpakpava Road), fifteen (15) from Airport Road branch of Zenith Bank Plc, another fifteen (15) from Ekenwan Road branch of Zenith Bank Plc, ten (10) from Benin-Agbor Road Branch of Zenith Bank Plc and fifteen (15) from Uniben Branch of Zenith Bank Plc. Other are ten (10) from Uselu Lagos Road branch of Zenith Bank Plc, while ten (10) each were equally selected from Sapele Road and 162, Akpakpava Road branches of Zenith Bank Plc.

Instrumentation and Administration of Instrument

The major instrument that used for data collection is the questionnaire. It is classified into two sections (A and B). Section A is based on identified demographic information of the respondents, while Section B deals with the subject matters (objectives) of the research which enable the researcher test the research hypotheses. A total of fifteen (15) questions are structured based on multiple-options rating scale. Each item in Section B contain statements which required the respondents to provide Strongly Agreed (SA), Agreed (A), Undecided (U), Disagreed (D), Strongly disagreed (SD) and weighted 5, 4, 3, 2, and 1 respectively. The questionnaire will be solely constructed by the researcher in line with the research questions/objectives.

Sources of Data Collection

This consisted only primary source of data collection. Primary data sources are those collected or sourced directly in this study. The primary data used in the study were sourced through questionnaire which was administered to the prospective respondents.

Method of Data Analysis

The main aim of any research undertaking is to characterize and describe the population by summarizing data obtained from the sample studied. Data analysis according to Agbonifoh and Yomere (1999) is a very crucial process in research

because it is at this stage that we try to make use and meaning out of the data we have generated. If the analyses are not properly done, we are likely to reach conclusion that are not valid. This could on turn led to bad decisions.

The researcher decided to use the chi-square test as the research tool because of its simplicity, the chi-square (χ^2) is a statistical tool that enable the researcher to establish if there is any relationship between two variables in the total population. It does this by testing whether; the row classification of the dependent variables are related to, or affected by the different levels of the column classification of the dependent variables, the variables in question must have the structural characteristics of nominal and ordinal measures. It is clearly one of the simplest and most popular non-parametric tests in applied statistics.

The Chi-Square statistic is most commonly used to evaluate Tests of Independence when using a cross tabulation. Cross tabulation presents the distributions of two categorical variables simultaneously, with the intersections of the categories of the variables appearing in the cells of the table. The Test of Independence assesses whether an association exists between the two variables by carefully examining the pattern of responses in the cells; calculating the Chi-Square statistic and comparing it against a critical value from the Chi-Square distribution allows the researcher to assess whether the association seen between the variables in a particular sample is likely to represent an actual relationship between those variables in the population. The computation of chi-square is based on the formular

The chi-square formula is:

$$\chi^2 = \sum \frac{(O)^2}{E} - N$$

Where:

- O = Observed frequency
- E = Expected frequency which is equal to N/K
- N = Size of sample (Observations)
- K = Number of cells

Decision Rule

Decision rule is the value of Chi-square (χ^2) computed from classification table. If each of the tests is greater than the critical value of 5% level of significance, the null hypothesis (H_0) will be rejected and the alternate hypothesis (H_1) will be accepted otherwise we accept the null hypothesis and reject the alternate hypothesis.

DATA PRESENTATION AND ANALYSIS

Demographic Characteristics of the Respondents

This has to do with the information relating to the personal characteristics of individual respondents as answered on section A of the questionnaires. Clearance of this analysis will be further presented in tables to show such characteristics.

Table 1: Socio-Economic Characteristics of the Respondents

Characteristic	Categories	Frequency	Percent (%)
SEX	MALE	100	53.2
	FEMALE	88	46.8
	Total	188	100
EDUCATIONAL QUALIFICATION	OND/DIPLOMA	67	35.6
	HND/BSC	89	47.3
	MBA/MSC	17	9.0
	Ph.D	15	8.0
	Total	188	100
WORK EXPERIENCE	0 – 5 YEARS	107	56.9
	6 - 10YRS	47	25.0
	11 - 15YRS	19	10.1
	16 – 20YRS	7	3.7
	21YRS AND ABOVE	8	4.3
	Total	188	100.0
MARITAL STATUS	SINGLE	115	61.2
	MARRIED	63	33.5
	DIVORCED	7	3.7
	WIDOWED	3	1.6
	Total	188	100.0
POSITION IN ORGANIZATION	Senior Staff	73	38.8
	Junior Staff	115	61.2
	Total	188	100.0

Source: Field Survey, (2022)

From Table 1, in terms of gender, there were 100 males and 88 female respondents representing 53.2% and 46.8% respectively. Also, 67(35.6%) respondents had OND/Diploma as the highest certificate, 89(47.3%) possess HND/BSC, 17(9.0%) had MBA/MSC, while 15(8.0%) of the respondents are PhD holders. One hundred and seven (107) respondents fell into 0 – 5 years work experience making 56.9% of samples, 47 respondents are in active service year category of between 6 – 10 years making 25.0% of the sample, 19 respondents are in active service year category of between 11 – 15 years making 10.1% of the sample, 7 respondents fall into the active service years category of between 16 – 20 years making 3.7% of the samples, while only eight (8) respondents are of the service year category above 21 years making 4.3% of the sample. As regard marital status, 115 (61.2%) of the respondents are single, 63 (33.5%) are married; 7(3.7) of the respondents are divorcees, only 3 of the

respondents indicated they were widowed representing 1.6%. Regarding respondents position in organization, 73 (38.8%) of the study sample are Senior Staff, while 115 (61.2%) of the respondents are respondents Junior Staff.

Data Analysis

In order to answer the research questions stated in chapter one of this study and also test the corresponding hypotheses; the following tables below presents the analysis of the data gathered from the respondents on the various questionnaires distributed. The researcher used frequency counts and percentage analyses while the chi-square analysis was employed at 5% level of significance in order to test the formulated hypotheses.

Research Question One: To what extent does the application of forensic accounting services deter fraudulent activities in the banking industries?

Table 2: Responses on determining the extent to which application of forensic accounting services deter fraudulent activities in the banking industries.

S/N	Items	SA (%)	A (%)	D (%)	SD (%)
1	The application of forensic accounting services in the banking industries is effective in deterring fraudulent activities	94 (50)*	83 (44.1)	10 (5.3)	1 (0.5)
2	Forensic accounting services on fraud deterrent guarantee the well being of organization	73 (38.8)	100 (53.2)	7 (3.7)	8 (4.2)
3	Forensic accounting services help banks in Nigeria in presenting credible and transparent financial reports	73 (38.8)	82 (43.6)	10 (5.3)	23 (12.2)
4	The application of forensic accounting services enhancing quality of financial reporting in the banking industries	56 (29.8)	87 (46.3)	21 (11.2)	24 (12.8)
5	Forensic accounting services prevent corporate scandals in the banking industries	48 (25.5)	87 (46.3)	16 (8.5)	37 (19.7)

Total	344	439	64	93
Average observed responses (to all five (5) questions)	68.8	87.8	12.8	18.6

* Percentages in parentheses

From table 2, it can be deduced that a total number 94 or 50% and 83 (44.1%) of the respondents strongly agreed and agreed respectively that the application of forensic accounting services in the banking industries is effective in deterring fraudulent activities. 10 of the respondents or (5.3%) and 1 or (0.5%) of the respondents disagreed and strongly disagreed. Similarly, 73.3% or (38.8%) and 100 representing (53.2%) of the respondents were Strongly Agreed and Agreed that forensic accounting services on fraud deterrent guarantee the well being of organization; 7(3.7%) and 8(4.2%) of the respondents were Disagreed and Strongly Disagreed respectively. Also, 73 respondents representing (38.8%) respondents and 82(43.6%) Strongly Agreed and Agreed that forensic accounting services help banks in Nigeria in presenting credible and transparent financial reports, while 10(5.3%) and 23(12.2%) of the respondents Disagreed and Strongly Disagreed respectively. Seeking opinion on whether the application of forensic accounting services enhancing quality of financial reporting in the banking industries, 56 of our respondent representing (29.8%) Strongly Agreed, 87 representing 46.3% Agreed, while 21 of the respondent representing 11.2%) and 24(12.8%) were Disagreed and Strongly Disagreed respectively. Finally, 48 of the respondent representing 25.5% and 87 representing 46.3% Strongly Agreed and Agreed respectively with the statement that forensic accounting services prevent corporate scandals in the banking industries, while 16 of the respondent representing (8.5%) and 37(19.7%) did not agree with the statement hence Disagreed and Strongly Disagreed respectively.

Research Question Two: How can the application of forensic accounting service detect and minimize computer related fraud in the banking industries?

Table 3: Responses on determining whether or not the application of forensic accounting service detect and minimize computer related fraud in the banking industries.

S/N	Items	SA (%)	A (%)	D (%)	SD (%)
6	The application of forensic accounting services can uncover computer	98 (52.1)*	64 (34.0)	10 (5.3)	16 (8.5)

	related fraud in the banking industries				
7	Forensic accountants as expert witness can provide necessary accounting information that will help anti-fraud agents investigate fraud in the banking industries	102 (54.3)	46 (24.5)	26 (13.8)	14 (7.4)
8	The forensic accountant who is not affected by the limitations of the audit process is in a better position to discover fraud in the banking industries	78 (41.5)	67 (35.6)	29 (15.4)	14 (7.4)
9	Computer related fraud can be controlled in the banking industries by the application of forensic accounting services	67 (35.6)	78 (41.5)	14 (7.4)	29 (15.4)
10	Application of forensic accounting service detect and minimize computer related fraud in the banking industries	98 (52.1)	64 (34.0)	10 (5.3)	16 (8.5)
	Total	443	319	89	89
	Average observed responses (to all five (5) questions)	88.6	63.8	17.8	17.8

* Percentages in parentheses

In Table 3 above, it was gathered that it is the view of the respondents that the application of forensic accounting services can uncover computer related fraud in the banking industries. This view is reflected in the responses of 98 or 52.1% and 64 (34.0%) who agreed and strongly agreed respectively, 10 of the respondents representing (5.3%) and 16(8.5%) were Disagreed and Strongly Disagreed. Also 102 respondents representing (54.3%) and 46(24.5%) believe that forensic accountants as expert witness can provide necessary accounting information that will help anti-fraud agents investigate fraud in the banking industries, but 26(13.8%) and 14(7.4%) Disagreed and Strongly Disagreed with the statement. Respondents also support the assertion that the forensic accountant who is not affected by the limitations of the audit process is in a better position to discover fraud in the banking industries. This is evidence by the respondents opinion which shows that 78 of the respondent representing (41.5%) and 67 representing (41.5%) Strongly Agreed and

Agreed respectively, while minority of the respondent 29(15.4%) and 14(7.4%) Disagreed and Strongly Disagreed. Our respondents uphold the assertion that computer related fraud can be controlled in the banking industries by the application of forensic accounting services. This we gathered from their responses where 67(35.6%) Strongly Agreed, 78(41.5%) Agreed, while 14(7.4%) Disagreed and 29(15.4%) Strongly Disagreed. Again, the respondent support the view that application of forensic accounting service detect and minimize computer related fraud in the banking industries as 98 of the respondent representing (52.1%) Strongly Agreed, 64(34.0%) Agreed, whole only 10(5.3%) Disagreed and 16(8.5%) Strongly Disagreed.

Research Question Three: What is the relationship between forensic accounting and financial fraud control in the banking industries?

Table 4: Responses on determining the relationship between forensic accounting and financial fraud control in the banking industries.

S/N	Items	SA (%)	A (%)	D (%)	SD (%)
11	Forensic accounting can be used to locate diverted funds or assets in the banking industries	87 (46.3)*	72 (38.3)	16 (8.5)	13 (6.9)
12	Forensic accounting can identify misappropriated assets and identify reversible insider transactions in the banking industries	67 (35.6)	68 (36.2)	15 (8.0)	38 (20.2)
13	Forensic accounting is effective as a fraud detection tool in the banking industries	52 (27.7)	80 (42.6)	21 (11.2)	35 (18.7)
14	Forensic accounting is solely enough as a tool to detect suspicious or fraudulent transactions in the banking industries	39 (20.7)	69 (36.7)	21 (11.2)	59 (31.4)
15	Risk assessment processes under forensic accounting specifically cover risk of fraud in the banking industries	40 (21.5)	76 (40.4)	31 (16.5)	41 (21.9)
	Total	285	365	104	186
	Average observed responses (to all five (5) questions)	57	73	20.8	37.2

* Percentages in parentheses

Table 4 tells us that, 87 of the respondent representing 46.3 Strongly Agreed and 72(38.3%) Agreed that forensic accounting can be used to locate diverted funds or assets in the banking industries, while 18 respondent representing (8.5%) Disagreed and 13(6.9%) Strongly Disagreed. Also 67 of the respondent representing (35.6%) and 68(36.2%) support the statement that forensic accounting can identify misappropriated assets and identify reversible insider transactions in the banking industries, while 15 of the respondent representing (8.0%) Disagreed and 38(20.2%) Strongly Disagreed. It can also be deduced that 52(27.7%) and 80(42.6%) are in conformity with the view that forensic accounting is effective as a fraud detection tool in the banking industries, while 21(11.2%) and 35(18.7%) Disagreed and Strongly Disagreed respectively. In a related result, 39 respondent representing (20.7%) Strongly Agreed, 69 respondent representing (36.7%) support the view that forensic accounting is solely enough as a tool to detect suspicious or fraudulent transactions in the banking industries, but 21 representing (11.2%) and 59 representing (31.4) Disagreed and Strongly Disagreed respectively. Also 40 respondent representing (21.5%) and 76(40.4%) believe that risk assessment processes under forensic accounting specifically cover risk of fraud in the banking industries, but 31 representing (16.5%) and 41 representing (21.9%) Disagreed and Strongly Disagreed respectively.

Test of Hypotheses

Hypothesis testing requires that the researcher first formulate a position or make a claim regarding the decision of the environment under consideration.

Level of significance

Level of significance is the probability concept that tells us the level of assurance. For this study, 0.05, which signifies 95% assurance was employed.

Decision rule

Decision rule is the value of Chi-square (χ^2) computed from classification table. If each of the tests is greater than the critical value of 5% level of significance, the null hypothesis (H_0) will be rejected and the alternate hypothesis (H_1) will be accepted otherwise we accept the null hypothesis and reject the alternate hypothesis.

The chi-square formula is:

$$\chi^2 = \frac{\sum(O)^2}{E} - N$$

Where:

O = Observed frequency

E = Expected frequency which is equal to N/K
N = Size of sample (Observations)
K = Number of cells

Hypothesis I

H₀: The application of forensic accounting services does not deter fraudulent activities in the banking industries.

$$E = \frac{N}{K} = \frac{188}{4} = 47$$

$$\begin{aligned} \text{Thus } \chi^2 &= \frac{(68.8)^2}{47} + \frac{(87.8)^2}{47} + \frac{(12.8)^2}{47} + \frac{(18.6)^2}{47} - 188 \\ &= 100.71 + 164.02 + 3.49 + 7.36 - 188 \\ &= 275.58 - 188 = 87.57 \\ \chi^2 &= 87.58 \end{aligned}$$

The degree of freedom is $k - 1 (4 - 1) = 3$. Therefore, the t-critical value of chi-square for 0.05% level of significance at 3 degree of freedom is 7.815.

Decision: Since the calculated chi-square value of 87.58 is greater than the t-critical value of 7.815, consequently, the null hypothesis is rejected. We can conclude therefore that the application of forensic accounting services in the banking industries deter fraudulent activities.

Hypothesis II

H₀: The application of forensic accounting does not detect and minimize computer related fraud in the banking industries.

$$E = \frac{N}{K} = \frac{188}{4} = 47$$

$$\begin{aligned} \text{Thus } \chi^2 &= \frac{(88.6)^2}{47} + \frac{(63.8)^2}{47} + \frac{(17.8)^2}{47} + \frac{(17.8)^2}{47} - 188 \\ &= 167.02 + 89.34 + 6.74 + 6.74 - 188 \\ &= 269.84 - 188 = 81.84 \\ \chi^2 &= 81.84 \end{aligned}$$

The degree of freedom is $k - 1 (4 - 1) = 3$. Therefore, the t-critical value of chi-square for 0.05% level of significance at 3 degree of freedom is 7.815.

Decision: Since the calculated chi-square value of 81.84 is greater than the t-critical value of 7.815, consequently, the null hypothesis is rejected. We can conclude therefore that the application of forensic accounting detect and minimize computer related fraud in the banking industries.

Hypothesis III

H₀: There is no significant relationship between forensic accounting and financial fraud control in the banking industries.

$$E = \frac{N}{K} = \frac{188}{4} = 47$$

$$\begin{aligned} \text{Thus } \chi^2 &= \frac{(57.0)^2}{47} + \frac{(73.0)^2}{47} + \frac{(20.8)^2}{47} + \frac{(37.2)^2}{47} - 188 \\ &= 69.13 + 113.38 + 9.21 + 29.44 - 188 \\ &= 221.16 - 188 = 33.16 \\ \chi^2 &= 33.16 \end{aligned}$$

The degree of freedom is $k - 1$ ($4 - 1$) = 3. Therefore, the t-critical value of chi-square for 0.05% level of significance at 3 degree of freedom is 7.815.

Decision: Since the calculated chi-square value of 33.16 is greater than the t-critical value of 7.815, consequently, the null hypothesis is rejected. We can conclude therefore that there is no significant relationship between forensic accounting and financial fraud control in the banking industries.

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

Summary of Findings

Some of the findings obtained from this study are:

1. The application of forensic accounting services deters fraudulent activities in the banking industries.
2. The application of forensic accounting detects and minimizes computer related fraud in the banking industries.
3. There is a significant relationship between forensic accounting and financial fraud control in the banking industries.

Conclusion

Forensic accounting, as an administrative function, has a role to play in the overall protection of organization assets. Forensic auditors if given the mandate, detects any potential organization's fraud and, if occasioned, conduct investigations of cases at hand and at least suggest effective ways of preventing the occurrence of such frauds. This can be effective where the environment is conducive for them to fulfill this mandate using available detective and investigative techniques to counter corporate frauds.

In conclusion, this research has shown that forensic application in the banking industries utilizes accounting, auditing and investigative skills to conduct an examination into the finances of these organizations; to detect fraud and

embezzlement cases, and also to explain the nature of a financial crime in court. And, financial forensic investigates whether firms and banking industries engage in financial reporting misconduct.

Recommendations

Having critically examined “an assessment of forensic accounting in Nigeria – evidence from the banking industries” as a research topic, we can propose some recommendations based on subject importance and results obtained from research:

1. Since the study uncovered that the application of forensic accounting services deters fraudulent activities in the banking industries, it is therefore recommended that the banking industry in Nigeria should take the issue of forensic accounting seriously by way of organizing training course(s) for their accountants in order to enhance their perception of financial rules and forensic accounting.
2. The study also recommended that the banking industry should provide a good database and detection software for their forensic accountants and auditors so as to enhance the effectiveness of forensic accounting in their establishment.
3. Finally, the study suggested that forensic method should be supported by the management of banking industry in order to enhance the effectiveness of forensic accounting towards financial fraud control.

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