

Financial Fraud in Nigeria: Does Forensic Investigative Accounting Matter? An Empirical Analysis of Selected Banks in Katsina State

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Abstract: This study examined the effect of forensic accounting practices on financial misconduct within Nigerian Deposit Money Institutions (NDMIs). The research relied on data collected from primary sources by distributing a questionnaire to 212 respondents from the ten commercial banks that operate in Katsina State capital. Of these, 199 were properly completed and returned, after which analysis was conducted. The collected data were subjected to multiple linear regression (MLR) analysis to ensure thorough examination, and the outcome indicated that financial operations/transfer had significantly enhanced financial fraud detection, while conducting investigations and reconstructing incomplete accounting records had a positive insignificant effect. The outcome reveals that investigative accounting has the potential of determining financial deception in the Nigerian deposit money institutions. To improve and strengthen skills and competence in transaction monitoring or anomaly detection and risk mitigation, the study advised management of depository banks in Nigeria to support and prudently invest in the training and retraining of employees working in

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the forensic accounting unit/department. By encouraging the forensic auditors and investigators in the Deposit Money Banks (DMBs) to acquire necessary knowledge, skills, and expertise in financial investigative techniques, it will help improve the industry's ability to detect and prevent financial crime.

Keywords: Forensic Accounting; Financial crime discernment; Conducting Investigations; Financial Data Analytics; and Reconstructing Incomplete Accounting Records

1. BACKGROUND OF THE STUDY

Rapid technical improvements, globalisation, and growing regulatory requirements have all contributed to the recent tremendous growth and transformation of the Nigerian banking industry (Okafor & Agbiogwo, 2016; Okoye, Adeniyi & James, 2019). This industry is essential to propelling the country's economic growth. But this expansion has not come without difficulties, as the sector has been beset by corporate governance lapses, financial scandals, and fraudulent activity. An increasing understanding of the knowledge and value of investigative accounting and efficient company management in identifying and stopping financial deception, including unethical behaviour, could have resulted from the rising incidence of these crimes worldwide (Safiyanu, Ibrahim & Sani, 2019).

The financial sector is making great efforts to reduce this threat, but scammers are continually coming up with new techniques. Fraudsters have recently evolved new techniques such as look-alike frauds, card skimming/cloning, bogus cheques, and breach of client profile or customer data, all of which call for the need for new security measures to reduce the threat (Khanna & Arora, 2009). The public's trust and confidence in the banking industry have been damaged by these problems, making the implementation of strong risk mitigation and stakeholder interest protection measures necessary. This necessitates strong organisational regulations, and experts within the discipline of forensic accounting monitoring teams would be considered essential in an increasingly intricate and sophisticated financial landscape. In this ever-changing landscape, forensic accounting has become an essential instrument for advancing openness, reducing the probability of deception, and protecting stakeholders' interests in the financial institutions sector (Chiezey & Onu, 2013; Aliu, Micah & Abu, 2023).

An accounting niche called 'forensic accounting' is concerned with using investigative methods to find accounting anomalies/discrepancies, identify fraudulent activity, and assess internal checks or management controls.

Forensic accountants are essential in identifying financial malfeasance, guaranteeing regulatory compliance, and improving corporate governance procedures since they combine accounting knowledge, investigative abilities, and legal competence (Okoye & Akamobi, 2009). The effectiveness of current governance procedures has come under scrutiny due to issues with financial reporting transparency, key decision-makers' accountability, and the prevention of fraudulent activity. One may argue that investigative accounting has been making waves globally, thereby drawing the attention of creditors, existing investors, and potential investors in the past few years, as interested parties look for better ways to combat the fraud threat. Since its introduction as a fraud detection tool, it has grown to be a highly significant topic for academics and researchers worldwide.

On the other side, without the reviewer's proper training and expertise in fraud detection, fraud cannot be easily identified, stopped, or discouraged in all events, circumstances or atmospheres, whether they be community/non-domestic, business, or public at large. Fraud is viewed by the Association of Certified Forensic Examiners (ACFE) as a deliberate misuse of funds, money or materials of the hiring corporation or institution for the individual's personal benefit or development at the detriment of the hiring firm or institution. Thus, in a given economic setting, it encompasses conduct in corporate asset misuse/stealing, embezzlement, or misappropriation (Okoye & Akamobi, 2009). However, the way banks and their clients conduct business has drastically changed due to global technological advancements, which have led to a greater reliance on electronic media. Deception, double-dealing or fraud and shady practices have evolved, necessitating prompt expertise, experience and competence in the field of accounting to respond to and mitigate the intrinsic or gross risk and forfeiture or mislaying correlated with fraudulence.

Centre for Forensic Studies (2010) opined that the idea or reason behind digital, online or electronic banking, also known as mobile or internet services banking, which involves multiple, intricate, big or large data sets, makes it challenging to observe or keep track of records of business transactions using traditional audit procedures, which necessitated the rising or increasing demand

for corporate investigators or forensic financial investigations in the financial services industry. Forensic accounting deals mostly with financial crimes and other problems or shortcomings found in the Nigerian banking sector after a merger/combination (examples: insufficient automated or application system controls; insider dealing or breach from within; income smoothing or window dressing to support or back up illegal funds by carrying unrealised high-value holdings or valuables, among others) and the engagement of forensic investigation or criminal proceedings and litigation procedures to punish the perpetrators of these heinous crimes. Therefore, since forensic accounting is the application that combines financial forensics, fraud examination, and forensic auditing to resolve matters related to illicit financial activity, it could, when rigorously implemented, reverse the losses driving business failure or remediate system failures that lead to insolvency (Enofe, Omagbon, & Ehigior, 2015).

Researching deception and shady accounting practices in the financial institutions sector in Nigeria is not also new, as numerous studies have been done in this field with a variety of recommendations that have led to various punishments, including suspension, termination, dismissal, and even jail terms. However, the more penalties meted out to offenders, the more fraud and dishonest accounting practices occurred in Nigerian deposit money banks, leading to certain banks' mergers and integrations and several Nigerian Exchange Group closures. In their research, for instance, Eniola and Popoola (2024) believed that forensic accounting (fraud investigation) techniques could affect financial accountability and transparency in Nigerian banking systems. Similarly, forensic accounting systems are expected to efficiently aid the elimination of financial fraud, especially within Nigeria's first bank, according to research by Adam, Agu, and Ugwuanyi (2024).

Additionally, forensic accounting methods are seen by Mike, Okpe, and Abu (2022) as a crucial predictor for fraud mitigation and fraud risk management, which could reduce or decrease financial impropriety. Similarly, Abu, Olatunji, and Micah (2022) showed that reduction in illicit financial activities and deceptive practices in Nigerian manufacturing companies may be achieved by the employment of experts in forensic accounting and financial crime investigation. Additionally, according to research by Okoye, Adeniyi, and James (2019), using forensic accounting techniques has chances of mitigation and deterrence, which could reduce or decrease the incidence

of financial illegality that occurred within a company. In their research, Aliu, Micah, and Abu (2023) believed the use of investigative auditing/investigative accounting techniques, including technical expertise, experience, skills, and ability, would lessen dishonest accounting practices in the quoted commercial banks in Nigeria and other financial establishments that accept deposits.

For this reason, the intention of this research is to evaluate how well investigative accounting elements work for recognising or discerning financial dishonesty in Nigerian quoted banks. The current research proxies the subject matter into three interfaces or elements: conducting investigation, financial statement analysis, and restoration/rebuilding or remodelling of accounting records were examined to answer three questions:

First, is there a chance that forensic analysis will uncover financial wrongdoing in Nigerian DMBs? Second, does financial transaction analysis have the profound effect or tremendous impact in identifying financial swindles in Nigerian DMBs? Third, is there a chance that reconstructing inadequate accounting records will affect recognition or discernment of financial wrongdoing in the Nigerian DMBs? Given this background, current research thinks further inquiry is required to propose remedies to the issue or issues of financial hoax practices in publicly traded banks in Nigeria.

The intention in carrying out this inquiry is to evaluate whether investigative accounting affected financial dishonesty in the listed financial institutions (DMBs) in Nigeria. Research specific goals are examining the impact of financial transaction analysis on financial swindle detection of listed DMBs, investigating the efficacy of investigation on financial misconduct detection of the listed DMBs, and demonstrating the restoration/rebuilding or remodelling of accounting records that would be a substantial influence for detecting financial trickery in DMBs.

In view of the specific objectives and research questions, three assumptions were proposed in a null form as follows:

HO₁: Carrying out financial investigation does not substantial influence the detection of financial misconduct among DMBs in Nigeria; **HO₂:** Financial statement analysis does not affect the detection of financial misconduct detection in DMBs in Nigeria; and **HO₃:** The process of restoring or remodeling accounting records has no meaningful impact on detecting financial dishonesty within Nigerian Deposit Money Banks (DMBs).

2. LITERATURE REVIEW

2.1. Conceptual Review

The foundation of forensic accounting comes from combining knowledge of auditing, accounting, finance, law and other related disciplines with investigative methods to authenticate whether activities connected to or involved in financial statements and records were questionable. It started with the practice of applying technical knowledge or expertise to authenticate the economic transactions and reporting appropriate to establish accountability or variation of administrative proceedings, as well as the application of accounting, auditing, diagnostic proficiency, or investigative skills to facilitate lawful proceedings/cases (Abu *et al.*, 2022). In order to achieve a specific outcome, it may be argued that accounting, auditing, computer application, and investigative abilities be integrated globally (Aliu *et al.*, 2023).

2.2. Financial Fraud

Financial fraud lacks a single generally accepted definition, as opposed to a description or recommendation (Oseni, 2017). This implies that neither a description nor a prescription is adequate, but they are all indicative of financial fraud. Drug trafficking, embezzlement, bribery, corruption, money laundering, illicit mining, illicit oil bunkering, economic sabotage, forex malpractices or future market fraud (manipulation, faking or reproducing of money with the intent to deceive), misappropriation, plagiarism, unauthorised reproduction, illegal account/record manipulation, and the unlawful disposal of hazardous waste and restricted goods as defined in the Economic and Financial Crime Commission (EFCC) Act 2004 are all considered forms of financial fraud, according to Adam *et al.* (2004). This implies that any activity that violates the current laws of the EFCC and attempts to obtain riches illegally through illicit means is considered financial fraud. The following are examples of financial fraud: treasury looting, contract kickbacks, oil bunkering, budget padding, overhead expense padding, bribery, embezzlement, and physical theft of cash (Mike *et al.*, 2022). Financial fraud occurs when a person, group, or organisation loses important assets or resources, or when they engage in other unlawful, dishonest, or misleading activities that negatively impact their financial well-being (Mike *et al.*, 2022). According to this, there are three components to financial fraud: Ponzi schemes, creative accounting, and investment scams. To solve financial

issues, professionals with the necessary forensic accounting expertise must carefully examine all relevant documents to uncover hidden facts or bring to light something hidden, which will lead to reconciling the financial data/records or consolidating financial reports (Okafor & Agbiogwo, 2016).

Scholars have failed to provide a unified or harmonised definition of forensic accounting. Every definition provided by academics includes essential words or jargon for competent forensic accounting. In order to properly draw conclusions regarding the state of affairs of business entities that have been the subject of criminal observations before a legal forum, forensic accounting is defined by Mike *et al.* (2022) as the application of science in accounting that can be used to record, identify, organise, sort, extract, analyse, interpret, present, and report financial data. This implies that investigations in the field of accounting and other financial-related disciplines utilise accounting science and law knowledge to enquire about economic crimes, uncovering information about fraud, misappropriation, bribery, kickbacks, and other related offences committed by companies. Howard and Sheetz (2006) described forensic accounting as a process involving the examination, consolidation, and presentation of complex economic affairs factually as a professional within a legal proceeding. Because forensic accounting encompasses accounting, auditing, and investigative abilities to handle matters related to economic crimes or white-collar crimes, it suggests that, if properly used, financial investigation might be used to reveal those leaks that result in company failures.

Additionally, Stanbury and Paley-Menzies (2010) viewed forensic accounting as a discipline concerned with the acquisition and presentation of data lawfully or legally and will be accepted as evidence against those who commit corporate crimes. This suggests that financial investigation is a method necessary for conducting an enquiry that would produce facts about a case to be used legally. According to the American Institute of Certified Public Accountants (AICPA) (2010), forensic accounting is a service that requires specific understanding and investigating abilities possessed by accounting practitioners. In other words, experts in the accounting profession utilise professional skills and expertise in accounting, auditing, economics, and tax, with other areas, and carefully examine documents, records, issues, transactions, or facts and knowledge and present factual or valid evidence appropriate in legal proceedings.

Therefore, experts in forensic accounting are responsible for identifying instances related to fraud of a business. In this study, the independent variable is proxied into three interfaces, elements or variables. These include carrying out investigations, evaluating financial transactions, and reconstructing accounting records that are not full.

- (a) **Conducting an investigation:** It is suggested that experts in the field of accounting and other financial-related disciplines possess unique tools for making or conducting an inquiry about financial dishonesty. Such tools are used to detect and prevent unethical financial transactions, thus combating unethical financial activities. The desire or challenge for forensic audits stems from the breach or technical shortcomings or audit deficiency of traditional audits and sophisticated financial fraud in recent times (Owojori & Asaolu, 2009). According to Chiezey and Onu (2013), who supports this viewpoint, a forensic accountant not only tracks fraud identification, record preparation, and evidence presentation in criminal proceedings and legal claims, but also calculates financial losses or damages, tracks down the fraudster's income and assets, and reconstructs financial statements that may have been altered or destroyed in order to provide an expert witness. Researching financial crimes is likened to that of a medical doctor who would carry out many diagnostic tests and explanatory work to examine what actually happened to a patient. This is the same way performing investigations is to a forensic accountant; therefore, it is a crucial component to being a forensic accountant. Based on this and due to the failure in complying with audit standards, a forensic accountant uses sophisticated tools to perform or investigate business operations and events going on in an organisation to uncover deceptive activities.
- (b) **Analysing Financial Transactions:** An entity's unscrupulous transactions necessitated the investigation of the transactions by forensic accounting professionals, which is why financial transaction analysis is necessary. A forensic accountant must possess specialised abilities to examine papers to determine genuineness, detect modifications, identify forgery, or uncover counterfeiting (Chiezey & Onu, 2013). Thus, equipped with these competencies, specialised

accountants in the field of forensics may more quickly pinpoint mistakes, dishonest dealings, and omissions while performing their fiduciary duties in reducing, eliminating, preventing or minimising financial misconduct? Wilhelm (2004) provide evidence in support of this view, stating a fraud examiner or investigative accountant is responsible for examining and determining the types of economic/ financial crimes that may transpire and their signs or red flags.

- (c) **Reconstruction of Incomplete Accounting Records:** Is an important aspect of forensic accounting, particularly in situations involving compensation claims, indemnity settlements, inflated stock valuations, and the investigation of financial crimes. The process involves rebuilding missing or distorted financial information in order to establish the true financial position of an individual or organisation. According to AICPA (1973), the reconstruction of accounting records becomes necessary when there is a need to determine financial or economic losses, trace the movement and origin of cash flows, verify assets, or restore accounting books and records that have been destroyed, manipulated, or intentionally altered. Through this process, forensic accountants are able to provide reliable financial evidence that can support litigation, dispute resolution, and fraud investigations. In order to be able to identify fraudulent acts as soon as they are noticed, a forensic accountant must possess extensive knowledge in a variety of fields in addition to being an expert in financial problems (AICPA 1973).

2.3. Theoretical Framework

Many ideas are pertinent to financial investigation, especially when it involves business deception, economic and financial crimes or white-collar crimes. However, to discuss, enumerate or explain the aspect of financial investigation on fraudulent practices among selected commercial banks in Nigeria, three theories were taken into account: the Fraud Triangle, Fraud Diamond and Fraud Management Lifecycle theories.

2.3.1. Fraud Triangle Theory: This theoretical model was introduced by Cressey in 1953. In his research on criminals in particular, criminologist

Cressey (1953) discovered that fraud uncovered the motive behind all human behaviour. The study connected or coined this idea called the “Fraud Triangle Theory”. Three elements, which include a triangular configuration of fraud factors like opportunity as perceived, perceived incentives or pressures, and justification, are likely to combine to cause this fraud (Chiezey & Onu, 2013). Chiezey and Onu (2013) first supported Cressy’s (1953) theory by arguing that the first temptation to commit fraud is presented by both financial and non-financial pressures. Additionally, according to Ngalyuka (2013), financial stressors like debt, drug misuse, and work-related difficulties account for 95% of frauds.

According to Wanyama (2012), the next component is recognition of a potential advantage or chance, where a scammer, swindler or defrauder believes they can escape punishment or the consequence of getting found is tameable or manageable. While Kanu and Okorafor (2013) maintained that these opportunities are abused in ineffective controls/gaps in oversight, lack of implementation or execution, inappropriate or insufficient sanctions or a culture of non-accountability as a deterrence and poor quality or condition of the systems, Chiezey and Onu (2013) further explained that employees who have unrestricted access to organisational assets and customers’ financial information may exploit such opportunities to engage in fraudulent practices. These practices often involve acts of deceit, dishonesty, or intentional misappropriation of funds and property for personal benefit. According to the authors, the abuse of entrusted positions and privileged access to sensitive information creates an avenue for illicit enrichment and unlawful financial gain. This situation highlights the relevance of effective internal control mechanisms, proper supervision, and forensic accounting systems in detecting and preventing fraudulent activities within organisations. The idea of perceived rationalisation, in which the perpetrators rationalise or justify the fraudulent feature as normal or acceptable, is the final factor that contributes to frauds (Njenga & Osiemo, 2013). Implying that others are doing it after all may be the justification of unethical behaviour of the fraudster. The concept of rationalisation gives forensic accountants a clearer understanding of the motives and justifications behind fraudulent behaviour. It explains how individuals involved in unethical practices often convince themselves that their actions are acceptable or justified. This understanding is important in fraud

investigations because the fraud triangle hypothesis identifies rationalisation as one of the major factors that encourage fraudulent activities, alongside pressure and opportunity. Therefore, knowledge of rationalisation assists forensic accountants in identifying suspicious behaviours, examining fraudulent intentions, and predicting the likelihood of future financial misconduct.

2.3.2. Fraud Diamond Theory



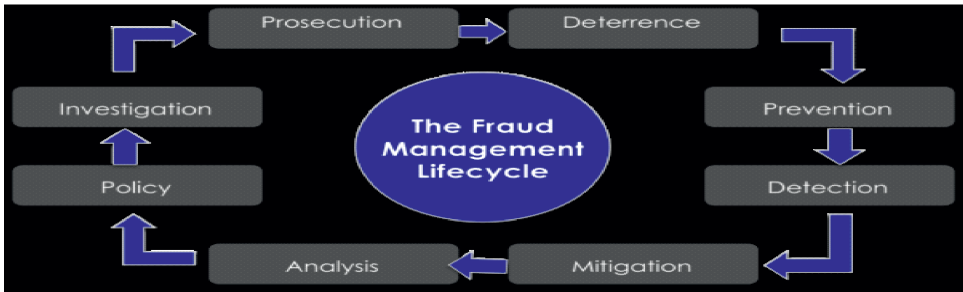
Source: Wolfe and Hermanson (2004) study (adopted)

Wolfe and Hermanson first introduced Fraud Diamond Theory (2004). The Fraud Diamond Theory further developed and provided a more comprehensive explanation of this concept. Nevertheless, the initial three elements of the fraud motivator framework have been increased or added to with a fourth element known as ‘capability’. Wolfe and Hermanson (2004) argued that even where pressure or incentive exists alongside opportunity and rationalisation, fraud is unlikely to occur without the presence of this capability element. This suggests the potential offender has what it takes to commit fraud.

According to Wolfe and Hermanson (2004), fraud becomes possible through opportunity, whereas incentive or pressure, together with rationalisation, can lead an individual toward its commission. Nonetheless, a person, group or corporation intending to commit a crime must first have access to an open doorway as a privilege or opportunity and utilise it by passing through at a time or numerous times. Organisations and auditors must comprehend unique characteristics and engage employees with requisite skills to evaluate the uncertainty or outcome of fraudulent activities in corporate organisations, given a complementary element in the fraud construct model influencing people’s decisions to engage in or be involved in fraudulent activities.

Fraud motivator theory is pertinent to ongoing research because it extends to the fraud topic by claiming that for fraudulent practices to take place, the perpetrator must have access to information and the ability to put it into practice, thereafter resulting in the commission of the crime. Therefore, the fraud risk model widened the coverage area and viewpoint of the forensic profession to fortifying their efforts in identifying illegal business dealings in an organisation.

2.3.3. *Fraud Management Lifecycle Theory*



Source: Wilhelm (2004) study (adopted)

Wilhelm (2004) proposed the Fraud Management Lifecycle Theory, emphasising that effective fraud control is achievable only when all stakeholders acknowledge and carry out their respective responsibilities.

The procedure for tracking, detecting, nipping in the bud or warding off, and reporting insider dealing in an organisation is known as fraud management. The interplay of policies, procedures, and the public in the end-to-end treatment of insider dealing is highlighted by the fraud management lifecycle. In Wilhelm’s (2004) view, the fraud management lifecycle functions as an interconnected network system in which every node is a composite entity made up of independent, dependent, connected actions, activities, and processes. These connected actions, operations or *modus operandi* may take place in a linear and sequential fashion or not.

According to Wilhelm (2004), the fraud management lifecycle consists of eight stages, making it a flexible and dynamic framework or ever-changing. These eight phases are discouragement, prevention, identification, control, evaluation, policy development, inquiry, and prosecution. Each of the eight phases is explained in the study: deterrence is the first stage, defined as

acts, actions, processes or procedures meant to bring to an end or stoppage of unethical behaviour or dishonesty to discourage those who intend to undertake and reject or dissuade even to make any attempt of engaging in fraudulent acts. Prevention, the second stage, requires adequate security measures and monitoring systems that would put an end to double-dealings from happening. The third stage, detection, entails taking steps and doing things like establishing monitoring security systems to assess and detect shady practices, thus eliminating or reducing the illicit acts or unethical behaviour to the barest minimum.

By restricting a fraudster's account or facility, stage four mitigation targets to block or prevent risks or uncertainty from occurring or persisting to occur and/or installing mechanisms/systems that would make it stiff for a fraudster to finish the fraudulent conduct. In order to identify the elements that contributed to the loss situation, the next step, analysis, involves looking at the risks which occurred in spite of dissuasion and spotting avoidable efforts. Activities to develop, assess, disseminate, and support the implementation of policies aimed at lowering the prevalence of fraud define the Fraud Management Lifecycle's sixth stage, or policy. The seventh phase, investigation, is collecting or gathering valid data/evidence to prove and halt swindling, retrieve stolen funds or properties, make amends, offer proof or support for the litigation proceedings and award appropriate punishments to the fraudster(s). Culmination, the final stage, where non-success and triumphs can be attributed to the fact that the illegal transactions were discovered, an accused was found and detained, and punishment was awarded.

The research is anchored on the three theories: Diamond, fraud triangle and fraud management lifecycle theories. The fraud triangle theory provides a basic framework for understanding fraudulent behaviour. It is extensively applied in fraud investigation and forensic accounting research as a framework for examining the underlying causes and patterns of fraudulent activities. Diamond theory helps to explain sophisticated fraud practices in banking institutions, especially that fraud can only occur when an individual possesses the ability and position to execute the act. Conversely, the fraud management lifecycle theory presents a systematic approach to understanding and addressing fraud across its various stages and emphasises proactive and reactive measures in managing fraud risks within organisations. The theory highlights the role

of forensic accounting in monitoring and investigating fraud. It is relevant because it supports comprehensive fraud management in commercial banks.

2.3. Reviews of the Empirical Studies

Enofe, Okpako and Atube (2015) examined the role of forensic auditing in curbing economic and financial crimes within Nigerian commercial banks. The study adopted an exploratory research design and collected primary data through a structured questionnaire. Analysis of the data was carried out using the non-parametric chi-square statistical technique. Findings revealed that forensic investigation serves as an effective mechanism for combating fraud and related financial crimes in the banking sector, emphasising the growing need for forensic accountants in Nigeria's financial institutions.

In a related study, Enofe *et al.* (2015) explored forensic accounting as a strategy for reducing fraud in Nigerian organisations. Primary data were obtained through questionnaire administration, while tables, pie charts, statistical models, and chi-square methods were employed in analysing the responses. The results indicated that forensic accounting strengthens the credibility of financial reporting and improves internal control systems, thereby contributing significantly to fraud reduction in Nigerian businesses.

Eliezer and Emmanuel (2015) theoretically examined the significance of forensic accounting in the detection and prevention of fraud in Nigeria. Their study focused on the roles and responsibilities of forensic accountants in identifying, controlling, and minimising fraudulent activities; distinguishing forensic accounting from conventional accounting; and evaluating the capacity of forensic auditors in identifying and preventing fraudulent activities. Findings showed that forensic investigators support management, boards of directors, and audit committees by providing assurance and advisory services that strengthen oversight and accountability. The study further recommended that the cost of engaging litigation support professionals should be moderated to encourage fair and unbiased handling of fraud-related matters.

Similarly, Aduwo (2016) investigated the contribution of forensic accounting to mitigating business failure and addressing financial misconduct. The paper conceptually reviewed the utilisation of accounting expertise, auditing skill, professional judgement, and litigation procedures in tracing illegal financial activities within organisations. It discussed issues relating

to auditing, investigative accounting, and corporate collapse. The study findings revealed that forensic auditing possesses significant capacity to reduce financial scandals in corporate entities and recommended further empirical studies involving organisations from different national settings to validate its propositions.

Okafor and Agbiogwu (2016) examined the effect of forensic accounting competencies on fraud management in the Nigerian banking industry. The study relied on both primary and secondary data sources, and the formulated hypothesis was tested using analysis of variance (ANOVA). The results showed that higher levels of professional expertise and investigative proficiency strengthen the capacity of forensic accountants to effectively detect, investigate, and manage fraudulent activities within banking institutions.

In a related study, Evans (2017) examined the contribution of forensic accounting in combating financial and economic crimes in Ghana. The research adopted a survey design and collected data from 66 professional officers affiliated with Ghana's certified fraud examiners. Predictive analytical models were applied in analysing data. The findings showed that the use of forensic accounting techniques significantly strengthens efforts to combat white-collar and economic as well as financial crimes in Ghana.

Fury and Eka (2019) examined the effectiveness of forensic accounting as an instrument for detecting and preventing fraud within public sector institutions in Indonesia. The study drew evidence from both primary and secondary sources of data to evaluate the role of forensic accounting in minimising fraudulent practices. Data collection involved interviews and the distribution of 200 questionnaires to employees across four Indonesian ministries ranked among the top ten in the integrity survey conducted by the Corruption Eradication Commission (KPK), with 173 valid responses returned. Analysis of Variance (ANOVA) was employed to analyse the data. The findings showed the application of forensic accounting significantly reduces financial fraud in government-owned institutions and enhances the identification and prevention of fraudulent practices within Indonesia's public sector.

Similarly, Lawal, Yinusa, Lawal, Oyetunji, and Adekoya (2020) investigated the effect of forensic accounting on fraud detection within Nigeria's industrial sector. The study employed an observational research design and collected primary data through the use of structured questionnaires administered to

respondents. Employees of PZ Nigeria Limited formed the study population, while appropriate statistical methods were applied to analyse the relationship among the variables. The findings demonstrated that forensic accounting significantly enhances fraud detection and supports organisational capacity to identify, monitor, and curb fraudulent practices.

Shuaib and Ibrahim (2021) assessed the effect of forensic accounting services on fraud detection and prevention among Nigerian deposit money banks. The study targeted 210 accounting professionals and senior finance personnel drawn from the headquarters of deposit money banks quoted on the Nigerian Exchange Group. Data for the study were obtained through the administration of questionnaires. The Simplified Sample Size Decision Table (SSSDT) was applied to determine a sample of 136 respondents, while judgemental sampling was adopted in selecting valid responses for analysis. Multiple regression and t-test techniques were employed to analyse the data. The results indicated that forensic accounting services significantly and positively improve the capacity of Nigerian banking institutions to detect and prevent fraudulent financial practices.

Likewise, Mike *et al.* (2022) investigated the contribution of forensic accounting to fraud detection and prevention among Nigerian corporate organisations. The study obtained primary data collected via questionnaires distributed to 328 accountants drawn from audit firms, selected commercial banks, and small and medium-scale enterprises. Data were analysed using multiple regression techniques with SPSS version 24. The findings showed that forensic accounting significantly and positively enhances fraud detection and prevention mechanisms in Nigerian business organisations.

Joseph, Abdulsalam, Aboyeji, and Adesina (2024) assessed the effect of forensic accounting on fraud detection and prevention in Nigerian deposit money banks, with emphasis on First Bank Plc. The study employed a survey research design and utilised primary data obtained through a structured questionnaire developed by the researchers. A total of 200 employees of First Bank were selected to represent both the study population and sample. Descriptive and regression analytical techniques were employed in analysing the data. Findings indicated that forensic accounting functions as an effective mechanism in identifying and preventing fraudulent activities in First Bank Nigeria Plc.

Similarly, Oranefo and Ufaroh (2024) examined the relationship between forensic accounting and financial fraud within public organisations in Delta State, Nigeria. The research employed a survey design and gathered data through questionnaires administered to accounting officers and internal auditors. From a total population of 393 accountants and internal auditors drawn from ministries in Delta State, 198 respondents were selected for the study. Data were analysed using Pearson correlation with the aid of SPSS version 20. The findings indicated a positive and statistically significant association between forensic accounting practices and fraud detection and prevention in the selected organisations in Delta State.

Adam, Agu, and Ugwuanyi (2024) investigated the effect of forensic accounting on the prevention of financial fraud in Nigerian banking institutions, with particular emphasis on First Bank Nigeria Plc. The study utilised both primary and secondary data sources. Primary data were obtained through interviews and questionnaires administered to respondents, while secondary information was drawn from the bank's annual reports, financial statements, and related records. Out of the questionnaires distributed to 291 respondents, 110 completed copies were retrieved and used for the analysis. The study adopted an ex-post facto research design. Findings revealed that strengthening forensic accounting practices contributes significantly to reducing financial fraud, particularly within First Bank Nigeria Plc.

3. METHOTHODOLY

A survey research design was adopted for this study because it gathers information from the respondents using a self-designed questionnaire. The approach was selected to obtain sufficient data and is reasonably cost-effective in terms of both time and resources. Two hundred and twelve respondents from ten (10) commercial banks in Katsina State, Nigeria, make up the study population. Ten commercial banks were chosen in order to get accurate, reliable and trustworthy comments. These ten banks were selected from the fourteen selected commercial banks in Nigeria because they were the only commercial banks operating in Katsina State that had a recognised anti-fraud unit or were backed up internationally and locally during a study period. The banks were selected based on stakeholders' engagement, both at home and abroad, which likely encountered advanced fraud techniques or complex fraud schemes.

Also, six (6) questions were asked from each interface or element, making it a total of eighteen (18) questions for the respondents. Each of these interfaces or elements would be analysed to determine the interface or element that best explains the correlation between forensic accounting investigation and financial fraud in Nigerian deposit money banks. Therefore, respondents were in a good position to offer pertinent answers to the research questions. Thus, 450 employees of the ten banks make up the population, and the following groups were given questionnaires: business managers, heads of operations, relationship managers, cash officers, funds transfer officers, resident internal control officers, and heads of customer service. However, Yamane (1967, as quoted by Abu & Okpe, 2021) was used to statistically determine the study sample size, as indicated below:

$$n = \frac{N}{1 + N(e)^2} \quad n = \frac{450}{1 + 450(0.05)^2} = 112.5$$

Where:

n = Sample size

N = Population size

e = Level of precision (sampling error or margin of error)

1 = Constant

$$n = \frac{N}{1 + N(e)^2} \quad n = \frac{450}{1 + 450(0.05)^2} = 112.5$$

Step 1: State the formula

$$n = \frac{N}{1 + N(e)^2} \quad n = \frac{450}{1 + 450(0.05)^2} = 112.5$$

Where:

n = sample size

N = population size = 450

e = level of precision (assume 0.05 or 5%)

Step 2: Substitute the values

$$n = \frac{450}{1 + 450(0.05)^2} \quad n = \frac{450}{1 + 450(0.0025)} = 112.5$$

Step 3: Solve step-by-step

$$0.05^2 = 0.0025 \quad 0.05^2 = 0.0025$$

$$450 \times 0.0025 = 1.125 \quad 450 \times 0.0025 = 1.125$$

$$1 + 1.125 = 2.125 \quad 1 + 1.125 = 2.125$$

So:

$$n = 4502.125n = \frac{450}{2.125}n = 212.450$$

Step 4: Final computation

$$n = 211.76 \approx 212n = 211.76 \approx 212$$

Final Sample Size:

$$n \approx 212 \text{ respondents}$$

A total of 212 respondents make up the sample size using the Yamane (1967) formula. Additionally, simple percentages, a correlation matrix, and multiple regression were used to methodically arrange and show the data in the table. Two hundred and twelve (212) respondents were given the questionnaire; one hundred and ninety-nine (199) of them, representing 94%, completed and returned. This serves as the foundation for evaluating and assessing the study hypotheses. Similarly, the dependent variable in the study is financial fraud (FD), while the independent variables are forensic accounting investigation (FAI), reviewing financial transactions (RFT), and accounting record analysis (AAR).

However, the data were processed through a combination of manual and electronic methods using STATA version 14 for analysis. The functional form of the model for this study is therefore specified as follows:

$$FD = f(FAI, RFT, AAR) \quad (1)$$

However, to incorporate both the deterministic and stochastic components of the model, it is specified in econometric form as follows:

$$FD = \beta_0 + \beta_1 FAI_i + \beta_2 RFT_i + \beta_3 AAR_i + \mu_i \quad (2)$$

Where FFD represents financial fraud as the dependent variable, while FAI denotes forensic accounting investigation, RFT refers to reviewing financial transactions, and AAR represents the analysis of accounting records. Here, β_0 is the intercept, β_1 – β_3 are the estimated coefficients, and μ captures the stochastic error term.

4. RESULTS AND DICUSSION

4.1. Results

Questionnaire were administered to 212 respondents, out of which, 199 were filled and retrieved from the respondents, which were found to be usable for the study.

Table 1: Age of the Respondents

<i>Age of the Respondents</i>	<i>Frequency</i>	<i>Valid Percent %</i>
20-29	45	10
30-39	109	80
40 and above	45	10
Total	199	100.0

Source: STATA 14 Output, 2024

The respondents’ age distribution is seen in Table 1. Ten per cent of the participants fall within the 20–29 age bracket, while eighty per cent are within the 30–39 age group, and ten per cent are beyond 40. According to the data, the bulk of responders are in the 30 to 39-year-old range. This implies that young people between the ages of 30 and 39 are questing or eager to become wealthy, which leads to financial fraud within Nigerian deposit money institutions.

Table 2: Gender Composition of the Respondents

<i>Gender</i>	<i>Frequency</i>	<i>Valid Percent %</i>
Male	118	70
Female	81	30
Total	199	100.0

Source: STATA 14 Output, 2024

Table 2 shows the majority of respondents (70%) throughout the study period were men, suggesting that there are more men working in the banking sector in Katsina State than the women with (30%) representation. This is because, in Katsina State, especially where the study was conducted, the cultural makeup of the populace makes men more approachable than women.

Table 3: Working Experience

<i>Working experience</i>	<i>Frequency</i>	<i>Valid Percent %</i>
1- 5years	15	10
5-10 years	100	50
11-15 years	69	30
16years above	15	10
Total	199	100.0

Source: STATA 14 Output, 2024

The respondents’ employment experience is displayed in Table 3. Ten per cent of respondents had one to five years of banking work experience, fifty per

cent had five to ten years, thirty per cent had eleven to fifteen years, and ten per cent had sixteen years or more of banking work experience in Katsina State. This indicates long, medium or short working-year experiences on the financial system, with the bulk of respondents having between 5 and 10 years of work experience. As long-term employment experience adds skills, knowledge, and technical know-how in the banking sector, leading to professionalism in the banking industry, this also implies that some of the respondents are financial system experts, while others might not be financial system experts.

Table 4 : Educational Qualification

<i>Educational qualification</i>	<i>Frequency</i>	<i>Valid Percent %</i>
Diploma	-	-
HND/B.Sc.	40	20
Master	139	70
Phd	20	10
Total	199	100.0

Source: STATA 14 Output, 2024

The respondents' educational backgrounds at all the banks in Katsina State are displayed in Table 4. Ten per cent of the respondents had a PhD, seventy per cent had a master's degree, and twenty per cent had an HND or first degree. The majority of respondents have a master's degree, demonstrating the high level of expertise among the staff members of the chosen banks during the study period. This indicates that the respondents have a high degree of education, which directly contributes to their high level of knowledge and comprehension of the topic (effectiveness of misappropriation of funds on financial fraud among deposit money banks (DMBs) in Nigeria).

Table 5: Category of Staff

<i>Category of staff</i>	<i>Frequency</i>	<i>Valid Percent %</i>
Managerial	20	5
Supervisor	60	15
Lower-level staff	119	80
Total	199	100.0

Source: STATA 14 Output, 2024

The category of staff respondents from the ten banks that operate in Katsina State is displayed in Table 5. 80% of the respondents were low- to

intermediate-level employees, 15% were supervisors, and 5% were managers. All of these staff members were aware of the financial theft and did their best to complete the given questionnaire.

Analysis of Questionnaire based on the three interfaces or elements

Table 6: Respondents views on conducting investigation effective in financial fraud detection DMBs

Statements	SA	A	DS	SD	Total
To what extent does your bank maintain a functional forensic accounting unit/ fraud management desk?	41(20.60)	88(44.22)	54(27.14)	16(8.04)	199(100)
Your bank actively applies forensic accounting services in detecting and managing fraudulent activities?	40(20.10)	102(51.26)	49(24.62)	8(4.02)	199(100)
The scope of forensic accounting activities in your bank is sufficient for detecting financial fraud?	77(38.69)	92(35%)	30(15.08)	-	199(100)
Financial fraud is not easily detected, except with appropriate skills and training	64(32.16)	107(53.77)	24(12.06)	4(2.01)	199(100)
A collaborative and efficient approach is essential to detect fraudulent financial activities	57(28.64)	114(57.29)	25(12.56)	3(1.51)	199(100)
The deployment of an industry system antifraud solution will greatly tackle financial fraud	59(29.65)	115(57.79)	25(12.56)	-	199(100)

Source: SPSS Output, 2024

The responses to the questionnaire on the 4-point Likert scale comprising SA (strongly agree), A (agree), D (disagree), and SD (strongly disagree) were used for the analysis in Table 6. 20.60% of respondents strongly agreed with the statement, and 44.22% of respondents agreed that the bank has a fraud management desk and forensic section, while 27.14% and 8.04% disagreed and strongly disagreed that the banks lack a fraud management desk and forensic section. Similarly, 20.10% of respondents strongly agreed that the bank had the resources and skilled staff to aggressively use forensic accounting

services. 51.26% agreed and supported the view, while 24.62% and 4.02% had contrary opinions. Additionally, 38.69% of respondents strongly agreed with the assertion that the scope of forensic accounting work in their institutions is adequate to uncover financial wrongdoing, with 60% of respondents agreeing, while 15.08% disagreed with the assertion. Furthermore, 28.64% of respondents strongly agreed with the statement ‘Financial fraud is difficult to detect without the right knowledge and training’, with 57.29% of respondents agreeing with such a notion. However, 12.56% disagreed and 1.51% strongly disagreed with such an idea or statement. Finally, 29.65% of respondents strongly agreed—57.79% agreed—that a cooperative and effective approach is necessary to identify fraudulent financial activity, with 12.56% of respondents disagreeing with the assertion that the implementation of an industrial system antifraud solution cannot significantly combat financial fraud.

Table 7: Respondents views on financial transactions effective in financial fraud detection in DMBs

<i>Statements</i>	<i>SA</i>	<i>A</i>	<i>DS</i>	<i>SD</i>	<i>Total</i>
Investigative accounting techniques is strong enough in exploring and disclosing suspicious financial transactions	100(50.25)	78(39.20)	18(9.05)	3(1.51)	199(100)
Investigative accounting techniques ascertains and exposes financial deception and illicit actions/ activities or dishonest dealings	37(18.59)	91(45.73)	55(27.64)	16(8.04)	199(100)
Employee fraud/diverted assets and concealed or misapplied funds are recognized or identified through forensic investigative accounting	41(20.60)	101(50.75)	49(24.62)	8(4.02)	199(100)
Digital evidence or electronic records uncovering is performed by forensic experts in conducting investigation	79(39.70)	92(46.23)	28(14.07)	-	199(100)
Forensic accounting investigations techniques enhance fraud detection and prevention in your bank?	65(32.66)	110(55.28)	22(11.06)	2(1.01)	199(100)
How robust is the investigating accounting to prevent, detect, probe, and uncover financial fraud in your bank?	58(29.15)	116(58.29)	24(12.06)	1(0.50)	199(100)

Source: SPSS Output, 2024

According to the Likert template, Table 7 presents the analysis of the respondents' answers to the questionnaire: SA (strongly agree), A (agree), D (disagree), and SD (strongly disagree). While 89.45% (both agree and strongly agree) of respondents accept that investigative accounting techniques are reliable in identifying and exposing questionable financial transactions. However, 10.56% of respondents disagree with the notion of forensic accounting investigation techniques of exposing questionable illicit financial dealings. Furthermore, 45.73% of respondents agreed with the statement, and 18.59% also strongly agreed that forensic accounting investigation techniques detect and reveal financial fraud and fraudulent actions. However, 35.68% of the respondents disagreed that forensic accounting techniques cannot unveil financial fraud. Additionally, 20.60% of respondents strongly agreed, and 50.75% agreed, while 24.62% disagreed and 4.02% strongly disagreed about the assertion that forensic accounting investigations are used to identify misused funds/assets and reversible insider transactions. Furthermore, 46.23% of respondents agreed, 39.70% strongly agreed, but 14.07% disagreed with the assertion that forensic accountants do electronic evidence finding during investigations. Similarly, 32.66% of the participants strongly agreed, supported by 55.28% of the respondents agreeing that funds/assets misappropriated and identified can be revisable internally through forensic accounting investigation. However, 11.06% refuted the assertion, while 1.01% strongly refuted the opinion. Finally, the data indicates that 58.29% agreed and 29.15% strongly agreed that forensic accounting research techniques have the ability to reveal financial misconduct, while 12.15% disagreed and 0.50% strongly disagreed with such an assertion.

Table 8: Respondents views on conducting investigation effective in financial fraud detection DMBs

<i>Statements</i>	<i>SA</i>	<i>A</i>	<i>DS</i>	<i>SD</i>	<i>Total</i>
Analyzing in a real time mode financial transaction records by financial investigators help uncover suspicious activity/transaction indicator(s)	58(29.15)	113(56.78)	27(13.57)	1(0.50)	199(100)
Analyzing transfer of fund/business transactions to ascertain risk level is a primary investigative approach in forensic accounting	66(33.17)	89(44.72)	34(17.09)	10(5.03)	199(100)

<i>Statements</i>	<i>SA</i>	<i>A</i>	<i>DS</i>	<i>SD</i>	<i>Total</i>
Investigative accounting risk evaluation processes cover risk of fraud and detects warning signs/ signals	86(43.22)	100(50.25)	11(5.53)	2(1.01)	199(100)
Key takeaway or findings anomalous rate of business dealings during time period or from exact location is essential for financial investigator's detector	94(47.24)	94(47.24)	10(5.03)	1(1.50)	199(100)
To what extent does the used of investigative accounting can identify financial deception in your bank	103(51.76)	88(44.22)	6(3.02)	2(1.01)	199(100)
Do real-time financial transaction records identify red flags and abnormal rate transactions in order to curb financial fraud in your bank?	109(54.77)	76(38.19)	14(7.04)	-	199(100)

Source: STATA Output, 2024

Based on the likert template, Table 8 presents the analysis of the respondents' questionnaire answers: SA (strongly agree), A (agree), D (disagree), and SD (strongly disagree). 56.78% of respondents agreed, while 29.15% strongly supported the notion that forensic accountants' real-time analysis of financial transaction information helps identify possible fraud incidents. However, 13.57% disagreed, and 0.50% strongly refuted such a notion. Additionally, 44.72% of respondents support the idea that examining monetary exchange or financial operation to assess the risk position is a fundamental method in investigative accounting, with 33.17% strongly agreeing but 17.09% refuting it, while 5.03% strongly refuted it. Furthermore, 50.25% of respondents agreed with the assertion, with 43.22% strongly agreeing that forensic accounting risk assessment procedures encompass fraud risk and identify red flags. However, 5.53% declined, while 1.01 strongly disagreed about forensic risk assessment identifying red flags. Additionally, 47.24% of the subjects unanimously endorsed, with 47.24% agreeing to support the notion that an unusual rate of financial/business dealings throughout is useful for financial fraud detection, while 5.03% disagreed and 1.50% strongly disagreed with such. More so, 44.22% of the respondents agreed, and 51.76% strongly supported that investigative accounting has the capacity to identify financial deception in an

entity, while 3.02% and 1.01% strongly refuted such an assertion. Finally, the table reveals that 38.19% of respondents supported the statement, while 54.77% strongly agreed that forensic analysts and experts typically observe and recover the irregular rate of trading or business dealings during investigation time or from a specific branch, unit, or department used as a hub for financial fraud detection, while 7.04% disagreed with the statement.

Table 9 A: Result of the Correlations Matrix (Interface 1: Conducting Investigation CI)

	Q1F	Q1A	Q1B	Q1C	Q1D	Q1E
Q1F	1.0000					
Q1A	0.0839	1.0000				
Q1B	0.1513	0.6243	1.0000			
Q1C	0.4509	0.2222	0.1904	1.0000		
Q1D	0.4736	0.2543	0.1740	0.6564	1.0000	
Q1E	1.0000	0.0839	0.1513	0.4509	0.4736	1.0000

Source: STATA 14 OUTPUT RESULTS

Table 9 B: Result of the Correlations Matrix (Interface 2: Analyzing Financial Transaction FT)

	Q2F	Q2A	Q2B	Q2C	Q2D	Q2E
Q2F	1.0000					
Q2A	0.0071	1.0000				
Q2B	0.0502	0.1496	1.0000			
Q2C	0.0269	0.1841	0.6581	1.0000		
Q2D	0.5076	0.1171	0.2259	0.1922	1.0000	
Q2E	0.4960	-0.0013	0.2115	0.2063	0.6808	1.0000

Source: STATA 14 OUTPUT RESULTS

Table 9 C: Result of the Correlations Matrix (Interface 3: Reconstructing Incomplete Accounting Records IA)

	Q3F	Q3A	Q3B	Q3C	Q3D	Q3E
Q3F	1.0000					
Q3A	-0.1028	1.0000				
Q3B	0.1540	0.0802	1.0000			
Q3C	0.1001	0.0548	0.5810	1.0000		
Q3D	0.2083	0.0652	0.4757	0.7321	1.0000	
Q3E	0.4403	-0.0839	0.2718	0.4861	0.6209	1.0000

Source: STATA 14 OUTPUT RESULTS

The results of the predictor and output variables, together with the input factors themselves, were shown in Table 9 A-C in relation to financial fraud and

forensic accounting inquiry utilising a correlation matrix. Three (3) variables or three (3) interfaces or constituents make up the independent variable in a forensic accounting investigation. Six (6) questions make up each interface or element, totalling eighteen (18) questions. STATA 14 was used to deduce and analyse the data from these questions. The correlation analysis helps determine the average answers for each of the variables' questionnaires used in this investigation.

The association between financial fraud of Nigeria's listed deposit money banks and forensic accounting investigations is best illustrated by Table 9B of the correlation matrix. Financial fraud is significantly impacted by every question in Table 9B that makes up the variable of interest, which is the analysis of financial transactions. As a result, Tables A and C are eliminated because their answers to the questions did not yield any meaningful results. Analysis of financial transactions and financial fraud in Nigerian deposit money banks is therefore positively and significantly correlated. This is supported by the results in Table 9B with Q2F, which stands for financial fraud (FF), and Q2A to Q2E, which also stand for financial transaction analysis (FT).

Table 10: Regression Results- Model 1, 2 and 3

Variable	Interface I			Interface II			Interface III		
	Coeff	T-value	P-value	Coeff	T-value	P-value	Coeff	T-Value	P-value
QUEA	0.0089	0.17	0.865	0.0627	1.10	0.012	-0.0353	-0.52	0.606
QUEB	0.0731	1.30	0.196	0.1768	2.41	0.017	-0.0473	-0.62	0.537
QUEC	0.0663	1.13	0.259	0.1487	1.88	0.061	-0.1180	-1.20	0.232
QUED	0.1460	2.53	0.012	0.3093	3.86	0.000	0.0049	0.05	0.961
QUEE	0.6207	12.38	0.200	0.2795	3.54	0.001	-0.4894	-6.27	0.000
CONS	0.0953	0.78	0.434	0.5538	3.02	0.003	1.3929	6.67	0.000
R ²	0.3254			0.6208			0.2132		
Adj- R ²	0.3079			0.6110			0.1929		
F-Value	65.19			18.62			10.46		
P-Value	0.000			0.000			0.000		
Obs No	199				199			199	

Source: STATA 14 Output

Based on the results presented in Table 10, only interface/element 2 was found to be statistically significant, as the validity results indicated a strong and clearly observable effect. It is nevertheless true that Interface 2 has a higher

R^2 than Interfaces 1 and 3. Additionally, interface 2's overall performance is superior to that of interfaces 1 and 3; hence, the study deemed interface 2 to be more suitable. Table 10's multiple coefficients of determination, or R^2 (6208), provide the percentage or proportion of the total variation in the dependent variable that is jointly explained by the explanatory variable. Therefore, it indicates that some of the independent factors account for 62.08% of the overall variation in financial fraud among listed deposit money institutions in Nigeria. Even after accounting for the degree of freedom, the model explains roughly 61.10% of the overall systematic fluctuations in financial fraud, according to the adjusted R-squared. The various explanatory factors account for a significant portion of the variation (61.10%) in financial fraud of Nigeria's listed deposit money banks. Furthermore, the estimation's P-value of 0.0000 attests to the model's fit. However, none of the explanatory variables can significantly account for interface 1's low R^2 of 0.3254 and interface 3's weak R^2 of 0.2132 and Adj- R^2 of 30.79% and 19.29%, respectively, with poor results. As a result, we will solely use interface 2 for our analysis.

Table 10's interface 2 comprises five questions (Q2A–E) that analyse financial transactions (FT) and their impact on financial fraud. For instance, Q2a has a coeff. value of 0.0627, a t-value of 1.10, and a p-value of 0.012; Q2b has a coeff. value of 0.1768, a t-value of 2.41, and a p-value of 0.017; Q2c has a coeff. value of 0.1487, a t-value of 1.88, and a p-value of 0.060; Q2d has a coeff. value of 0.2795, a t-value of 3.54, and a p-value of 0.001; and CONS has a coeff. value of 553. These enquiries all dealt with financial transactions and how they affected financial fraud. Consequently, a rise in financial transactions leads to a rise in financial fraud. Furthermore, Q1a has a coeff value of 0.0089, a t-value of 0.17, and a p-value of 0.865; Q1b has a coeff value of 0.0731, a t-value of 1.30, and a p-value of 0.196; Q1c has a coeff value of 0.0663, a t-value of 1.13, and a p-value of 0.259; Q1d has a coeff value of 0.146, a t-value of 2.53, and a p-value of 0.200; and CONS has a coeff value of 0.000. This indicates that an increase in the number of investigations (CI) leads to a negligible increase in financial fraud. Finally, Q3a has a coeff value of -0.0353, a t-value of -0.52, and a p-value of 0.606; Q3b has a coeff value of -0.0473, a t-value of -0.62, and a p-value of 0.537; Q3c has a coeff value of -0.1180, a t-value of -1.20, and a p-value of 0.232; Q3d has a coeff value of 0.0049, a t-value of 0.05, and a p-value of 0.961; Q3e has a coeff value of

-0.4894, a t-value of -6.27, and a p-value of 0.007; and CONS has a coefficient value of 1.3929, a t-value of 6.67, and a p-value of 0.000. This suggests that a rise in incomplete reconstructive accounting records (IA) leads to a negligible drop in deposit money bank financial fraud in Nigeria.

4.2. Discussion of Findings

According to the first hypothesis, investigating financial fraud in Nigerian listed deposit money banks has no discernible impact. At the 5% level of significance, the regression result in Table 10 has no statistically significant effect of the explanatory variables on the dependent variable. This demonstrates that carrying out financial investigations has no potential impact on financial fraud (FF) in Nigerian deposit banks. The findings are consistent with Enofe *et al.* (2015), who believe that investigating financial fraud detection is detrimental and unimportant. Although the results were in conflict with those of Dada *et al.* (2013) and Oladejo and Oluwaseun (2015), who report a substantial relationship between conducting investigations and financial fraud detection. This gives us evidence to accept the null hypothesis and reject the alternative that conducting investigations has a significant effect on the financial fraud (FFD) of selected deposit money banks in Nigeria.

According to the second hypothesis, financial fraud detection in Nigerian listed deposit money banks is not significantly impacted by the analysis of financial transactions. At the 5% level of significance, the regression results in Table 10, based on the respondents' responses retrieved and converted to data, have a statistically significant effect. This suggests that financial fraud detection in Nigerian DMBs is significantly impacted by financial transaction analysis; hence, the study rejects the null hypothesis and accepts the alternative. According to the regression results, there is significant influence of FT on FFD. This implies that financial fraud detection in the Nigerian deposit money banks could be influenced by the analysis of financial activities. This result is consistent with the findings of Shuaib and Ibrahim (2021) and Lawal *et al.* (2020), who demonstrate a favourable and significant impact of financial transactions on the identification of financial fraud in Nigeria. However, the results run counter to those of Fury and Eka (2019), who discover that financial fraud detection is negatively and negligibly impacted by the application of forensic accounting abilities, specifically in relation to financial transactions.

According to hypothesis three, financial fraud detection in Nigerian deposit money institutions is not significantly impacted by reconstructing partial accounting records. According to Table 10's regression results, restoration/rebuilding or remodelling accounting records are negative and statistically insignificant. This demonstrates how financial fraud detection in Nigerian DMBs is insufficiently and adversely impacted by reconstructing inadequate accounting data, which forces us to accept the null hypothesis and reject the alternative. This suggests that the detection of financial fraud in Nigeria may not be significantly influenced by the reconstruction of incomplete accounting records. The result aligns with Adam *et al.* (2024), who reported that forensic accounting systems have a negative and statistically insignificant effect on fraud detection in Nigeria. Conversely, Joseph *et al.* (2024) and Oranefo and Ufaroh (2024) found that forensic accounting techniques exert a positive and significant impact on fraud detection.

5. CONCLUSION

5.1. Conclusion

The study draws the following conclusions in light of the analysis carried out based on the findings:

The discovery of financial fraud in Nigerian DMBs is greatly aided or influenced by forensic accounting techniques, such as carrying out exhaustive investigations and recreating accounting records. This was made possible by the respondents' vast work experience and strong educational qualifications, which allowed for the successful application of forensic accounting in identifying financial irregularities in DMBs.

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