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DOES THE FORENSIC EXAMINATION OF THE NDIC'S ROLE IN THE NIGERIAN BANKING INDUSTRY PROTECT AND SECURE DEPOSITORS' FUND AGAINST FRAUDLENT ACCOUNTING PRACTICES

Aliu Momodu Mohammed[1], Micah Ezekiel Elton Mike[2] and Seini Odudu Abu[3*]

[1]Department of Accountancy, Auchi Polytechnic, Nigeria. E-mail: aliumuhammed389@mail.com
[2]Department of Accounting, Air Force Institute of Technology, Nigeria.
E-mail Address: eazyfass@gmail.com
[3]Department of Accounting, Federal University Dutsinma, Nigeria.
E-mail: sabu@fudutsinma.edu.ng
*(Corresponding author)

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Abstract

This study looks into how the NDIC's forensic investigation safeguarding and securing depositors' funds is related to dishonest accounting practices in Nigerian banks and other deposit-taking financial entities. Established with the fiduciary responsibility of monitoring and supervisory powers over insured institutions, the Nigerian Deposit Insurance Corporation (NDIC) aims to protect depositor funds from miscreants, fraudsters, and criminals operating in different sectors of the Nigerian banking sector, complementing the CBN's supervision efforts. The study's data was taken from the NDIC's annual reports and accounts from 1991 to 2021 in order to identify the numerous fraudulent accounting practices that took place in Nigerian banks and other deposit-taking financial organizations during that time. To examine the relationships between and among the variables, the study used a correlational research design. Using STATA version 14, Cochrane-Orcutt AR ordinary least squares (OLS) regression and the Portmanteau (unit root) test for white noise were used to examine the data. According to the study, there is a positive and significant association between ATM fraud, fraudulent depositor fund transfers and withdrawals, and cheque fraud and NDIC forensic investigations. The suppression of customer deposits has a negative, insignificant relationship with NDIC forensic investigation, whereas the theft of bank cheques has a positive, insignificant relationship. Fraudulent conversion of cheques, cash defalcation, and diverted bank checks all have negative and significant associations with NDIC forensic investigations. Thus, the study draws the conclusion that the NDIC forensic investigation may have an impact on dishonest accounting practices that are carried out in Nigerian

banks and other deposit-taking financial organizations. In order to sanitize and stabilize the insured financial institutions in Nigeria, the study suggests that the NDIC forensic investigation teams be encouraged to devise strategies for containing the threat, particularly cases of fraudulent cheques conversion, cash defalcation, diversion of bank cheques, theft of cheques, and suppression of customer deposits.

Keyword: NDIC Forensic Investigation, Fraudulent Accounting Practice, Insured Financial Institutions.

1. INTRODUCTION

There has always been fraud, both financial and non-financial, as long as there have been men. One of the illegal results of human creation, including human actions, attitudes, and conduct, is fraud. It is the outcome of a man's acts of avarice, conceit, and extreme ambition to excel in life at the expense of the business and its proprietors. Falsehood is a ticking time bomb. It would have a negligible initial effect. It does not, however, negatively impact people, structures, equipment, or assets when it eventually explodes. Similar to a fraud, when it first begins, its effects may be concealed and have no impact on businesses or shareholders. When it reaches its height, people, organizations, economies, and even an entire country will be severely impacted. Most organizations around the world, including Nigeria, have collapsed due to fraud committed by employees at the lower, intermediate, and upper management ranks. For instance, fraudulent activity led to the collapse of Enron, WorldCom, and Parmalat on a worldwide scale. Locally, fraud in Nigeria caused the disappearance of the Benue Cement Company, which was later purchased by the Dangote Group of Companies; crippled all four of the country's refineries; caused the demise of Skye Bank Plc, which is now Polaris Bank Nigeria Limited; and the integration of Standard Trust Bank into UBA Plc, to name a few.

Fraudulent activity has wrecked so much devastation in the businesses of people, organizations, corporations, and the government that many of them are barely moving, others are on the point of collapse, and some are absolutely dead. The history of fraud dates back to 1720, when the South Sea Bubble was one of many similarly fraudulent projects. Other examples include the City of Glasgow bank's fraudulent purchase of shares in 1878, market rigging or the abuse of insider information, the railroad flotation of the 19th century, and accounting frauds in the UK in the late 1980s and the US in the late 1990s (Toms, 2015). Additionally, in Nigeria, failures and crises in the banking industry occurred in the 1930s, 1940s, 1952, 1954, 1990s, 2005, and 2011, to name a few, all due to fraud in the industry (Owolabi, 2010). This shows that fraud has

existed for as long as there have been organizations and people. This is due to the fact that fraud cannot occur in a vacuum without human involvement.

Banks are the main financial institutions that perform crucial tasks for the revitalization, expansion, and development of all economies. Similar to how the heart is the body's main organ, the banking sector is the beating heart of any economy, whether it is on a developing, underdeveloped, or developed continent. For instance, the heart is the muscle at the center of the body that performs the fundamental job of collecting blood and then pumping it throughout the body. The human body loses life when the heart stops pumping, beating, or circulating blood. The banking industry is subject to the same rules. The banks' key intermediary duties include accepting surplus and loans from people, businesses, financial institutions, and the government. They then use the surplus and borrowed money to provide loans to other financial institutions, enterprises, and individuals. By doing this, the banking system networks money from savers to borrowers in a way that is efficient and effective, which is crucial for a country's economic progress. Fraud, on the other hand, harms the operations of banks, stunts growth, expansion, and development, and has a detrimental effect on the Nigerian economy. In light of this, the NDIC was founded to oversee, monitor, and control the operations of the Nigerian banking sector.

The Federal Government of Nigeria formed the National Deposit Insurance Corporation (NDIC) in 1988, and it began operating in 1989. The NDIC was created with the specific purpose and intention of securing depositors' funds from the hands of dishonest employees of commercial banks. The corporation's primary duty is to safeguard, monitor, and secure depositor funds while also working with CBN to effectively supervise insured institutions and contribute to the stability of the financial system. The organization created the deposit insurance system (DIS) as a resolution alternative mechanism for poorly managed banks in an effort to monitor, protect, and secure depositors, especially small savers, against the loss of their accounts. This implies that the deposit insurance system, as a mechanism, makes provision for preserving and guaranteeing the depositor's fund against loss of their savings when banks are poorly managed or go into liquidation owing to fraud and other economic and financial crimes. Because the CBN-supported deposit insurance scheme (DIS), which has oversight authority over all banks, is in place.

The National Deposit Insurance Corporation (NDIC) maintains three (3) funds for efficient monitoring and supervision of banks and other financial institutions that accept deposits, in addition to the deposit insurance system

(DIS). First, the deposit money banks' deposit insurance fund (DIF) Second, the special insured institutions fund (SIIF) for additional insured financial institutions that accept deposits The third is the Non-Interest Deposit Insurance Fund (NIDIF) for financial institutions that do not pay interest. A minimum loan-to-deposit ratio (LDR) was also established; it initially stood at 5%, increased to 20%, then to 60% in 2019, and is now set to rise to 65% in 2020, with a one-year extension granted on principal repayments for its intervention facilities in addition to interest. These were all measures taken by the Federal Government through the NDIC in coordination with the CBN to ensure the seamless operation of deposit money banks and other financial institutions that accept deposits in order to safeguard and protect depositors' funds. In order to safeguard depositor funds and check for unsafe and unsound banking practices like fraud and forgeries that financial institutions commit, the corporation carried out its supervision functions of onsite examination and off-site surveillance of insured deposit-taking financial institutions. Fraudulent financial practices are still on the rise daily with the deposit money banks and other deposit-taking institutions, despite all the methods and structures put in place by the NDIC to protect, prevent, and secure the depositors' funds.

As a result of poorly managed banks or fraudulent activity, deposit money banks and other deposit-taking financial institutions in Nigeria have shut down or been liquidated over the years. Losses are borne by or suffered by depositors and investors. This made investors and depositors in Nigeria afraid and unconfident, leading them to withdraw their money from banks and other deposit-taking financial organizations. As a result, the Federal Government created the NDIC to act as a go-between and last resort for depositors and financial institutions, particularly Nigeria's deposit money banks and other deposit-taking financial institutions. Despite the NDIC's establishment to provide investors and depositors with assurances of protection, hope, and confidence that their deposits and investments will be protected and secured, Depositors and investors continue to lose money due to fraudulent activity carried out in deposit money banks and other deposit-taking financial institutions. For instance, in 2012, mismanagement, fraud, and forgery in the banking industry led to the liquidation of 8 deposit money banks, 103 MFBs, and 23 PMBs. The people who suffered losses were the investors and depositors. Similar to this, 187 MFBs and PMBs, as well as 23 DMBs, shuttered their doors in 2015 as a result of financial sector fraud or mismanagement. The blurt is carried by the investors and depositors since they were unable to recoup their investments. While investors and depositors, particularly the small savers in DMBs and other

deposit-taking financial institutions, are having problems as a result of the fraudulent actions, both the government and the private sector are benefiting from them. There is no end in sight for this situation.

Research on fraud instances and fraudulent accounting practices worldwide, particularly in Nigeria, has produced conflicting results. Some of the significant relationships are both positive and strong, while others are both negative and strong, and some show no meaningful link. Due to the fact that fraud takes many forms, including ATM fraud, fraudulent deposit transfers and withdrawals, suppression of client deposits, and check conversion, among others, For instance, Adekunle and Olusa's study from 2021 found a positive and significant link between fraud and the growth of Nigeria's infrastructure. The study came to the conclusion that the issue of fraudulent behavior, if not properly addressed, could impede Nigeria's successful economic development. Sergius and James (2019) found that fraud has a negative and significant impact on the financial system, and they came to the conclusion that the amount involved in the fraud has no impact on earnings. Similar to Nwaimo (2020), who investigated the relationship between fraudulent practices and their impact on the performance of the DMBs, a negative and substantial association was discovered. While Jokolo and Audu (2019) in their studies do not find a significant relationship between fraud practice and accountability in non-profit making organizations in Nigeria, suggesting that the level of fraud and fraudulent practices in Nigeria is low and could not impact the activities of non-profit making organizations, That implies that there are different levels of fraud and forgery in Nigeria. Given this context, it is important for this study to consider how the NDIC's forensic investigation role affects the protection and security of depositors' funds from fraudulent activity in the Nigerian banking sector.

In order to address the research problem, the study seeks to address the following questions:

1. How does the NDIC forensic investigation protect and secure depositors' funds from ATM fraud perpetrated in the banking industry in Nigeria?
2. To what extent does the NDIC forensic investigation protect and secure the fraudulent transfer or withdrawal of customer deposits in banking in Nigeria?
3. How does the NDIC forensic investigation influence the suppression of customer deposits in the banking industry in Nigeria?
4. How does the NDIC forensic investigation protect and prevent the fraudulent conversion of cheques in the banking industry in Nigeria?

5. How does the NDIC forensic investigation prevent the presentation of stolen cheques for withdrawing from customers' funds in the banking industry in Nigeria?
6. To what extent does the NDIC forensic investigation prevent the presentation of forged cheques for withdrawing from customers' funds in the banking industry in Nigeria?
7. How does the NDIC forensic investigation protect cash defalcation in banking in Nigeria?
8. How does the NDIC forensic investigation prevent the diversion of bank cheques that is perpetrated in the banking industry in Nigeria?

This study's main objective is to look into the relationship between the NDIC's forensic investigation and fraudulent activities in Nigeria's banking industry. Specifically, the objectives are to ascertain the extent of the NDIC's forensic investigation into the safeguarding and preservation of depositors' money from ATM fraud in Nigerian banks, as well as the efficacy of the investigation in stopping and securing fraudulent transfers or withdrawals of customer deposits from Nigerian banks. Examine the NDIC forensic investigation to prevent and stop the fraudulent conversion of cheques in the Nigerian banking sector. Analyze how the investigation influenced the industry's suppression of client deposits. Find out how far the NDIC forensic investigation has advanced in keeping Nigeria's banking industry from having to produce a stolen cheque for the purpose of withdrawing money from customers; find out how far the NDIC has gone in its forensic investigation to stop the presentation of a fake checque intended to be used to steal money from customers in the Nigerian banking industry; find out how much NDIC forensic investigation is done to stop bank cheque diversion that happens in the Nigerian banking sector and how much is done to stop cash defalcation.

To address the problem description along with the research questions and the specific goals, the following hypotheses are formulated to test the model:

$H0_1$: The NDIC forensic investigation has no significant association with the ATM fraud perpetrated in the banking industry in Nigeria;

$H0_2$: The NDIC forensic investigation has no significant relationship with the fraudulent transfer or withdrawal of customer deposits in the banking industry in Nigeria;

$H0_3$: The NDIC forensic investigation has no significant correlation with the suppression of customer deposits in the banking industry in Nigeria;

$H0_4$: The NDIC forensic investigation has no significant association with the fraudulent conversion of checqs in the banking industry in Nigeria;

$H0_5$: The NDIC forensic investigation has no significant relationship with the presentation of stolen cheques in the banking industry in Nigeria;

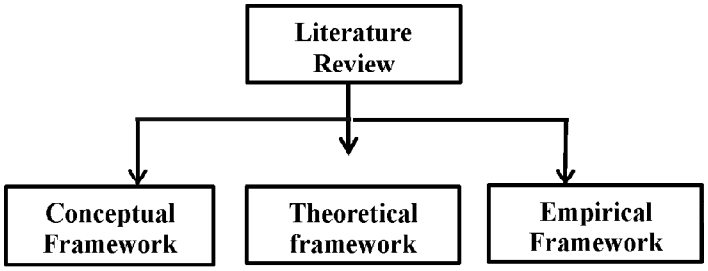
$H0_6$: The NDIC forensic investigation has no significant correlation with the presentation of forged cheques perpetrated in the banking industry in Nigeria;

$H0_7$: The NDIC forensic investigation has no significant association with the cash defalcation in the banking industry in Nigeria, and

$H0_8$: The NDIC forensic investigation has no significant relationship with the diversion of bank cheues perpetrated in the banking industry in Nigeria.

2. LITERATURE REVIEW

The literature review are classified into three as shown in the diagram below:



Source: Author(s) initiatives

2.1. Conceptual Framework

Conceptual Framework: To fill a gap in the literature on forensic investigation and fraudulent accounting practices in the banking sector, the study aims to investigate the impact of the NDIC role in forensic investigation and depositors' funds from fraudulent practices in Nigerian banking industries, taking into account the following factors, including ATM fraud, fraudulent transfer or withdrawal, suppression of customer deposits, conversion of cheques, bank cheques stolen by staff, and fraudulent transfer or withdrawal: Below is the conceptual framework for the study..

The aforementioned conceptual framework was created to examine the connection between the forensic investigation duty of the NDIC and fraudulent

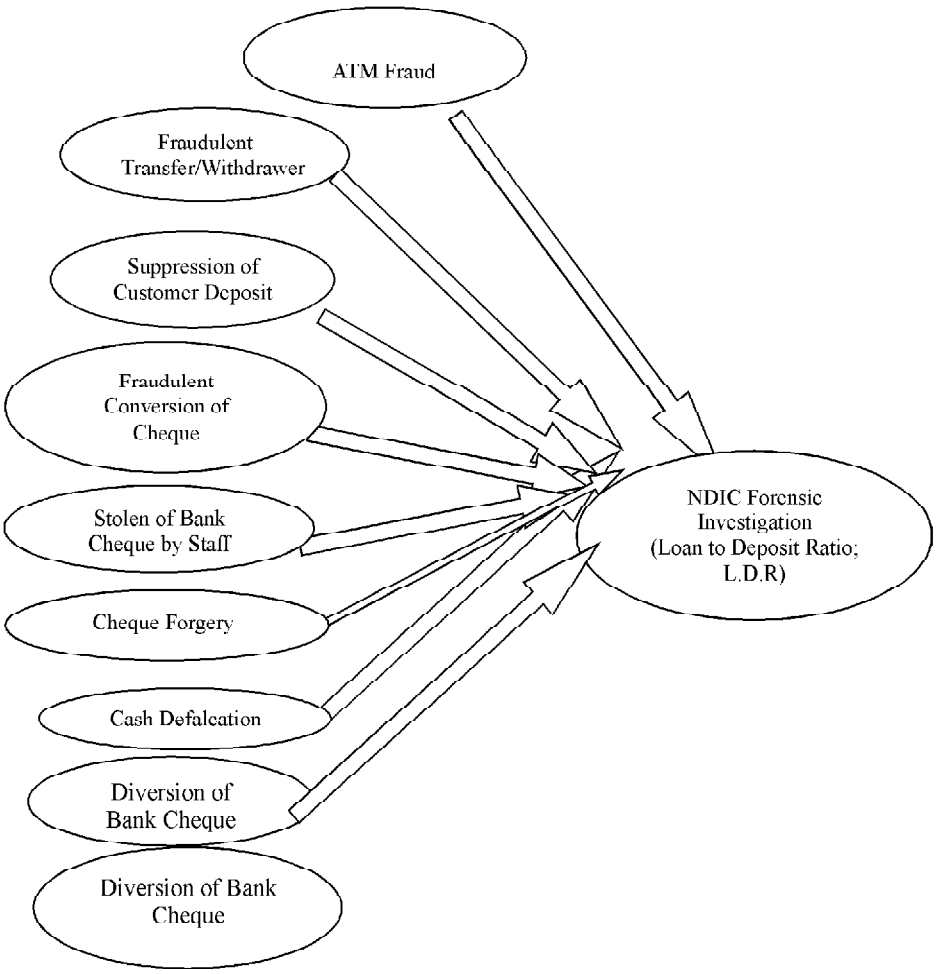


Figure 1: Source: NDIC Annual reports and account 2021

activity in Nigerian financial sectors. Fraudulent practice and forensic investigation are independent and dependent variables in this conceptual paradigm, respectively. The dependent variable is forensic investigation as measured by loan-to-deposit ratio, while the independent variables are ATM fraud, fraudulent transfer or withdrawal, suppression of customer deposits, conversion of checks, bank checks stolen by staff, cheque forgery, cash defalcation, and diversion of bank checks, which are shown on the left side of the figure. The next parts will evaluate the theories that had been previously formulated regarding the relationship between fraudulent practice and forensic investigation.

2.2. Theories

Forensic investigation and fraudulent accounting practices are the subject of many theories. The two hypotheses that were taken into account in this study were the white-collar crime theory and the punishment deterrent of punitive damages hypothesis.

White-collar crime theory: More than 70 years ago, Sutherland (1949) proposed the theory of white-collar crime, highlighting the fact that crimes committed by individuals, groups, corporations, and government agencies, which include members of all social classes, often receive less punishment than those committed by members of lower social classes. As a result, criminal activity was conducted in the organization by respectable people of high social class in addition to members of the lower social class while engaging in legal employment. Sutherland (1949) used the term "white-collar crime" to refer to all types of criminal activity, including abortion (illegal termination of human life), the sale of illegal drugs, having cosmetic surgery to avoid being discovered, fabricating accident reports, and misrepresenting facts.

White collar crimes are referred to by the media, businesses, regulatory agencies, and legislators. While statutes use it as a blanket term to describe a variety of illegal behaviors, corporate organizations, including financial institutions, use it to review financial statements that have been prepared and presented as well as other business activities to spot illegal financial dealings. Judges also use it when making decisions and defending sentencing decisions in ways that show that the general public understands what is meant. The theory therefore presupposes that if the required work is done by qualified professionals in the field of forensic accounting who thoroughly investigate financial crime and associated offenses where pieces of evidence are gathered, preserved, and presented during the court proceedings, whereby the prosecutors and judges awarded the accused person an appropriate punishment, it would have been more likely to succeed.

Punishment deterrence of punitive damages theory: According to this theory, punitive damages are imposed by the court to punish the defendant for its wrongdoing and to deter the defendant and others from engaging in similar behaviour in the future. Punitive damages are viewed as a form of corrective action taken against a perpetrator who acted criminally and caused a loss suffered by individuals, groups, corporations, or the government. A responsibility right has been used to refer to authorization to act under the condition that the person doing the doing must pay a fine imposed by the court (Calabresi &

Melamed, 1972). That implies that when a person, group, corporate entity, business, or government is allowed to participate in actions that are damaging to others, such a person, group, corporate body, company, and government are responsible for compensating the victims. In other words, laws punish individuals who violate the ban by causing harm or injury to others and forbid such behavior. For instance, law and morals forbid people from engaging in illegal activities, irresponsible driving, or any other type of criminal conduct (Zipursky, 2005). A responsibility right with complete compensation, however, internalizes the wrongdoing committed by the injured party when it occurs. However, in contrast to prohibition, punishment is best used as a deterrent for bad behavior.

According to this approach, damages are considered punitive when they go beyond what is needed to make up for the harm that was done in order to satisfy the complainant. In the literature on criminal punishment, deterrence has only one objective: to adhere to the principles of total deterrence, i.e., to prevent offenders from doing offensive acts. By removing the possibility of the perpetrator benefiting from the offense and extravagance charges or damages, the criminal can be effectively stopped, leaving the victim in a worse situation than if the offense had not been committed. Accordingly, the punishment deterrence theory of punitive damages proposes that qualified professionals in the fields of accounting, auditing, forensic and investigative accounting, or other related financial disciplines are considered to thoroughly examine corporate fraud or other financial crimes. In order for the punishment of the offender to serve as a deterrent to others in the future, forensic investigators looking into fraud cases should properly present the findings along with reliable evidence and recommend the appropriate punishment during court proceedings.

In 2015, Enofe, Omagnon, and Ehigiator (2015) looked at how forensic auditing affected corporate fraud in Nigeria. The dependent and independent variables were corporate fraud and forensic audits, respectively. The survey approach of the research was used to administer questionnaires to 125 respondents from the management cadre scattered across various disciplines in order to collect enough primary data for the study. The results showed that regular use of forensic audit services will considerably aid in the identification, avoidance, and lowering of instances of fraud in Nigerian organizations. Similar to this, Benjamin, Tochukwu, and Chidiebele (2015) evaluated the role of forensic investigation techniques in the prevention of corporate fraud in Nigerian banks. In the study, primary and secondary data were integrated. The secondary data were taken from reports on fraud and forgeries in the banking industry,

whereas the main data came from the distribution of a questionnaire. 220 respondents, who represent the study sample size, completed questionnaires covering the CBN staff, Enugu Zonal office, NDIC staff, Enugu, and 24 deposit money banks (DMBs) in the South East Zonal from 1995 to 2014. The independent variables used as proxies for forensic investigation techniques included ATM fraud, forgeries, cash theft, fund theft, and more. Detected corporate fraud was the dependent variable. Z-test and regression analysis were used. The results indicated a favorable and significant correlation between the techniques used in forensic investigations and the prevention of corporate fraud.

As a result, Sharma et al. (2017) investigated the various financial scams using checks and their detection criteria in the Indian banking industry. The sample checks were examined for authenticity using the following techniques: The project is a documentary that uses UV and IR radiation inspection. Additionally, a stereoscopic microscope and ultraviolet light are used to examine the paper's texture. Others include handwriting samples, autographs, photographs of allegedly faked locations, disguises, and fabricated body lettering, along with comparisons of the samples' appearances. The results showed an increase in the parameters for detecting financial scams. In a similar vein, Agbaje and Adeniran (2017) investigated how forensic accounting services affected the decline in fraud in the Nigerian banking sector. Out of the 22 banks that the Central Bank of Nigeria (CBN) accredited in Nigeria for the years 2015–2016, five banks were sampled for the study. By distributing 60 copies of questionnaires to 150 respondents, data were generated from primary sources. Of them, 50 copies, or 72.7%, could be successfully collected from respondents. Forensic accounting services were the dependent variable, whereas Treasury and FX operations, loan processing, and cash management served as proxies for independent factors related to fraud reduction. The data analysis method employed was correlation regression. According to the study's findings, forensic accounting services improve cash management fraud.

The effect of forensic audits on fraud identification and prevention in the Nigerian banking industry was assessed by Uniamikogbo, Adeusi, and Amu in 2019. 90 firm-year observations were made during a census of the 16 deposit money banks listed on the Nigerian Groups Exchange (NGX) for the period 2012–2016. The independent variables were fraud detection and prevention, which were represented by various fraud and forgery indicators such as ATM fraud, customer deposit suppression, fraudulent transfers and withdrawals, fraudulent conversion of checks, cash defalcation, and presentation of stolen

checks, among others, while the dependent variable was forensic audit. To analyze the data, tables, charts, graphs, and regression approaches were used. The findings showed that forensic audits had a considerable negative influence on the number of fraud cases (including ATM fraud, fraudulent transfers and withdrawals, suppression of customer deposits, etc.). Further, Asusu (2019) investigated how forensic auditing could help Nigerian deposit money banks experience fewer fraud cases. For the 2018–2019 study period, 48 bank auditors, operational managers, and general managers from 16 Nigerian deposit money banks (DMBs) were sampled. A survey study approach was used, and data was collected through questionnaires, in-person interviews, and document reviews. For data analysis, ordinary least squares (OLS) regression was used. The study demonstrated the substantial role that forensic auditing services play in situations of fraud (cash defalcation) involving deposit money banks in Nigeria. The processing and repayment mechanisms for loans and forensic auditing services were found to be unrelated.

The consequences of forensic investigation and occupational crime mitigation in the Nigerian public sector were examined by Appah and Inini (2021). All of the internal auditors and accountants working for the Bayelsa State Civil Service Commission and Local Government Service Commission were included in the study's sample of 150 respondents. The dependent variable is forensic investigation. While asset misappropriation, management fraud, and false statement fraud were used as proxy for occupational fraud, All of these frauds were categorized as, among other things, bribery, embezzlement, cash defalcation, inventory theft, and check forging. The survey that was given to the respondents created the data, which was then statistically examined using the Spearman rank correlation coefficient. The study's findings indicated a substantial negative correlation between forensic investigation methodology and occupational fraud.

The impact of forensic accounting on financial fraud management in the Nigerian public sector was studied by Fatoki (2021). 250 respondents from the EFCC, ICPC, Office of the Accountant-General, Office of the Auditor-General, and other practicing accountants completed a questionnaire, which was used as the major source of data. The data was analyzed using descriptive statistics and regression. The results indicated a favorable and strong correlation between fraud control and forensic accounting techniques. The effect of forensic accounting on financial fraud detection in Nigerian deposit money banks (DMBs) will also be determined by Edward in 2021. The 2016 survey recruited

1,305 respondents from 10 Nigerian deposit money banks (DMBs). Purposive sampling was utilized to choose 100 respondents from each bank, increasing the sample size to 1,000 respondents. A survey research design was adopted. By distributing questionnaires to 1000 respondents from the ten banks that were chosen, the study collected its data from primary sources. The dependent variable in forensic accounting was financial fraud, which was measured by fraud detection, while the independent variables were investigation, financial transaction analysis, and incomplete accounting record reconstruction. The study's findings indicated that forensic accounting methods had a favorable and significant impact on detecting financial fraud in Nigeria.

Rosemond, Dedagba, and Bassey (2023) investigated how forensic auditing methods affected fraud detection in Nigeria. Out of the total of 21 banks that the Central Bank of Nigeria (CBN) has accredited, 4 were randomly selected for the study utilizing systematic sampling. 250 respondents were given questionnaires to complete in order to get data from first-hand sources. Fraud control was the dependent variable, and forensic audit technique served as the independent variable through substantive technique, statistical theory, and data mining application. Using multiple regression, the data were examined. The outcome showed that forensic auditing approaches had a positive and significant impact on fraud detection in Nigeria

3. METHODOLOGY

The study uses time-series data and a longitudinal research design. Regression models are essentially used in correlational research to assess how fraudulent accounting practices affect forensic investigations. The independent variable is fraudulent accounting practice, and the dependent variable is the NDIC forensic investigation. The goal of the study is to pinpoint and prove that a specific independent variable affects an important dependent variable. The study focuses on the operations and activities of the National Deposit Insurance Corporation (NDIC) in Nigeria, which has the fiduciary duty to oversee and regulate deposit banks and other financial institutions that accept deposits. The NDIC's published annual reports and accounts for the years 1991–2021 were the source of the study's data. Out of the various fraudulent accounting activities that took place in Nigeria's deposit money banks and other financial taking deposit institutions throughout this time period (1991–2021), eight different types were sampled. The fraudulent accounting practices that occurred in deposit money banks and other financial taking deposit institutions in Nigeria and were published in the

NDIC annual reports and accounts from 1991 to 2021 include ATM fraud, fraudulent transfer or withdrawal of customer deposits, and diversion of bank checks, among others.

The data extracted from the NDIC annual reports and accounts were analyzed employing regression statistical techniques with the support of STATA version 14. The study model formulated is shown below:

Equation 1

NDIC forensic investigation service = f (ATM fraud, Fraudulent transfer withdrawer, Suppression of customer deposit, Fraudulent conversion of cheque, Stolen of bank cheque, Cheque forgery, Cash defalcation, and Diversion of bank cheque. . . . .

(1)

Where:

Dependent variable = Depositors' fund protection and securing

Independent variable = ATM fraud, Fraudulent transfer withdrawer, Suppression of customer deposit, Fraudulent conversion of cheque, Stolen of bank cheque, Cheque forgery, Cash defalcation, and Diversion of bank cheque

To analyze the correlation between the variables, a multiple regression model of fund protection and security versus indications of forensic accounting services will be utilized. The study used ATM fraud, fraudulent transfer withdrawers, suppressed customer deposits, fraudulent check conversions, stolen bank cheques, fake cheques, cash defalcation, and diverted bank cheques as the independent variables and the protection and security of depositors' funds as the dependent variable. The analytical model's algebraic expression is presented in equation 2.

EQUATION 2

(Depositors' fund Protection and securing) it = β0 + β1(ATM Fraud)it + β2 (Fraudulent transfer withdrawer) it + β3 (Suppression of customer deposit) + β4 (Fraudulent conversion of cheque) it + β5(Stolen of bank cheque) it + β6 (Cheque forgery) it + β7 (Cash defalcation) it + β8 (Diversion of bank cheque) it + εit (2)

(DFPS)it = β0 + β1 (ATMF) it + β2(FTWD) it + β3(SUCD)it â4(FRCC) it + β5 (FRSC) it + β6(CHFG) it + β7(CADF) it + β8(DBCH) it + εit

(2)

i = Indexes individual commercial banks reporting cases of fraud and forgeries

t = indexes depositors' fund protection and securing in years (t=1, 2, 3, 4,5,6,7,8)

DFPS = Depositors' Fund Protection and Securing

ATMF = ATM Fraud

FTWD = Fraudulent Transfer / Withdrawer

SUCD = Suppression of Customer Deposit

FRCC = Fraudulent Conversion of Cheque

STBC = Stolen of Bank Cheque

CHFG = Cheque Forgery

CADF = Cash Defalcation

DBCH = Diversion of bank cheque

Where β0 is the constant of the model, while β1, β2, β3, β4, β5, β6, β7 and β8 are the coefficients of the independent variables. To ensure validity of the data used for the study, statistical tests such as correlation, regression and adjusted coefficient of determination (R^2) would be employed.

However, the study priori expectations are that $\beta1>0$, $\beta_2 > 0$, $\beta_3>0$, $\beta_4>0$, $\beta_5>0$, $\beta_6>0$, $\beta_7>0$, $\beta_7>0$, suggesting an expectation of ATMF, FTWD, SUCD, FSIZE, FRCC, STBC, CGFG, CRDF and DBCH should have a negative and significant relationship with depositors' fund protection and securing. This can be argued that NDIC forensic investigation in compliance with NDIC and CBN policies and relevant regulations and standards will reduce fraudulent accounting practices in Nigerian banks and other financial deposit taking institutions in Nigeria.

4. RESULTS AND DISCUSSION

The study's findings are presented in this subsection. It entails the presentation, analysis, and interpretation of information gleaned from the National Deposit Insurance Corporation's (NDIC) annual reports and financial statements. On the basis of the study's findings, recommendations and a conclusion would also be made. The information was gathered in relation to the loan-to-deposit ratio, which is a measure of how well depositors' funds are protected and secured, while the independent variable was a proxy based on the categories or types of fraud and forgeries committed in Nigerian banks and other financial deposit-taking institutions. The information is presented in the table below:

Table 1: Descriptive Statistics

VAR	*OBS*	*MEAN*	*STD DEV*	*MIN*	*MAX*
DFPS	30	0.2685	0 .1944	0.05	0.65
ATMF	30	140.7	132.12	250	5819
FTWD	30	98.2	202.51	0	6980
SUCD	30	81.3	116.79	0	3978
FRCC	30	82.05	210.39	45	918
STBC	30	87.8	57.44	0	196
CHFG	30	69.1	42.33	0	183
CADF	30	04.25	50.02	32	1904
DBCH	30	72.95	67.69	0	274

Source: STATA 14 Output Results

Table 1 provides descriptive statistics for the data gathered for the research variables, along with 30 verified observations. The dependent variable Depositors' Fund Protecting and Securing (DFPS) Nigerian and other financial deposit-taking institutions in Nigeria, as extracted from the Deposit Insurance Corporation (NDIC), has a mean value of 0.2685 with a standard deviation of 0.1944, a minimum value of 0.05, and a maximum value of 0.65, as shown in the table. The standard deviation of 0.1944 indicates that the deviation from the mean value, from both sides, is 19.44%, implying that the data is widely dispersed from the mean because the standard deviation is lower than that of the mean, which indicates that the NDIC has an average loan-to-deposit ratio of 26.85%. The NDIC's minimum and greatest DFPS within the study's time frame are 0.05% and 65%, respectively. Table 1 further demonstrates that one of the metrics used in the NDIC's forensic inquiry, the ATMF, has a minimum value of 250 and a maximum value of 5819, with an average value of 140.7 and a standard deviation of 132.12. The standard deviation of 132.12 suggests that the deviation from the mean value, taken from both sides, is 1.32%, implying that there is a wide dispersion of the data from the mean because the standard deviation is lower than the mean value. The mean value indicates that the NDIC during the period of the study had an average ATM fraud rate of 1.41%.

Table 1 shows that the fraudulent transfer/withdrawer (FTWD) has a minimum value of 0 and a high value of 6980, with an average value of 95.2 and a standard deviation of 202.85. The standard deviation of 202.85 implies that the deviation from the mean value, from both sides, is 2.03%, implying that there is a wide dispersion of the data from the mean because the standard

deviation is higher than the mean value. The mean value indicates that the NDIC during the period of the study had an average fraudulent transfer or withdrawal rate of 0.95%. Table 3 further reveals that the suppression of customer deposit (SUCD) has a minimum and highest value of 0 and 39.78%, respectively, with an average value of 81.3 and a standard deviation of 116.79. The standard deviation is high in comparison to the mean value, indicating that the data is widely dispersed from the mean. The mean value indicates that the NDIC has an average suppression of customer deposits of 0.81%, and the standard deviation of 116.79 implies that the deviation from the mean value, from both sides, is 1.17%. In a similar vein, Table 1 demonstrates that the fraudulent conversion of a check (FRCC) has a minimum and maximum value of 45 and 918, with an average value of 82.05 and a standard deviation of 210.39. The average fraudulent check conversion rate for the NDIC over the study period was 0.82%, according to the mean value, while the minimum and maximum values were 0.45% and 9.18%, respectively. The standard deviation of 210.39 suggests that the deviation from the mean value, from both sides, is 2.10%, implying that there is a wide dispersion of the data from the mean because the mean value indicates that the NDIC during the study period had an average fraudulent conversion of 0.82%.

The findings from Table 1 show that during the study period, the average number of stolen bank checks (STBCs) in Nigerian banks and other financial deposit-taking institutions was 87.8, with a standard deviation of 57.44, a minimum value of 0, and a high value of 196. The standard deviation of 57.44 suggests that the departure from the mean value, taken into account from both sides, is 0.57%. The mean value indicates that the NDIC had an average number of bank checks stolen throughout the study period of 0.88%. The minimum and greatest values were 0 and 1.96%, respectively. Because the standard deviation is less than the mean value, this suggests that the data are widely dispersed from the mean. In addition, Table 1 shows that during the study period, the average cheque forgery (CHFG) rate in Nigerian banks and other financial deposit-taking institutions was 69.1, with a standard deviation of 42.33 and a minimum and highest value of 0 and 183. The standard deviation of 42.33 indicates that the difference from the mean value, taken into account from both sides, is 0.42%. The mean value indicates that the NDIC experienced an average level of cheque forging over the study period of 0.68%. While the minimum and highest values were 0 and 1.83%, respectively, the fact that the standard deviation is less than the mean value suggests that the data are widely dispersed from the mean.

The average cash defalcation (CADF) in Nigerian banks and other financial deposit-taking institutions throughout the study period was 04.25, according to Table 1, with a standard deviation of 50.02, a minimum value of 32, and a maximum value of 1904. The NDIC had an average cash defalcation of 0.04% over the study period, and the standard deviation of 50.02 suggests that the variation from the mean value, on both sides, was 0.50%. The standard deviation is higher than the mean value, indicating that there is a significant dispersion of the data from the mean, whereas the minimum value and maximum were 0.32% and 19.04%, respectively. The diversion of bank cheques has a similar distribution, with an average value of 72.95, a standard deviation of 67.69, a minimum value of 0, and a maximum value of 274. The NDIC had an average cash defalcation of 0.73% during the study period, and the standard deviation of 67.69 suggests that the variation from the mean value on both sides was 0.67%. The standard deviation is lower than the mean value, indicating that there is a wide dispersion of the data from the mean, while the minimum value and maximum were 0 and 2.74%, respectively.

The relationship between dependent and independent variables, as well as between independent variables themselves, may be found in the Table 2 correlation matrix. The table displays both positive and negative correlations between the dependent variable and each independent variable, which is forensic investigation. There appears to be a positive correlation between forensic investigation, ATMF, fraudulent transfers and withdrawals, suppression of customer deposits, cash defalcation, and diverted bank cheques, but a negative correlation between forensic investigation, stolen bank cheques, and cheque forgery. The forensic investigation and ATM fraud have a positive statistical connection of 0.6166, which is statistically significant at the 5% level of significance (p-value 0.0000). This implies that as forensic investigation grows, ATMF grows as well. The fraudulent transfer or withdrawal of depositors' funds and forensic investigation have a positive statistical link with a correlation coefficient of 0.5174 and a p-value of 0.0004. This suggests that as forensic investigation increases, fraudulent transfers and withdrawals of depositors' funds increase as a result.

The positive correlation between forensic investigation and customer fund suppression, which has a correlation coefficient value of 0.6065 and is statistically significant at the 5% level of significance (p-value 0.0004), suggests that as customer fund suppression rises, forensic investigation strategies also rise. The positive correlation between fraudulent check conversion and forensic

Table 2: Result of the Correlation Analysis

VAR	*WDFPS*	*WATMF*	*WFTWD*	*WSUCD*	*WFRCC*	*WSTBC*	*WCHFG*	*WCADF*	*WDBCH*
WDFPS	1.0000								
WATMF	0.6166*	1.0000							
P-VAL	0.0000								
WFTWD	0.5174*	0.6748*	1.0000						
P-VAL	0.0004	0.0011							
WSUCD	0.6299*	0.4695*	0.6149*	1.0000					
P-VAL	0.0029	0.0368	0.0000						
WFRCC	0.6457*	0.5816*	0.4298	0.4892*	1.0000				
P-VAL	0.0002	0.0071	0.0586	0.0286					
WSTBC	0.0574	-0.2541	0.2721	0.5959*	0.2924	1.0000			
P-VAL	0.8264	0.2797	0.2459	0.0056	0.2110				
WCHFG	-0.3731	0.0943	0.5453*	0.6184*	0.5403*	0.6362*	1.0000		
P-VAL	0.1052	0.6926	0.0129	0.0001	0.0138	0.0000			
WCADF	0.5923*	0.6436*	0.5287*	0.4457*	0.6547*	-0.0353	0.3105	1.0000	
P-VAL	0.0000	0.0002	0.0165	0.0489	0.0000	0.7827	0.1827		
WDBCH	0.5154*	0.5009*	0.6691*	0.5903*	0.2810	0.3990	0.6754*	0.6209*	1.0000
P-VAL	0.0094	0.0245	0.0000	0.0000	0.2302	0.0814	0.0011	0.0002	

Source: STATA 14 Output Results

Note: Statistical significance @ 5%

investigation, which has a correlation coefficient value of 0.6299 and is significant at the 5% level of significance (p-value of 0.0029), also suggests that an increase in fraudulent check conversion is associated with an increase in forensic investigation. The positive correlation between forensic investigation and cash defalcation, which has a correlation coefficient value of 0.5923 and is statistically significant at the 5% level of significance (p-value 0.0000), suggests that as cash defalcation rises, forensic investigation also rises, while the positive correlation between forensic investigation and bank check diversion, which has a correlation coefficient value of 0.5709 and is statistically significant at the 5% level of significance, suggests that as bank cheque diversion rises,

The association between forensic analysis and stolen bank cheques and cheque fraud, on the other hand, is adverse. The adverse relationship between forensic investigation and bank cheque theft is implied by the negative correlation between the two variables, which has a correlation coefficient of -0.3731 and is statistically insignificant (p-value 0.1052). Similar to this, a rise in forensic investigation results in a fall in cheque fraud, according to the negative correlation between the two, which has a correlation coefficient value of -0.3673 and is statistically insignificant (p-value of 0.1112).

Table 3: Results of Data Normality and Multicollinearity Test

Variable	*W*	*V*	*Z*	*P-VALUE*	*VIF*	*Tolerance (1/VIF)*
WDEPS	0.592	2.432	1.691	0.036		
WSUCD	0.470	1.526	4.094	0.000	2.29	0.447
WFRCC	0.644	3.414	2.293	0.000	2.24	0.465
WCADF	0.532	1.165	3.663	0.000	1.55	0.482
WFTWD	0.483	2.116	3.027	0.000	1.32	0.518
WSTBC	0.552	1.124	0.286	0.406	1.16	0.502
WDBCH	0.609	2.631	1.552	0.000	1.22	0.654
WCHFG	0.449	1.201	0.369	0.356	1.16	0.662
WATMF	0.553	0.573	4.563	0.000	1-02	0.680
Mean VIF					1.59	

Source: STATA 14 output Results

The results in Table 3 show that the p-values of most of the variables were less than or equal to 5% significant, except for the WSTBC and WCHFG. This suggests that most of the study variables failed the normality test, as the tests

were significant at 5% with a confidence level of 95%, indicating that the data does not fit the normal distribution. However, the failure of the normality test does not affect the model or the result of the study. On the other hand, the variance inflation factor (VIF) test was conducted to examine the presence or otherwise of multicollinearity between and among the independent variables. Table 3 shows that the data for all the independent variables were not highly collinear with each other. However, the mean VIF for all explanatory variables is 1.59. In each case, the VIF is less than 4 and the tolerance level is less than 1, respectively, showing that there was an absence of perfect multicollinearity among the independent variables.

Table 4 : Regression Results

Variable	*Coefficient*	*Z-Value*	*P-Value*
CONS	0.1029933	1.56	0.147
WATMF	0.0000334	4.69	0.000
WFTWD	-0.0001702	-0.73	0.016
WSUCD	0.0005939	1.27	0.229
WFRCC	0.002457	0.35	0.005
WSTBC	-0.0004842	-0.44	0.665
WCHFG	0.0021189	1.28	0.008
WCADF	-0.0001104	-0.58	0.003
DBCH	-0.003368	-1.44	0.179
R^2	0.9524		
Adj- R^2	0.9177		
F-Value	27.48		
P-Value	0.0000		
Q-STAT	32.45		
P-value	0.0000		

Source: STATA 14 Output Results

The results of the Portmanteau (unit root) test for white noise and the Cochrane-Orcutt AR ordinary least squares (OLS) regression are presented in Table 4. The coefficient of the intercept (CONST), which may be determined by closely examining Table 4, is 0.1029933. When any of the independent variables increases or decreases by one unit while the other independent variables remain constant, this coefficient of the intercept determines the value of DFPS. The CONST has a Z-value of 1.56 and a statistically insignificant p-value of

0.147. At a Z-value of 4.69 and a p-value of 0.000, ATMF has a coefficient of 0.0000334. This shows that ATMF has a 0.000–95% confidence level effect on DFPS and is positively significant. This implies that a rise in ATMF will also lead to a rise in DFPS. Similarly, FTWD has a -0.0001039 coefficient at a Z-value of -0.73 and a 0.016 p-value. This implies that, at a 0.016–95% confidence level, FTWD is negatively significant and affects DFPS. This suggests that a rise in FTWD will lead to a decrease in the Nigerian Deposit Insurance Corporation's DFPS. Additionally, SUCD has a 0.0005939 coefficient at a Z-value of 1.27 and a p-value of 0.229. This indicates that SUCD is statistically and positively negligible. This implies that the Nigerian Deposit Insurance Corporation's (NDIC) forensic investigation (DFPS) will increase as SUCD rises.

Furthermore, the Z-value for FRCC is 0.35, the p-value is 0.005, and the coefficient for FRCC is 0.002457. This suggests that, at a 95% confidence level, FRCC is favorable and positively affects DFPS. Therefore, during the research period, a rise in FRCC will result in an increase in the number of forensic inquiries into the Nigerian Deposit Insurance Corporation. In the same vein, the STBC, which has a coefficient value of -0.0004842, a Z-value of -0.44, and a p-value of 0.665, yet has a negligible and negative impact on DFPS, This indicates that, if other factors remain constant, raising the STBC of Nigerian banks and other deposit-taking financial institutions in Nigeria will result in a decline in forensic examinations by the Nigerian Deposit Insurance Corporation. Similarly, the CHFG has a positive impact on DFPS. With a coefficient value of 0.0021189, a Z-value of 1.28, and a p-value of 0.008, CHFG also has a negligibly positive impact on DFPS. Accordingly, raising the CHFG of Nigerian banks and other deposit-taking financial institutions will result in a rise in the number of forensic audits conducted by the Nigerian Deposit Insurance Corporation. The CADF coefficient is -0.0001104, the Z-value is -0.58, and the p-value is 0.003. This suggests that, at a 95% confidence level, CADF is detrimental and strongly affects DFPS. This suggests that a rise in CADF will result in a fall in the amount of forensic work done on the Nigerian Deposit Insurance Corporation. Similar to this, DBCH has the following statistics: a coefficient of -0.003368, a Z-value of -1.44, and a p-value of 0.179. This implies that DBCH is adverse.

The total result for fitted values of DFPS is also shown in Table 2. It demonstrates that fraudulent accounting practices account for 9524 (95.24%) of the fluctuations in DFPS, whereas other factors account for 4.76% of the variances. The adjusted R2 of 0.9177 explains this. Additionally, the regression

equation's F-statistic and its probability demonstrate that it is well-formulated and explain why the link between the explanatory variables and the Nigerian Deposit Insurance Corporation's forensic investigation is statistically significant (F-stat = 27.48; F-prob = 0.0000). The outcome of the unit (Q-STAT 32.45; P-value 0.000) test is also shown in Table 3. With a 95% confidence level, the test had a significance level of 5%. This result implies that the research failed the test, demonstrating that the series is not stationary, and the alternative hypothesis, which states that the data for the effect of the NDIC forensic investigation role on the protection and securing of depositors' funds is not series-stationed, was accepted in place of the null hypothesis, which stated that the series is stationary and that the data for the effect of the NDIC forensic investigation role on the protection and securing of depositors' funds is stationary.

Tables 2, 3, and 4 also show that all the independent variables were correlated due to the high correlation matrix. This was done in order to reduce the multicollinearity problems.

The NDIC forensic investigation of Nigerian banks and other deposit-taking financial institutions is not significantly related to ATM fraud, according to the first hypothesis. According to Table 4's summary of the regression analysis, there is a substantial correlation between ATM fraud and NDIC forensic investigations of Nigerian banks and other deposit-taking financial institutions during the study period. This gives us proof that the alternative hypothesis—that ATM fraud has a substantial correlation with NDIC forensic investigation in Nigeria—is correct and that the null hypothesis should be rejected. The results of Enofe et al. (2015), who found that using forensic audit services frequently will considerably help in the identification, prevention, and reduction of fraud, are consistent with this study. While Uniamikogbo et al. (2019), who found a negative connection between ATM fraud and forensic investigation, disagree with this conclusion, According to the second hypothesis, there is no significant connection between the NDIC forensic investigation and the fraudulent transfer or withdrawal of customer deposits in the Nigerian banking sector. Based on Table 6's regression results, it may be concluded that 5% of client deposits were fraudulently transferred or withdrawn. This suggests that there is a chance that a fraudulent transfer or withdrawal of a client deposit will affect the forensic investigation. This gives us evidence to reject the null hypothesis and embrace the alternative, which is that the NDIC's forensic investigation into Nigerian banks and other deposit-taking financial organizations has a major bearing on fraudulent transfers and withdrawals of customer

deposits. This result is in line with Benjamin et al.'s (2015) findings that forensic investigation and corporate fraud deterrence are positively correlated. The results are in direct opposition to those of Asusu (2019), who found no conclusive link between forensic investigation and fraudulent transfers or withdrawals of consumer deposits.

According to the third theory, there is no discernible connection between the NDIC forensic inquiry and the suppression of client deposits in Nigeria's banking sector. According to the regression's findings, which are displayed in Table 4 above, the suppression of customer deposits has a coefficient value of -0.000226 and a z-value of -1.59, which is statistically insignificant at a p-value of 0.143. This suggests that during the study period, SUCD had little to no impact on the deposit-taking activities of financial institutions in Nigeria, including DFPS at Nigerian banks. This gives us proof that we should accept the null hypothesis and reject the alternative one, according to which there is no connection between the NDIC forensic inquiry and the suppression of client deposits in Nigerian banks and other financial entities that accept deposits. The results of Appah and Inini (2021), who find a significant negative relationship between forensic investigation techniques and occupational frauds, contrast with those of Asusu (2019), who also find no significant relationship between forensic auditing services and fraudulent accounting practices in banks.

The fourth supposition contends that the NDIC forensic inquiry has little to do with the illegal conversion of checks in the Nigerian banking sector. Table 4's presentation of the regression results reveals that the coefficient of fraudulent check conversion is -0.0003865, with a Z-value of -3.63 and a p-value of 0.005. This demonstrates that, during the study period, fraudulent check conversion had a substantial relationship with NDIC forensic investigations in Nigerian banks and other deposit-taking financial institutions. This gives us proof that the alternative hypothesis—that FRCC has a significant relationship with the DFPS of Nigerian banking industries—is plausible and that the null hypothesis should be rejected. This result agrees with Appah and Inini's (2021), who discover a strong negative association, and contrary to Uniamikogbo, Adeusi, and Amu's (2019), whose findings demonstrate no significant association between forensic auditing services and loan processing and repayment systems, their findings support the prevention and mitigation of occupational crime in the Nigerian public sector.

According to the fifth hypothesis, there is no connection between the NDIC forensic investigation and the stolen bank cheques in Nigeria's banking sector.

The theft of cheques from Nigerian banks and other deposit-taking financial institutions during the study period has a negative and negligible relationship with the NDIC forensic investigation, according to the regression result shown in Table 4. This gives us proof that the null hypothesis is true and disproves the alternative hypothesis, which holds that there is no chance that a stolen bank cheue will affect the NDIC forensic investigation. The findings of Asusu (2019), who also discovered a negative and negligible correlation between forensic auditing services and illegal financial practices in deposit money, are in keeping with this study. This finding conflicts with that of Rosemond et al. (2023), who indicate that forensic audit procedures have a positive and significant impact on fraud detection in Nigeria.

The sixth supposition contends that there is no discernible connection between the NDIC forensic inquiry and the presentation of forged cheques that has been going on in Nigeria's banking sector. During the study period, the forging of cheques in Nigerian banks and other deposit-taking financial institutions had a favorable and significant impact on the forensic investigation of the NDIC. This means that the fake cheque may affect the NDIC's forensic inquiry into Nigerian banks and other financial organizations that accept deposits. This gives us evidence to reject the null hypothesis and accept the alternative, which is that the NDIC's forensic examination of the Nigerian banking sector has been significantly impacted by the fabrication of bank checks. This result concurs with that of Fatoki (2021), who finds that forensic accounting procedures have a positive and significant impact on detecting financial crime in Nigeria. The results are in contrast to those of Abdulrahman et al. (2020), who found that forensic accounting techniques had a negative and significant impact on identifying and averting alleged frauds from banking sector operations in the United Arab Emirates.

According to the seventh theory, there is no real connection between the NDIC forensic inquiry and the cash theft in Nigerian banks. During the study period, there was a negative and substantial correlation between the cash embezzlement in Nigerian banks and other deposit-taking financial institutions and the NDIC forensic inquiry. This gives us proof that the alternative hypothesis—that cash defalcation has a chance of prompting a forensic inquiry by the NDIC into Nigerian banks and other deposit-taking financial institutions—is plausible and that the null hypothesis should be rejected. This finding is consistent with that of Obiora, Onuora, and Amodu (2022), who discover a similar, negative relationship between the use of forensic accounting

services and a decline in the frequency of frauds. The findings of Okoye and Ndah (2019), who discover a favorable and significant association between fraud investigation techniques and the prevention of fraud in manufacturing organizations, are in direct opposition to this finding.

The eighth supposition contends that there is no causal connection between the NDIC forensic inquiry and the theft of bank cheques in Nigeria's banking sector. The NDIC forensic investigation has a negative and substantial link with the diversion of bank cheques in Nigerian banks and other deposit-taking financial institutions during the study period, according to the regression result shown in Table 4. This gives us proof that the alternative hypothesis—that the diversion of a bank cheque has the potential to influence the NDIC forensic investigation—is plausible and that the null hypothesis should be rejected. The findings of Joseph, Okike, and Yoko (2016), who similarly show a negative and significant association between forensic accounting and fraud detection, are in line with this conclusion. This result differs from that of Alpha (2020), who found that forensic accounting methods had a favorable and significant impact on the reduction of fraud in Sierra Leonean deposit money banks.

5. CONCLUSIONS AND RECOMMENDATIONS

5.1. Conclusions

In light of the aforementioned analysis results, the study comes to the following conclusions:

First, there is a strong correlation between NDIC forensic investigation and bank cheque forgery, fraudulent transfers and withdrawals of customer deposits, and ATM fraud in Nigerian banks and other deposit-taking financial institutions. This suggests that NDIC investigation teams possess the knowledge, skills, expertise, and capability needed to put an end to the fraud threat affecting the nation's banking industry.

Second, in Nigerian banks and other deposit-taking financial institutions, the NDIC forensic investigation has a significant negative relationship with fraudulent cheque conversion, cash defalcation, and bank cheque diversion. This suggests that the NDIC forensic investigation teams lack the strategies, technical know-how, capability, experience, and knowledge needed to stop the fraud threat. This is because bank check diversion, cash theft, and fraudulent cheque conversion are on the rise, and NDIC forensic investigation is declining.

Third, there is a negative but insignificant connection between the NDIC forensic investigation and the suppression of consumer deposits at the Nigerian bank and other deposit-taking financial institutions in Nigeria. This demonstrates that the NDIC investigation teams are devoid of the knowledge, ability, experience, and skills required to clarify the fraud involving the suppression of client deposits that was carried out in the Nigerian banking industry.

Lastly, there is a favourable lack of significance between the NDIC forensic investigation and the pilfered bank cheques from the Nigerian bank and other deposit-taking financial institutions in Nigeria. This shows that the NDIC investigation teams have not been able to curb cheue disappearances in the Nigerian banking system, despite their influence on cheque theft.

5.2. Recommendations

The following recommendations are made for the NDIC forensic investigation teams in Nigeria in light of the aforementioned findings and conclusion:

First, fraudulent ATM transactions, fraudulent client deposit transfers and withdrawals, and bank cheue forgeries are examples of fraudulent accounting practices in Nigerian banks and other deposit-taking financial organizations. The NDIC forensic investigation should be promoted since it is thought to improve their involvement in supervision and monitoring to stop the threat in the Nigerian banking industry. Second, the diversion of bank cheques, cash defalcation, and fraudulent conversion of cheques in Nigerian banks and other deposit-taking financial organizations serve as examples of fraudulent accounting practices. As these crimes rise, the NDIC forensic investigation falls, indicating that the forensic teams are not aware of the frauds taking place in the Nigerian banking industry. Therefore, it is important to support the forensic teams in changing their methods or strategies to contain the threat. Furthermore, the depositors see the NDIC's supervision and monitoring efforts as evidence of the company's financial stability, which drew them in and gave them faith in the safety of their assets.

Finally, the theft of bank cheques and the suppression of customer deposits are the final two forms of occupational fraud that have been detected in Nigerian banks and other financial organizations that accept deposits. All members of the forensic teams should attend seminars, workshops, and conferences, or be sent for additional training, as directed by the governing councils or management of the Nigerian Deposit Insurance Corporation (NDIC), so they can become familiar with the various tricks and manipulations that lead to the suppression

of customer deposits and cheques that have been stolen by bank employees. By doing this, the NDIC forensic personnel involved will gain a better understanding of the subject, and their knowledge will increase, making the banking sector a more reliable source for money and other valuables.

5.3. Limitations and Directions for Future Research

This study only uses NDIC and uses a practical sampling approach. The researchers' broad and arbitrary perspective forms the basis of the finding. Future research could use probabilistic sampling to take into account the various fraudulent accounting practices that occurred in the listed deposit banks in Nigeria and other deposit-taking financial institutions in Nigeria instead of basing their information on the NDIC. This would ensure higher representation and increase the size of the sample, which would result in more accurate analytical results. Furthermore, the result as it is provided offers just a few general conclusions and empirical solutions; it does not provide practical solutions specific to a particular fraudulent accounting practice. Future research must be expanded in both breadth and duration.

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Conflict of Interest

There is no conflict of interest involved in the publication of this paper.

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