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EFFECTS OF FORENSIC ACCOUNTING AND FRAUD DETECTION IN NIGERIAN DEPOSIT MONEY BANKS

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Abstract

The spate of financial fraud has brought into question the services of a traditional auditor in the fight against fraud. Due to the increase in the rate of financial fraud, the need to detect fraud became a necessity in companies. The study examines the impact of forensic accounting on financial fraud detection and prevention in deposit money banks in Nigeria. Primary source of data was adopted Data were collected from internal control, audit and compliance staff from the eight (8) deposit money banks license with international authorization operating in Nigerian banking sector through well-structured Likert scale questionnaire. 120 questionnaires were issued to respondents from eight banks. The statistical tool used in the analysis of the data collected was Descriptive Statistics and multiple regression analysis. The data were processed using Statistical Packages for Social Sciences (SPSS). The study found that there is a positive relationship between Forensic Accounting Investigation, and fraud detection, also, Reviewing Financial Transactions and Analyzing Accounting Records have a positive impact on fraud detection. The study concluded from the findings that conducting forensic accounting investigation has a positive and significant effect on financial fraud detection in DMBs in Nigeria. On the other hand, analyzing financial transactions has a negative or no significant effect on financial fraud detection in DMBs operations. However, it was concluded that analyzing financial records positively and significantly influences fraud detection money deposit banks in Nigeria. The study recommended that, Forensic Accountants' services should be maintain in the Nigerian Deposit Money Banks as independent concern in order to mitigate fraudulent financial transactions.

Keywords: *Forensic Accounting, Fraud Detection and Deposit Money Banks.*

Introduction

Every institution has peculiar challenges. The crisis of confidence in Nigerian banking industry is not a new one that it has been with us for quite a long time (Nwankwo, 1992). It occurred in the 1930s when all indigenous banks, except one (National Banks), collapsed. It occurred again during the banking boom and crash of the late 1940s when all but four indigenous banks escaped the liquidators' hammers. Between the periods of 1952 and 1954, 16 out of 21 indigenous banks failed, and in the late 1990s, 26 failed banks were liquidated at once while others went through various surgical operations ranging from, restructuring, renaming, acquiring and complete sales to new investors (Owolabi, 2010). As a consequence of capital inadequacies, Nigerian banks experienced liquidity problem which led to the raising of minimum capital base of N25 billion in 2004. The recapitalization brought the number of banks to 25 in 2006, a considerable reduction from the 89 which existed in 2004. In 2009, Nigerian banks witnessed sacking of the management of five banks; Intercontinental, Oceanic, Union, Afri, and First Inland banks over alleged fraudulent mismanagement which tremendously heightened public anxiety about the health of these banks and to some extent created doubts about the audit function being performed in these banks. Fraud constitutes a problem to banks in their operations and their roles in the economy at large. Evidence therefore shows that out of the 25 big banks operating in Nigeria after recapitalization, three international accounting firms have been their auditors (Zachariah *et al*, 2014).

Consequently, the spate of financial fraud has brought into questioning the services of a traditional auditor in the fight against fraud. Traditionally, the roles of a regular accountant in a company were to ensure that the company has a strong internal control and audit the books of account in order to prepare its financial statement. Due to the increase in the rate of financial fraud, the need to detect and prevent fraud is necessary in private sector, and is not a responsibility of a traditional auditor. Thus, a need for the services of forensic accountant whose primary responsibility is to detect or investigate fraud, in addition, a forensic accountant can act as an expert witness in the law court.

The role of an expert witness is to help the judge get to the truth. This is also true about the accounting profession. Many attorneys need assistance from accountants during the preparation of their cases and then later need accountants to testify as expert witnesses. The expert's objective should be to help the court to understand the evidence and to determine the fact that is in dispute rather than highlighting the point of his client. It is therefore necessary that financial information is translated into simple, effective, and clear testimony so that a judge can readily understand the findings. To make the report credible and persuasive, logical analysis of various scenarios in a given set of circumstances is necessary.

An expert witness in a fraud case is required by the courts to have specialized knowledge in the area in which he will testify and such testimony should be based on reliable facts and data. The accountant must convince the judge that he is an expert and that his testimony is both relevant and reliable (Sanchez & Zhang 2012). He should be able to apply accounting, statistical, research, and economic concepts and techniques to legal problems or potential legal problems. In addition, he should understand the legal process because the investigation may lead to court action, requiring the corporate forensic accountant or an outside expert to give testimony as an expert witness. The outside expert could be a Certified Public Accountant (CPA), a management consultant, a university accounting professor, or an economist (Ejoh, 2017). Being an expert witness is a key attribute of a forensic investigator and it is essential that they are suitably trained and qualified to provide this service the accountant in a forensic accounting investigation, uses auditing and other investigative skills to analyze what happened, he develops assumptions about what might have happened, and finally explains these assumptions in a written report which usually measures damages to an injured party. Sometimes this report is presented in the courtroom if the case goes to trial and as such, he must be prudent and objective in his investigations, as his reports and analysis can ultimately determine the outcome of the civil litigation. Auditing skills are valuable in litigation process, but additional skill which is the investigative techniques is required because the process goes beyond the testing which is the basis for audit.

Forensic accountant differs from other scientists by the likelihood that they will be called upon to present and explain their findings, under oath, in a court of law. They will also be required to explain how their findings were obtained and what they represent. The single feature that differentiates forensic accountants from any other conventional accountants is the expectation that they will appear in court and testify to their findings and also offer an opinion as to the significance of those findings. The forensic accountant will, or should, testify not only to what things are, but to what things represent (Lyman, 2002). Thus, the anticipation of sworn expert testimony and the offering of sworn expert testimony are distinctive traits possessed by the forensic examiner. The ability to provide sworn expert testimony which is integral to forensic examinations, a trustworthy character requirement is also required. Mistakes or lack of professional standards by forensics professionals can lead to wrongful convictions in a worst-case scenario (Lyman, 2002).

Khanna and Arora, (2009) reveals that, the recent rise in banking frauds such as look-alike frauds, card payment frauds, dud cheques, compromise of customer details, call for tightening of security mechanism. Banking sector suffers fraudulent act such as; Embezzlement, Forgery or alteration of documents, Unauthorized alteration or manipulation of computer files, Fraudulent financial reporting, Authorization or receipt of payment not received or services not performed, Authorization or receipt of unearned wages or benefits, Conflict of interest, ethics violations and data and identity theft to gain advantages of the victim is on the increase in the banking sector. In pursuit of ensuring the security of resources on behalf of its owners, customers and the general public, deposit money banks are constantly looking out for better ways to handle the menace called fraud.

There is an alarming increase in the number of fraud and fraudulent activities in various sectors in Nigeria calling for the use of forensic accounting services (Owojori & Asaolu, 2009). A number of studies such as Enofe*et al.* (2015); Modugu and Anyaduba (2013); Okunbor and Obaretin (2010), Zachariah *et al.* (2014) have been done on the concept of forensic accounting services in Nigerian banks. Even with the volume of research work conducted on the topic of forensic accounting, the detailed recommendations from each of them advocates that this area of research work need attention. To the researcher's best knowledge, there cannot be satisfactory emphasis on the effectiveness of the components of forensic accounting in fraud detection and prevention particularly in the deposit money bank with the new discovery of fraudulent schemes. The effectiveness of these components in detecting and preventing fraud have not been studied considering the changes that advancement in technology has brought to banking in Nigeria, therefore projecting the need for the study. Thus, the study explored further the impact of forensic accounting on financial fraud detection and prevention in deposit money banks in Nigeria, specifically, the evaluation of the effectiveness of conducting forensic investigation, reviewing financial transactions and analyzing financial records of the deposit money banks.

This study will bring about increased awareness on the need to further establish a more aggressive system of accounting and other related control measures that can be applied electronically over the operation of their organization as a positive step towards detecting and preventing financial fraud, as the fraudsters are not sleeping themselves. This study examined the post-consolidation period in the Nigerian banking sector, which is a period of sixteen (16) years, from 2006 to 2021. At the backdrop of these issues the researchers formulated the following null hypotheses to guide the investigation:

H_{O1}**:** Conducting forensic investigation has no significant effect on financial fraud detection and prevention in DMBs in Nigeria.

H_{O2}**:** Reviewing financial transactions has no significant effect on financial fraud detection and prevention in DMBs in Nigeria.

H_{O3}: Analyzing financial records has no significant effect on financial fraud detection and prevention in DMBs in Nigeria.

Review of Related Literature

Conceptual Review

The Concept of Forensic Accounting

Forensic accounting is a recent development in the accounting profession. It is the advancement of the normal traditional auditing as it provides an accounting analysis that is suitable to the organization in resolving any dispute that may result to court settlement. Okoye (2006:34) defines accounting "as the process of identifying, measuring and communicating economic information to permit informed judgment and decision by the users of the information". Oladipupo (2005) opined that financial investigation is an examination of the record and accounts of an organization for a special purpose. The integration of accounting, auditing and investigation yield the specialty known as forensic accounting (Edward, 2021). Forensic accounting is focused, therefore, upon both the evidence of economic transactions and reporting as contained within an accounting system, and the legal framework which allows such evidence to be suitable for the purpose of establishing accountability and/or valuation (Okolo, 2007).

Whereas accounting is concerned about the preparation of financial statements while auditing is focused on providing professional independent opinion, on the other hand forensic accounting goes step further to investigate in order to provide litigation support on fraudulent acts from the financial statements. Forensic accounting examines financial statements beyond the normal figures. It examines the intentions accruing with the processes of preparation of the financial statements to provide litigation support for court judgments. Forensic accounting is accounting that is suitable for legal review, offering the highest level of assurance, and including the now generally accepted connotation of having been arrived at in a scientific fashion (Crumbley, 2006). Forensic accounting remains the most challenging and sophisticated area in the financial sector. Although, the profession does not possess a formal definition, Razaee, Crumbley and Elmore (2006) defined forensic and investigative accounting as the application of financial skills and an investigative mentality to unresolved issues, conducted within the context of the rules of evidence. Forensic accounting as revealed by Sheetz (2006), is simply the use of accounting discipline to help determine issues of facts in business litigation. In the same mind Manning (2010) defined forensic accounting as the application of financial accounting and investigative skills to a standard acceptable by the courts to address issues in disputes in the context of civil and criminal litigation. To Dimilola and Olofinsola (2007) forensic accounting is the application of accounting methods, investigative activities and law procedures to detect and investigate financial crimes and related economic misdeeds. It is the advancement of external auditing.

Concept of Fraud

Fraud has grown rapidly over the last few years, and there is a growing trend for large organizations to consider hiring professionals such as forensic accountants to reduce the pressure and potential of occupational, and financial frauds. Association of Certified Fraud Examiners (2010) and Sutherland (1943) see fraud as the process of using one's occupation or responsibility to satisfy his personal interest by enriching himself through the deliberate abuse of power. Abuse of power by the fraud perpetrators includes deliberate mismanagement, and misrepresentation of organizational resources (fixed and current assets). Regardless of the type or nature of the sectors, various categories of financial crime and other types of occupational frauds are taking place such as swindles and employee trust violations (Association of Certified Fraud Examiner, 2010; Duffield and Grabosky, 2001; Levi, 2008; Kiragu, Wanjau, Gekara, and Kanali, 2013). Merriam Webster's Dictionary of Law (1996) as quoted in Manurung and Hadian (2013, p. 4), fraud can be defined as: "Any act, expression, omission, or concealment calculated to deceive another to his or her disadvantage, specifically, a misrepresentation or concealment with reference to some fact material to a transaction that is made with knowledge of its falsity. And or in reckless disregard of its truth or falsity and worth the intent to deceive another and that is reasonably relied on by the other who is injured thereby." Ernst and Young (2009) defines fraud as an act of deliberate action made by an entity, knowing that such action can result in the possession of unlawful benefits. Adeneji (2004) and Institute of Chartered Accountants of Nigeria (ICAN) (2006), state that fraud is an intentional act of individuals among management, employees, or third parties who produce errors in financial reporting in favor of their personal desires. Fraud can also be considered as any deliberate misrepresentation, concealing, and negligence of a truth to manipulate the financial statement at the expense of the firm.

Techniques of a Forensic Accountant in Dictating Fraudulent Activities

Conducting forensic Investigation

Owojori and Asaolu (2009), state that the failure of the statutory audit and the sophisticated financial fraud in recent times had led to the need for forensic audit. Thus, the forensic accountant could be said to have special tools for conducting investigation as to detect and prevent fraudulent activities thereby combating financial fraud. Zimbleman (1997) as cited in Olukowade & Balogun (2015), states that a forensic accountant being a fraud investigator is very much likened to a physician who requires significant amount of diagnostic and explanatory work to discover what really is happening. In view this, it can be said that a forensic accountant goes beyond the normal audit as to unveil fraudulent activities by using forensic software tools in conducting and investigating transactions and events.

Reviewing Financial Transactions

Cole (2009), states that a forensic accountant is required to have special skills in inspecting documents for authenticity, alteration, forgery or counterfeiting. Hence, by possessing such skills, the forensic accountant in carrying out his duties can easily detect errors, fraudulent activities and omissions thereby preventing and reducing fraudulent activities. According to Zimbleman et al. (2012), a forensic accountant is responsible for analyzing and identifying the kinds of fraud that could occur and their symptoms.

Analyzing Accounting Records

A forensic accountant in carrying out his function reconstructs incomplete accounting records to settle for example insurance claims, over inventory valuation, proving money laundering activities by reconstructing cash transactions (Owojori and Asaolu, 2009). Cabole (2009) shows that a forensic accountant must be an expert in financial matters and must have legal knowledge which could enable him to detect fraudulent activities which are to be presented in a lawsuit.

Empirical review

Lawal, Yinusa, Lawal, Oyetunji, and Adekoya (2020), examined the effect of forensic accounting on fraud detection in the manufacturing industry in Nigeria. The study employed the survey design and data were collected using primary data and this was achieved via a structured questionnaire. The population of the study consists of all the employees of PZ Nigeria Limited. Regression analysis was used to show the relationship between the dependent variable and the independent variable. The study found that there is a significant effect of forensic accounting on fraud detection.

Fury and Eka (2019) investigated whether forensic accounting is a tool for fraud detection and prevention in the public sector organizations with particular reference to Indonesia. Both primary and secondary sources of data were appropriately used. 200 questionnaires were administered to staff of four (4) ministries in Indonesia which included into the top 10 of integrity survey of public sector held by Corruption Eradication Commission (KPK), along with interviews conducted with those ministries out of which 173 were filled and returned. Analysis of Variance (ANOVA) was used as statistical technique for data analysis. It was found that the use of forensic accounting does significantly reduce the occurrence of fraud cases in the public sector. Therefore, the use of forensic accountants can help better in detecting and preventing fraud cases in the public sector organizations in Indonesia. This study did not carry out regression coefficient analysis in order to evaluate the impact of each independent variable on the dependent variable.

Also, Evans (2017) examined forensic accounting and combating economic and financial crimes in Ghana. The research employed survey research design by sampling all the technical officers (66) of Economic and Organized Crime Office of Ghana and data were analyzed through a regression model. It was found that, the application of forensic accounting technique has significant impact on combating economic and financial crimes in Ghana.Okafor and Agbiogwu (2016) investigated the effects of forensic accounting skills on the management of bank fraud in Nigeria. Primary and secondary data were appropriately used. The statistical tool used to test hypotheses was ANOVA (Analysis of Variance). The study revealed that possession of enhanced skills aids the forensic Accountant in discharging his duties.

Okoye and Gbegi (2013) examined forensic accounting as a tool for fraud detection and prevention in Kogi State, Nigeria. The study found that the top management and senior staff are aware of forensic accounting while very few of the lower cadre has knowledge of forensic accounting. The study recommended that government and the private sector organizations in the light of present-day fraud related activities in the public sector need to develop interest in forensic accounting and accountants for monitoring and investigating any suspected and confirmed management fraud. Dada, Enyi, and Owolabi (2013), examined the application of forensic accounting technique for effective investigation of cases of bribery to ensure proper prosecution of those accused of such practices.

The study concluded that applying forensic accounting technique is a viable tool in investigating and detecting cases of bribery and it has a positive relationship with bribery prevention but it has not been applied by anti-corruption agency. Dada, Owolabi, and Okwu (2013) determined the relevance of forensic accounting in the effective reduction in fraudulent practices in Nigeria. The results revealed that fraud reduction is significantly and positively related to fraud investigation and detection through forensic accounting.

2.3 Theoretical framework

The study discussed Fraud Triangle Theory (FTT)

Fraud Triangle

Cressey, working on his Ph.D. in criminology (1953), decided to his dissertation would focus on embezzlers. Over the years, the hypothesis formulated in his study has become better known as the fraud triangle. One leg of the triangle represents Pressure, the second leg represents opportunity and the final leg stands for rationalization. The fraud triangle views them as key conditions that tend to be present when fraud occurs. Within each of these broad risk categories, many different and specific potential red flags may be visible within a company.

Methodology

This study adopted the survey research design. The choice of this design was anchored on fact that survey research design is one that focuses on a definite person(s), group(s), organization or issue(s). The population of the study comprises of 14 deposit money banks in Nigeria. The sample consists of eight (8) deposit money banks (DMBs) in Nigeria with international authorization as categorized by the Central Bank of Nigeria (CBN) as at 2021. This category of DMBs were chosen on the premise that they interact with other stakeholders both locally and internationally hence they are likely to face more sophisticated fraudulent activities and therefore be in a much better position to provide the relevant responses to the research questions. Primary source of data was adopted. Data were collected from internal control, audit and compliance staff from the eight (8) deposit money banks license with international authorization operating in Nigerian banking sector through well-structured Likert scale questionnaire. 120 questionnaires were issued to respondents from eight banks, 119 were successfully filled and returned.

Model Specification

The statistical tool used in the analysis of the data collected was Descriptive Statistics and multiple regression analysis. The study variables of the study consist of Financial Fraud Detection (FFD) as the dependent variable, conducting Forensic Accounting Investigation (FAI), Reviewing Financial Transactions (RFT), and Analyzing Accounting Records (AAR) as the independent proxies. The data were processed both manually and electronically using Statistical Packages for Social Sciences (SPSS).

The model for this study thus is stated in its functional form below:

FFD= f (FAI, RFT, AAR)

However, in other to take into account the deterministic and stochastic aspect of the model it is therefore stated in an econometric form:

$FFD = \beta 0 + \beta_1 FAI_i + \beta_2 RFT_i + \beta_3 AARi + \mu_i$

Where;

FFD=Financial Fraud Detection and Prevention as the dependent variable,

FAI= Forensic Accounting Investigation,

RFT=Reviewing Financial Transactions, and

AAR=Analyzing Accounting Records.

$\beta 0$ = constant

$\beta 1$, $\beta 2$, $\beta 3$, are the coefficients

μ= error term

Results and Discussions

Data collected using the questionnaires are presented, analyzed and discussed in a summarized format.

Table 4.1 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
FFD	119	8	16	13.59	1.729
FAI	119	4	16	11.91	2.415
RFT	119	4	16	11.66	2.821
AAR	119	6	17	11.76	2.396
Valid N (listwise)	119				

Source: Researcher's Computations from SPSS version 23

Fraud Detection has a mean of 13.59 with a standard deviation of 1.729, a minimum of 8 and a maximum of 16, this suggests that there is a wide dispersion in financial fraud detection in Nigeria. Forensic accounting investigation (FAI) has a mean of 11.91 with a standard deviation of 2.821, minimum and maximum values of 4 and 16 respectively suggesting a wide dispersion in the forensic investigation because different approaches could be adopted in investigating financial fraud. Also, reviewing financial transaction (RFT) had a mean and standard deviation values of 11.66 and 2.821 respectively and maintaining the same minimum and maximum with FAI, implying that reviewing financial transaction could be approached differently depending on the volume of transactions as at the time of the review. Lastly, analyzing accounting records shows that there is wide dispersion with the mean of 11.76 and standard deviation of 2.396, having minimum and maximum of 6 and 17 respectively, indicating that accounting records can be analyse through different methods depending on the kind of fraud needed to be unveil.

Table 4.2 Overall Correlations

		FFD	FAI	RFT	AAR
Pearson Correlation	FFD	1.000			
	FAI	.443	1.000		
	RFT	.436	.495	1.000	
	AAR	.506	.475	.563	1.000

Source: Researcher's Computations from SPSS version 23

From the table above the independent variables are positively correlated with the dependent variable, that is, there is positive correlation between Forensic Accounting Investigation (FAI), Reviewing Financial Transactions (RFT), and Analyzing Accounting Records (AAR) with fraud detection (FFD). Table 4.2 reveals that, Forensic Accounting Investigation increase by 0.443 fraud detection also increases. This implies that Forensic Accounting Investigation has a weak positive impact on fraud detection in deposit money banks in Nigeria.

Furthermore, the table above shows that there is positive correlational relationship between Reviewing Financial Transactions and fraud detection; it indicates that as Reviewing Financial Transactions increase by 0.436, fraud detection also increases. This implies that Reviewing Financial Transactions has a weak positive impact on fraud detection in deposit money banks in Nigeria. Finally, table 4.2 shows that there is positive correlation between Analyzing Accounting Records and fraud detection.

It is obvious that as Analyzing Accounting Records increase by 0.506, fraud detection increase as well. This implies that Analyzing Accounting Records strong positive correlation on fraud detection in deposit money banks in Nigeria.

Table 4.3: Overall Regression Model summary of FAI, RFT, AAR and FFD

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.568[a]	.323	.305	1.441	.323	18.287	3	115	.000	1.542

a. Predictors: (Constant), AAR, FAI, RFT

Source: Researcher's Computations from SPSS version 23

The above table shows overall regression models for the relationship between the independent variables and the dependent variable. The results indicate that R^2= 0.323 and R = 0.568. R-value points out that, 32.3% of the variation in fraud detection is explained by the model of the study while 67.7% of the variation in fraud detection is unexplained by the model. The multiple linear regression models are stated below as the equation shows the linear regression model of the independent variable against the dependent variables.

Table 4.4: Overall ANOVA on Forensic Accounting Investigation, Reviewing Financial Transactions, Analysing Accounting Records, and Financial Fraud Detection

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	113.954	3	37.985	18.287	.000[b]
	Residual	238.869	115	2.077		
	Total	352.824	118			

Source: Researcher's Computations from SPSS version 23

ANOVA is a procedure for testing the difference among different groups of data for homogeneity (Kothari, 2004). The purpose of ANOVA is to show the total amount of variation in a set. The ANOVA test shows that the F-statistic 18.287 with p-value of 0.000 is less than 0.05 (0.000 < 0.05) meaning that the null hypothesis is rejected and concludes that there is significant relationship between the independent variables (Forensic Accounting Investigation, Reviewing Financial Transactions, Analyzing Accounting Records), and the dependent variable (Fraud Detention) in deposit money banks in Nigeria.

Table 4.5: Overall Coefficient model

Model		Unstandardized Coefficients		StandardizedCoefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.959	.778		10.226	.000
	FAI	.156	.066	.218	2.378	.019
	RFT	.091	.060	.149	1.519	.132
	AAR	.230	.070	.319	3.301	.001

Source: Researcher's Computations from SPSS version 23

Discussion of findings

The study carried out the t-test to each beta coefficients in the fitted regression models. This indicate that Forensic Accounting Investigation positively and significantly influences fraud detection in DMBs in Nigeria with $\beta = 0.156$ with p-value = 0.019 < 0.05. It implies that for every unit increase in the forensic accounting investigation there is an increase in fraud detection by 0.156 units. The study found that conducting forensic accounting investigation has a positive and significant effect on financial fraud detection in DMBs in Nigeria. This means that, forensic accounting investigation can be used to detect fraudulent activities in deposit money bank. This finding is in agreement with the finding of Onodi, Okafor and Onyali (2015) who found that there is a significant relationship between the forensic investigative methods and corporate fraud deterrence.

Also, it indicates that reviewing financial transactions has negative influence on fraud detection in deposit money banks in Nigeria with β = 0.091 with p-value = 0.132 < 0.05. It implies that for every unit increase in reviewing financial transactions there is an increase in fraud detection by 0.091 units. The study found that analyzing financial transactions has a negative or no significant effect on financial fraud detection in DMBs operations. This finding contradicts the finding of Fury and Eka (2019)

Lastly, the study carried out the t-test to each beta coefficients in the fitted regression models. The findings indicated that analyzing financial records positively and significantly influence fraud detection money deposit banks in Nigeria with β = 0.230 with p-value = 0.001 < 0.05. It implies that for every unit increase in analyzing financial records there is an increase in fraud detection by 0.230 units.

The study reveals that analyzing accounting records has a positive and significant effect on detecting financial fraud in DMBs. Therefore, it can be said that with detail analysis of financial books by forensic accountant can unveil hidden fraudulent activities. This finding agrees with the findings of Edward (2021), Onodi, Okafor and Onyali (2015) and Fury and Eka (2019).

Conclusion and Recommendation

The study concludes that, there is positive relationship between Forensic Accounting Investigation (FAI), Reviewing Financial Transactions (RFT), and Analyzing Accounting Records (AAR) with fraud detection (FFD). Forensic Accounting Investigation has a positive impact on fraud detection, Reviewing Financial Transactions has a positive impact on fraud detection and Analyzing Accounting Records has a positive impact on fraud detection. The study concluded from the findings that conducting forensic accounting investigation has a positive and significant effect on financial fraud detection in DMBs in Nigeria. On the other hand, analyzing financial transactions has a negative or no significant effect on financial fraud detection in DMBs operations. However, it was concluded that analyzing financial records positively and significantly influence fraud detection money deposit banks in Nigeria.

The study recommends that:

DMBs should be mandated by CBN to engage the services of forensic accountants to investigate financial fraud at end of the period of their activities (at least yearly). DMBs should maintain the services of forensic accountants to review their financial transactions at the end of the period of transactions. The services of forensic accountants should be employed to unveil fraudulent records from their financial books.

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