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Effect of Forensic Accounting Practices on Financial Accountability and Transparency in Nigerian's Deposit Money Banks

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ABSTRACT: This study investigates the impact of forensic accounting practices, with specific focus on fraud investigation, fraud examination, and fraud prevention, on financial accountability and transparency in the banking sub sector in Nigeria. The study employed a field survey research design and data was collected from both secondary and primary sources with a particular emphasis on questionnaire administration to staff in selected banks. The study involved the analysis of 98 copies of filled questionnaire using frequency analysis and regression analysis to draw tentative predictions about the relationship between forensic accounting practices and financial accountability. The findings revealed that fraud investigation practices significantly influence financial accountability and transparency in Nigeria banks, as indicated by a coefficient of 0.324 and a p-value of 0.00 in the regression analysis. Similarly, fraud prevention practices, with a coefficient of 0.770 and a p-value of 0.00, also demonstrate a significant relationship with financial accountability and transparency. Furthermore, fraud examination practices, represented by a coefficient of 0.047 and a p-value of 0.040, significantly impact financial accountability and transparency in the Nigerian banking sector. In conclusion, this study underscores the positive effects of forensic accounting practices on financial accountability and transparency in Nigerian banks. The study recommends that Nigerian banks prioritize and enhance their fraud-related practices, invest in staff training programs, and collaborate with regulatory bodies to create a conducive environment for effective fraud management. Recognizing the vital role of competent professionals and continuous regulatory updates, these recommendations aim to strengthen the banking sector's resilience against financial fraud and promote sustained transparency and accountability.

KEYWORDS: Forensic Accounting, Financial Accountability, Financial Transparency, Fraud Investigation, Fraud Investigation Practices

1.1 INTRODUCTION

A functional and Productive governance comprises several essential components which include the establishment of functional institutions, adherence to the rule of law, implementation of accountability and transparency measures in the administration of public affairs, the promotion and protection of human rights, and the facilitation of inclusive involvement of all individuals in decision-making processes that impacts the lives of the citizens or business stakeholders. In a view to fulfil these financial accountability and transparency obligations, it is essential for firms to provide stakeholders with sufficient and relevant information on the financial operations of such firms (Arinaitwe, Eton, Agaba, Turyehebwa, Ogwel, & Mwosi, 2021). The management has always been saddled with the responsibility for the preparation of financial reports, which serve as a comprehensive record of a firm's accounting activities at the conclusion of an accounting period. These reports contain valuable information and details that are beneficial to various stakeholders, including shareholders, current and prospective investors, lenders, creditors, and other parties associated with the company. The reports are utilised to assess the performance of the board of directors and executives, as well as to evaluate their effectiveness in utilising the available resources (Alsalim & Hama-Amin, 2016). The legitimacy of accounting information in financial reports is indicative of its quality, since it guarantees integrity and delivers valuable insights to various stakeholders. The financial reports include several dimensions of information, such as the outcomes of operations, investments, marketing endeavours, and financial undertakings. Furthermore, the financial reports include accounting information pertaining to several economic facets. The operational decisions and outcomes of enterprises are often influenced by political factors (Alaoubi & Almomani, 2021).

The professionals working in the domain of forensic accounting are responsible for several tasks, including the documentation of illicit transactions and suspected criminal activities, the estimation of financial losses resulting from such crimes, and the reporting of damages to assets caused by intricate transactions conducted by organisations (Ramadhan, 2015). In addition, they have the responsibility of determining the destination of misplaced funds, the manner in which they were transferred, the individuals implicated, and the appropriate course of action to address these offenders (Odunayo, 2014). Furthermore, forensic auditors engage in the examination and interpretation of financial data in order to scrutinise and expose instances of unjust and illicit financial reporting. Forensic accounting extends beyond the scope of verifying the accuracy and equity of financial transactions. In contrast to auditors, forensic accountants possess a comprehensive understanding of legal principles, as well as insights into human psychology and behaviour (Van Akkeren & Buckby, 2017). They are adept at identifying and addressing indicators of potential misconduct in the financial operations of an organisation (Osunwole, Adeleke & Henry, 2018).

Additionally, forensic accounting practice entails the disclosure of unjust transactions to the appropriate authorities in order to facilitate informed decision-making. Forensic accounting has been widely recognised as a crucial instrument for enhancing financial responsibility on a global scale. In contrast to traditional accounting practises, forensic accounting necessitates the proficient use of investigation abilities by its practitioners. The use of forensic accounting entails a systematic and thorough investigation, meticulous scrutiny of financial records and transactions, analysis of documentation, and tracing the origins of all financial activities with the aim of mitigating the incidence of financial misconduct (Bhasin, 2020).

Forensic accountability assumes a significant function in the facilitation of governance. Consequently, it encompasses diverse assessments pertaining to the legal and professional documentation linked to the organisation. Furthermore, judicial accounting serves as a mechanism for uncovering accounting irregularities by scrutinising financial data, information, and reports. This underscores the necessity for the establishment of systems and legislation that promote lucidity and transparency in the provision of data. The aforementioned circumstances need a reconfiguration of organisational frameworks, operational protocols, and the optimisation of employee performance within these establishments, while also emphasising their adherence to corporate governance standards (Mohd-Sanusi, Rameli, Omar, & Ozawa, 2015). Forensic accounting involves the utilisation of accounting skills to identify inconsistencies between the actual and anticipated financial performance, processes, and activities. This examination is conducted by analysing numerical data within financial statements and reports. It is imperative for accountants to possess adequate legal expertise and abilities to effectively address concerns and suspects, as well as comprehend the underlying motives and factors driving such behaviours (Van Akkeren & Buckby, 2017).

1.2 Statement of Problem

Forensic accounting has been widely used on a global scale as a means of identifying significant crises and exposing massive misconducts perpetrated by top-level executives and financial managers inside multinational corporations. The field of forensic accounting, which is an emerging multidisciplinary specialisation, has garnered considerable attention in the accounting literature. Researchers have shown a notable interest in this area recently (Hillison, Pacini, & Sinason, 2020). The need for forensic accounting has seen significant growth on a global scale due to the prevalence of financial irregularities observed in high-profile corporate scandals like as Enron, WorldCom, and Cadbury (Bhasin, 2020). Following the disclosure of significant organisational scandals including World.Com and Enron, many measures have been put in place to mitigate, eradicate or reduce the prevalence of such corporate misconduct. These measures included among others the enactment of the Sarbanes-Oxley Act of 2002, which introduced a set of standards, rules, and laws aimed at enhancing corporate governance and accountability. Subsequently, there has been a proliferation of novel laws, regulations, and ideas aimed at effectively mitigating financial irregularities. These measures serve the dual purpose of promptly identifying any such abnormalities and establishing a solid foundation for the subsequent legal pursuit and punishment of the responsible individuals (Soltani, 2020).

There has been prevalence and frequency of fraudulent activities inside the banking sector in Nigeria in a high proportion in the recent time. In the year 1998, United Bank for Africa plc engaged in a notable instance of misrepresentation within the Nigerian banking sector. Specifically, the bank is reportedly to deliberately devalued a sum of N786 million as a reaction to extortion, as documented by Onah and Ugwu (2022). According to Alhaji Umaru Ibrahim, the Managing Director of the Nigeria Deposit Insurance Corporation (NDIC), a total of 3,380 instances of attempted fraud and counterfeiting amounting to N18.04 billion were reported by retail cash banks to the organisation in 2012. During the fiscal year under review (2012), there was a documented total loss of N4.5 billion. According to Onah and Ugwu (2022), there was a significant increase of 44.7% in the number of documented cases in 2011, compared to the previous year. In the first quarter of 2013, there were a total of 983 cases of attempted deceit, amounting to N7.80 billion. Additionally, the real losses incurred during this period amounted to N2.05 billion. According to Ibrahim's statement, a total of 341 instances of digital misrepresentation took place in the first quarter of 2013, leading to an actual financial loss amounting to N75 million (NDIC, 2013).

Forensic accounting has gained increasing prominence in recent years as a critical tool in addressing financial irregularities, fraud detection, and enhancing financial accountability. Several studies have explored the role of forensic accounting in different contexts, especially in developing economies like Nigeria. A review of the studies conducted by Akinadewo (2022), Onuora, Obiora, and Nduokafor (2022), Frankline, Beatrice, Tina, & Nkechi (2022), Onah & Ugwu (2022), Ibanichuka, Ejimofor, and Okwu (2022), and Simon (2022) reveals several common themes and findings. Multiple studies have found that forensic accounting has a positive and significant impact on financial accountability. For instance, Akinadewo (2022) highlights that forensic accounting has a positive nexus with financial accountability in the public sector, while Onah & Ugwu (2022) report a considerable favourable effect of forensic accounting on the financial performance of deposit money institutions.

Many studies have also emphasized the role of forensic accounting in fraud detection and prevention. Edward (2021) notes that forensic accounting techniques significantly affect financial fraud detection in deposit money banks, and Raymond, Nkiru, and Jane (2016) suggest that forensic accounting is an effective tool for addressing financial crimes in the banking system. Hence the findings of these studies are mixed and inconclusive. Also, while these studies provide valuable insights into the role of forensic accounting in Nigeria, a significant gap in the literature emerges when we consider the impact of forensic accounting on the financial accountability and transparency in the Nigerian banking context. Furthermore, while the studies emphasize the positive relationship between forensic accounting and financial accountability, they do not delve into the potential limitations or drawbacks of relying solely on forensic accounting as a means to ensure financial transparency and accountability. Therefore, this calls for more studies on the concept of forensic accounting, accountability and transparency.

1.3 Objectives of the Study

The broad objective of this study is to find out the effect of forensic accounting practices on financial accountability and transparency in Nigerian Banks. Specifically, this study;

i. assess the effect of fraud investigation practices on financial accountability and transparency in Nigeria banks
ii. evaluate the effect of fraud prevention practices on financial accountability and transparency in Nigeria banks
iii. determine the effect of fraud examination practices on financial accountability and transparency in Nigeria banks

2.0 LITERATURE REVIEW

2.1 Conceptual Review

Financial Accountability and Transparency

Financial accountability is a cornerstone of effective financial management and governance in both public and private sectors. It encompasses the responsibility of organizations and individuals to manage financial resources transparently, ethically, and in compliance with established regulations and standards. In the realm of financial accountability, forensic accounting practices play a pivotal role in ensuring transparency, detecting fraud, and promoting responsible financial stewardship. Financial transparency is a fundamental concept in the field of forensic accounting, playing a crucial role in the detection and prevention of financial fraud, misconduct, and irregularities. Forensic accounting, as a specialized discipline, relies heavily on transparency as it investigates financial records and transactions to uncover potential wrongdoing. This study explores the significance of financial transparency in forensic accounting practices, highlighting its role in promoting accountability, deterring fraudulent activities, and aiding investigators in their efforts (Akinadewo, 2022). Financial transparency involves the clear and comprehensive disclosure of financial information. This accountability and transparency is vital for forensic accountants as they rely on access to complete and accurate financial records to identify inconsistencies, discrepancies, or anomalies that may indicate fraudulent activities. Transparent financial reporting allows investigators to trace transactions and detect irregularities effectively. Transparency acts as a deterrent to fraudulent behavior. When individuals within an organization are aware that financial transactions are subject to scrutiny and that discrepancies will be promptly detected, the likelihood of fraud diminishes. Forensic accountants emphasize the importance of transparency to foster a culture of compliance and integrity within organizations, reducing the temptation for employees or stakeholders to engage in fraudulent activities (Onuora, Obiora & Nduokafor, 2022).

Forensic Accounting

Forensic accounting is widely recognised as a distinct field of specialised expertise, characterised by specific attributes. The attainment of certification in this field bestows a sense of professional prestige, as noted by Williams (2016). Forensic accounting is an academic discipline that involves the use of accounting principles and ideas acquired via an examination of techniques, protocols, and strategies to address legal conflicts. The successful execution of this task necessitates the integration of investigative, accounting, and examination proficiencies (Arokiasamy and Cristal, 2018; Dhar and Sarkar, 2015). Stanbury and Paley-Menzies (2017) define forensic accounting as the capacity to examine societal occurrences and provide substantiation against individuals engaged in financial misconduct in a way that conforms to the standards of a legal tribunal. According to Hopwood, Leiner, and Young (2018), scientific accounting may be defined as the use of investigative and diagnostic skills to address financial challenges within the framework of legal rules. Degboro and Olofinsola (2017) assert that the primary objective of the legal examination is to ascertain and verify the veracity of facts in order to substantiate a legal argument.

According to Joshi (2003), forensic accounting may be defined as the use of specialised knowledge and specific skills to uncover evidence related to economic transactions. According to Howard and Sheetz (2006), forensic accounting entails the interpretation, summarization, and clear, concise, and factual presentation of complex financial matters, especially in legal proceedings, when the accountant serves as an expert witness. The subject matter pertains to the use of accounting principles in the resolution of factual matters within the context of business litigation (Okunbor & Obaretin, 2010). According to Degboro and Olofinsola (2007), forensic inquiry may be defined as the process of ascertaining and establishing factual evidence in order to support a legal case. This suggests that the use of forensic accounting methods may be employed to identify and examine criminal activities, with the aim of revealing all associated characteristics and identifying the individuals responsible.

Fraud Investigation Practices

Fraud investigation is an integral component of accounting practises that involves the systematic analysis, thorough study, and expeditious tracing of all financial transactions. Its primary objective is to gather evidence pertaining to various activities (Bhasin, 2020). Ensuring that the accountants participating in the investigation process and subsequent stages align with the investigation objective has significant importance. The objective is to prevent the recurrence of further harm resulting from the fraudulent activity, while also establishing a comprehensive record of the events leading up to its occurrence. This may include actions such as the temporary suspension of bank accounts, the retention of email accounts, the monitoring of all communications conducted by the individuals involved, and even clandestine surveillance.

Furthermore, it is essential to provide tangible documentation of the transactions, including but not limited to procurement plans, purchase orders, delivery notes, commercial invoices, and payment vouchers. The culmination of evidence for all actions conducted inside an organisation is achieved by the accumulation of evidence, since it is embedded throughout the organization's operations (Mukoro, Yamusa, & Faboyede, 2019). In a research conducted by Hassan (2018), the objective was to examine the correlation between audit services and fraud investigation within the context of Garissa Sub-Counties. The study included six Sub-Counties in Garissa, with a target population of 42 respondents. The research included a combination of primary and secondary data sources, namely using questionnaires and county audit reports. The data that was gathered was subjected to coding and subsequent analysis using the Statistical Package for the Social Sciences (SPSS). The findings of the research indicate that audit services have the most significant beneficial impact on the process of fraud detection. The findings indicate that the county government lacks an established internal audit committee, resulting in the internal audit department reporting directly to management. This arrangement compromises the effectiveness of the internal audit unit. Moreover, the findings of the research indicate that the county government has implemented an internal control system. However, it is seen that the management exhibits a reluctance to comply with established rules and procedures.

Fraud Prevention Practices

Prevention practise is a fundamental aspect of the forensic accounting process, serving as a risk management tool that guarantees adherence to established rules and processes, hence promoting integrity in financial reporting (Simeunović, Grubor, & Ristić, 2016). Fraud prevention refers to the implementation of measures aimed at mitigating the negative consequences associated with financial irregularities in both spending and reporting. The implementation of robust preventative measures by management serves as a deterrent to those seeking to engage in financial fraud. The use of proactive procedures that are clearly defined and understood by all individuals engaged in the financial administration of an organisation is the most advisable approach to avoid instances of financial fraud. Forensic auditors are required to demonstrate the ability to develop a comprehensive investigation framework that enables them to assess current policies and processes. Additionally, they should be capable of providing suggestions to enhance these policies in order to prevent financial crime from occurring. In order to effectively carry out this work, it is essential that auditors possess the training and expertise to implement optimal preventive measures (Smith, 2015).

DeZoort and Harrison (2018) conducted a study that examined the auditors' perception of their duty in identifying fraudulent activities inside Canadian organisations. The research used a cross-sectional analysis to examine auditors working in various departments within government entities. Data was collected from a sample of 878 auditors via interviews, brainstorming sessions, and focus discussion groups. In order to get the necessary data, an experiment was undertaken to assess the comparative efficiency of risk identification between auditors and accountants. The investigation revealed that auditors had a superior ability to identify instances of fraud in comparison to accountants, even when faced with manipulative tactics and work-related pressures.

Fraud Examination Practices

Within the field of forensic accounting, the process of fraud examination involves the application of specialised knowledge and skills to thoroughly analyse and scrutinise various financial documents, including audit reports, income statements, and transaction records. The primary objective is to verify the proper allocation of funds and to hold individuals accountable for any identified irregularities (Du Toit, Van Zyl, & Schütte, 2017). In order to analyse intricate financial statements across both governmental and private business sectors, a high level of expertise is required by forensic auditors (Simeunović, et al., 2016). A properly executed fraud examination process serves multiple objectives within an organisation, including the identification of inappropriate behaviour among employees, the exposure of individuals engaged in fraudulent activities, and the mitigation of the negative impacts of their actions. Additionally, the process provides recommendations for closing existing loopholes and offers proposals for effectively managing deceitful employees (Du Toit, Van Zyl, & Schütte, 2017).

The study conducted by Rezaee and Wang (2018) examined the significance of big data within the context of forensic accounting practises. The research used a survey methodology to investigate the perspectives of both academic professionals and practitioners working inside public organisations in China. The researchers used snowball sampling as a method to gather primary data, which was then utilised to evaluate the premise of the study. The objective of the study was to ascertain the significance of incorporating big data analysis into the field of forensic accounting. The research variables were assessed for their association using linear regression and descriptive analytic techniques. The findings of the research suggest that both commercial and government organisations have used big data technology to analyse financial information in order to expedite processes and detect irregularities. The complexity of the accounting function has rendered conventional techniques of fraud investigation impracticable. There is a need for increased use of contemporary technologies in the analysis of transactions and records to detect anomalies.

2.2 Theoretical Review

Fraud Triangle Theory

The hypothesis, first posited by Cressey in 1971, delineates three primary variables that contribute to the frequency of crime which include, rationalisation, opportunity and pressure. The theory posits that the presence of these three factors are necessary for the theory to be valid. Cressey (1971) posited in his research on fraud and criminology that individuals engage in various activities with certain motives, among which fraud is included. Individuals that engage in fraudulent activities against individuals or organisations do so with a distinct motive of self advantage. The study findings clearly identified three primary drivers, namely pressure, opportunity, and rationalisation. According to Mansor and Abdullahi (2015), the author discovered that certain circumstances exerted pressure on individuals, leading them to engage in fraudulent activities. In his work, Lister (2007) referred to pressure as one of the fundamental factors involved in the commission of fraudulent activities. The pressure experienced by individuals might originate from internal sources, external sources, or even employment-related stress imposed by others in positions of control.

Furthermore, with regard to the concept of opportunity, it arises fortuitously when a person is confronted with the prospect of engaging in fraudulent activities. Nevertheless, the mere chance in itself is insufficient, since the individual must also possess a genuine belief. Opportunities arise as a result of two factors: work autonomy and the existence of weak internal control mechanisms inside an organisation. Inadequate supervision and monitoring of spending in the public sector provide a favourable environment for individuals in positions of responsibility to engage in fraudulent activities. According to Ramadhan (2015), people may be driven to engage in fraudulent activities within their areas of authority due to the presence of opportunities arising from system loopholes or control inefficiencies. According to Cressey's seminal work in 1971, individuals are more likely to engage in fraudulent activities when the perceived likelihood of detection and subsequent punishment is less. Hence, the implementation of rules within an organisational entity, such as county government, aimed at mitigating instances of financial fraud, along with the degree of enforcement of these laws, effectively restricts opportunities for potential offenders to engage in criminal activities (Smith & Crumbley, 2019).

Rationalisation is a phenomenon when people engage in collusion with others in order to provide a rationale for the perpetration of an economic crime. Unethical behaviours inside the workplace might result in fraudulent activities within the organisation. Individuals may cite social influence as a motivating factor for engaging in criminal behaviour, as they perceive that their actions align with prevailing norms and behaviours within their social milieu. Within the realm of county government, one potential rationale for the occurrence of fraudulent activities among workers and officials may be from the inherent susceptibility of the public sector to such misconduct. Furthermore, individuals may provide justification for their non-participation in fraudulent activities by arguing that others will still get benefits and subsequently be removed from the process (Hooper & Pornelli, 2010). our theory is relevant to our research as it elucidates the necessary circumstances for the occurrence of financial fraud within county government, leading to inadequate accountability in government spending and tax collection. Revenue agents often engage in fraudulent activities, resulting in the misappropriation of funds from the county government's daily collection operations, sometimes attributing their actions to inadequate monitoring. The majority of county officials, who are mostly politicians, engage in fraudulent activities that deprive the public of the advantages derived from public funding. This is accomplished by including internal auditing and forensic auditors into the fraud scheme (Hooper & Pornelli, 2010).

2.3 Empirical Review

Akinadewo (2022) conducted an assessment of the variables that impede the progress of emerging economies, such as Nigeria, in achieving the same degree of utilisation of Forensic Accounting as developed nations. The study also explored the relationship between Forensic Accounting and financial accountability in Nigeria. The findings from the multiple regression analysis indicate that forensic accounting is a valuable and impactful instrument that exhibits a statistically significant relationship with financial responsibility within the public sector. The study suggests that it would be beneficial for the government to employ forensic accountants in order to enhance financial accountability in the public sector.

Onuora, Obiora and Nduokafor (2022) investigate the correlation between forensic accounting and accountability within the quoted firms in Nigeria. The data analysis used Kendall's Coefficient of Concordance, revealing substantial and favourable correlations between forensic accounting and quality financial reporting. Forensic accounting has a noteworthy and favourable correlation with the mitigation of fraudulent activities inside the mentioned corporations in Nigeria, as shown by statistical significance at the 1% level. Therefore, the research reaches the conclusion that forensic accounting plays a crucial role in promoting accountability inside the listed corporations in Nigeria.

Frankline, Beatrice, Tina and Nkechi (2022) investigated the influence of forensic accounting on the process of financial reporting. The panel data used in this study consists of information on the 10 highest-performing banks in Nigeria. This data was obtained from two primary sources: the Nigerian Stock Exchange Factbook and the Central Bank's Annual Bulletin. The fixed effect regression model demonstrates statistical significance, indicating a substantial association between forensic accounting and financial reporting. Additionally, it is evident that forensic accounting has a substantial and favourable influence on the process of financial reporting. The results of the correlation study indicate that some forensic accounting instruments have a positive relationship with financial reporting, while others show a negative relationship.

In the study conducted by Onah and Ugwu (2022), a quantitative research design will be used to gather secondary data on the performance of twenty deposit money banks. The results of the fixed effect regression analysis indicate a significant positive impact of forensic accounting on the financial performance of deposit money institutions in Nigeria. Moreover, the use of the fixed-effect model reveals a statistically significant correlation between forensic accounting tools and the financial performance of deposit money banks. Subsequently, a Pearson Correlation analysis was conducted, yielding findings that indicate a statistically significant positive relationship between the use of forensic accounting tools and the financial performance of deposit money institutions.

Ibanichuka, Ejimofor, and Okwu (2022) conducted a study to investigate the impact of forensic accounting on the quality of financial reporting, with a specific focus on quoted banks operating in Nigeria. The motivation for this research stemmed from the prevalence of subpar financial reports produced by mentioned banks, which were afterwards approved by external auditors. The primary aim of this study was to investigate the effects of forensic accounting on the quality of financial or monetary reporting of publicly traded banks in Nigeria. The study used cross-sectional data obtained from audited monetary or financial reports of publicly traded banks and fact books published by the Nigeria Stock Exchange for the period spanning from 2009 to 2018. The independent variable in this study was represented by the use of investigative accounting services, whereas the dependent variables were represented by accrual quality and value relevance. The findings of the study indicated that the practise of investigative accounting had a detrimental effect on the quality of accruals. In the second model, the independent variable accounts for 61.6 percent of the variability observed in value relevance. The F-statistics confirmed the significance of the model, however the p-value of the coefficient suggested that the link is statistically non-significant. The findings further indicated that the use of investigative accounting had a detrimental impact on the relevance of value. The study's findings indicate a pressing necessity to enlist the expertise of forensic accountants.

Effect of Forensic Accounting Practices on Financial Accountability and Transparency in Nigerian's Deposit Money Banks

The present research conducted by Simon (2022) aimed to evaluate the impact of forensic accounting practises on financial accountability within the context of the Machakos County Government in Kenya. The research findings indicated a significant correlation between the implementation of fraud investigation, fraud prevention, and fraud examination strategies and the enhancement of financial responsibility. The report suggests that it would be beneficial for County governments to develop dedicated forensic accounting departments and actively seek out qualified personnel for recruitment purposes. Furthermore, it is essential for auditors at both the county and national levels to establish effective procedures aimed at mitigating the risk of workers participating in financial fraud. Such measures are crucial in ensuring the uninterrupted provision of services and maintaining financial transparency and responsibility within the county.

The objective of Alaoubi and Almomani's (2021) study was to examine the moderating role of forensic accounting in the association between corporate governance and the quality of accounting information in Jordanian public shareholding companies. The findings indicate that there is a statistically significant relationship between the implementation of governance rules in various dimensions (such as commitment to shareholder rights, equal treatment among shareholders, disclosure and transparency, and responsibilities of the Board of Directors) and the quality of accounting information. Additionally, there is evidence of a significant moderating effect of forensic accounting on the relationship between the application of corporate governance rules and the quality of accounting information, specifically in terms of relevance and faithful representation. These results are specific to public shareholding companies in Jordan.

3.0 METHODOLOGY

This study used survey research design. The population of the study consists of all the firms operating in the financial sector listed on the Nigeria Stock Exchange, with a specific focus on deposit money banks in Nigeria. This encompasses all deposit money banks that are publicly listed and actively traded on the Nigerian Exchange Group. The study sampled 98 staff members from five listed deposit money banks in Nigeria. Therefore, the sample size for this research comprises 98 individuals who are Accountants or audit staff within these selected banks. The selected banks are First Bank, Access Bank, UBA, Guaranty Trust Bank, and Zenith Bank. The study employed purposive sampling technique to select the sample of staff of these relevant departments. Purposive sampling is a non-random sampling method where the researcher selects specific individuals or elements from the population based on predetermined criteria. In this case, the criteria for selection include being an employee or staff of the relevant departments (accounting, audit and accountants in marketing department) of one of the five selected deposit money banks in Nigeria.

Model Specification

The model used in this study is built after Simon (2022). Forensic accounting (FI; FP; and FE) effect on financial accountability, and transparency of banks in Nigeria was represented by model below;

$Y = f(Xi)$

$Y = \beta0 + \beta1Xi + \mu i$

Y is the dependent variables – institutional corporate social responsibility

$Xi = (x1, x2, x3, x4, x5)$

Model:

$Y = \beta0 + \beta1X1i + \beta2X2i + \beta3X3i + \mu i$

Description:

Y = Financial accountability; X1 = Fraud prevention; X2 = fraud prevention; X3 = fraud examination; β0 – β3 = Regression Coefficient; μi = error term or random error

The modified version of the model is given below in a linear model equation to capture the objectives of the study, which is specified below;

$FAT = \beta0 + \beta1FIi + \beta2FPi + \beta3FEi + \mu i$

$$FAT = f\,(FOP\text{- } FI, FP, FE) \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\text{(i)}$$

Explicitly the model is specified as follow

$$FAT = \partial_o + \partial_1\, FP + \partial_2\, FI + \partial_3\, FE + \mu_t \ldots\ldots\ldots\ldots\ldots\text{(ii)}$$

Where:

FAT = Financial accountability and transparency; FOP = Forensic Practices; FP = Fraud prevention; FI = fraud investigation; FE = fraud examination, ∂_o , $\partial_{i,}$ $\partial_{2,}$ and ∂_3 , are the vector of the parameters to be estimated in the model. The related *a priori* expectations are: $\partial_1 > 0$, $\partial_2 > 0$ *and* $_{,3} > 0$

Method of data Analysis

This study used both descriptive statistics and inferential statistics. The descriptive statistics which include frequency, percentage and bar will be used for socio-economic characteristics of the respondents; while, multiple regression technique was used for formulated objectives. This is due to the fact that it enables testing of effect of variables on another variable.

4.0 DATA PRESENTATION, ANALYSES AND DISCUSSIONS

Reliability Test

The reliability of the drafted instrument was established using the test-re-test method and the final instrument was produced after correcting the data, which was Cronbach test, a co-efficient reliability of 0.843 was obtained for the instrument as shown in the table below.

Table 1. Reliability Statistics

Cronbach's Alpha	N of Items
0.843	40

Source: Authors computation 2024.

In order to examine the consistency and reliability of the research instrument, Cronbach's alpha (α) reliability testing tool was applied. Table 2 shows the estimate of the Cronbach alpha to test for the reliability of the five-point Likert scale used in this study so as to avoid spurious and invalid analysis. The findings show a sufficient high Cronbach value of 0.843 which points to a consistent result.

Demographic and Frequency Characteristics of the Respondents

The frequency table revealed that 86.2% of the respondents representing 86 respondents are male, 13.8% of the respondents representing 14 respondents are female. This information showed that male responded more than female. Also, it was revealed that 70.4% of the respondents representing 70 respondents are BSc/HND holder, 2.0% of the respondents representing 2 respondents are MSc/PhD holder while 28% of the respondents representing 28 respondents falls within other professional qualification. This information showed that majority of the respondents have BSc/HND certificate. The respondents' age revealed that 15.1% of the respondents representing 15 respondents are below 25years, 31.6% of the respondents representing 32 respondents are between 26-35years, also, 43.4% of the respondents representing 43 respondents falls between 36-46years of age while 9.9% of the respondents representing 10 respondents are 46years and above. The respondents working experience and it revealed that 13.8% of the respondents representing 14 respondents have1-5years working experience, 43.4% of the respondents representing 44 respondents have 6-10years working experience while 42.8% of the respondents representing 43 respondents have 11-15years working experience. This information signified that majority of the respondents have 6-10years working experience.

Regression Analysis

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.992[a]	.984	.984	.1664	1.954

a. Predictors: (Constant), Fraud prevention, Fraud investigation, Fraud examination

b. Dependent Variable: Financial accountability and transparency

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	247.426	3	82.475	2977.888	.000[a]
	Residual	3.961	143	.028		
	Total	251.387	146			

a. Predictors: (Constant), Fraud prevention, Fraud investigation, Fraud examination

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.992[a]	.984	.984	.1664	1.954

a. Predictors: (Constant), Fraud prevention, Fraud investigation, Fraud examination

b. Dependent Variable: Financial accountability and transparency

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.110	.085		-1.286	.200
	Fraud prevention	.324	.041	.329	7.823	.000
	Fraud investigation	.770	.048	.709	15.919	.000
	Fraud examination	.047	.064	-.037	-.725	.040

Researcher computation (2024)

The correlation coefficient between the observed and predicted values is 0.992. This indicates a very strong positive linear relationship between the predictors and the dependent variable. The coefficient of determination is 0.984. This means that approximately 98.4% of the variability in the dependent variable (Financial Accountability and Transparency) can be explained by the predictors (Fraud Prevention, Fraud Investigation, and Fraud Examination). This statistic tests for the presence of autocorrelation in the residuals. A value around 2 suggests no autocorrelation. In this case, the value is 1.954, which is close to 2, indicating no strong autocorrelation.

The constant (intercept) is not statistically significant ($p = 0.200$). It represents the estimated value of the dependent variable when all predictors are zero. Fraud Prevention, Fraud Investigation, and Fraud Examination: All three predictors are statistically significant ($p < 0.05$). The unstandardized coefficients (B) indicate the change in the dependent variable associated with a one-unit change in the predictor, holding other predictors constant.

The regression model, as a whole, is highly significant, and the predictors (Fraud Prevention, Fraud Investigation, and Fraud Examination) collectively explain a substantial portion of the variance in Financial Accountability and Transparency. The individual predictors also show significant relationships, and the model has a strong predictive capability. It suggests that these fraud-related practices have a meaningful impact on financial accountability and transparency.

Implication of Findings

The findings of this study have several implications for fraud investigation, prevention, and examination practices in Nigeria banks. First, the study found that fraud investigation practices have a significant positive relationship with financial accountability and transparency in Nigeria banks. This suggests that banks that have effective fraud investigation practices are more likely to have high levels of financial accountability and transparency. Second, the study found that fraud prevention practices have a significant positive relationship with financial accountability and transparency in Nigeria banks. This suggests that banks that have effective fraud prevention practices are more likely to have high levels of financial accountability and transparency. Third, the study found that fraud examination practices have a significant positive relationship with financial accountability and transparency in Nigeria banks. This suggests that banks that have effective fraud examination practices are more likely to have high levels of financial accountability and transparency.

These findings suggest that fraud investigation, prevention, and examination practices are all important components of a comprehensive fraud risk management program. Banks that are serious about reducing fraud and promoting financial accountability and transparency should implement all three of these practices. In addition to the implications for fraud risk management, the findings of this study also have implications for regulators and policymakers. Regulators should encourage banks to implement effective fraud investigation, prevention, and examination practices. Policymakers should also consider providing financial incentives for banks to implement these practices. Overall, the findings of this study suggest that fraud investigation, prevention, and examination practices are important tools for promoting financial accountability and transparency in Nigeria banks. Banks, regulators, and policymakers should all take steps to promote the implementation of these practices.

CONCLUSION AND RECOMMENDATION

This study was carried out to critically investigate the effect of forensic accounting practices on financial accountability and transparency in Nigeria. This study adopted a field survey research design. This study has shed light the effect of fraud investigation practices on financial accountability and transparency in Nigeria banks; the effect of effect of fraud prevention practices on financial accountability and transparency in Nigeria banks, and the effect of fraud examination practices on financial accountability and transparency in Nigeria banks. The regression analysis, revealed that forensic accounting practices has a substantial and positive impact on financial accountability and transparency in Nigeria. This finding aligns with the responses obtained from the frequency table of the respondents. Hence, this study concluded that forensic accounting practices help to promote transparency and accountability in Nigeria banks. Based on the significant impact identified in the study, it is recommended that Nigerian banks prioritize and enhance their fraud-related practices. This includes investing in advanced fraud investigation techniques, adopting effective fraud prevention measures, and ensuring robust fraud examination procedures. The integration of these practices should be a strategic priority to fortify the financial accountability and transparency landscape within the banking sector.

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