

Research Journal of Financial Sustainability Reporting, 4(1) 40-52 Jan-June, 2019
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**APPLICATION OF FORENSIC ACCOUNTING IN FRAUD MANAGEMENT IN
THE NIGERIAN BANKING SECTOR**

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Abstract: This study was motivated by the series of fraud cases in banking sector of Nigeria and focused on fraud management to aid economic development since Banks are the wheel of economic activities of the nation. Survey research design was utilized. Area of the study was commercial banks excluding mortgage finance banks, Agric banks and Nigerian bank for commerce and industry. Frequency, percentages were utilized in analyzing data also, combat alpha which performed very well with a value of 0.876 which indicate a high measure of internal consistency (data is reliable) while, single factor ANOVA was the statistical tool used to test hypotheses to compare the difference between variables of forensic accounting to fraud control. Among the findings were that the use of Forensic Accounting technique does significantly reduce the occurrence of fraud cases in the banking industry; thereby, excess bank resources could be redirected to fund weaker sectors for economic development. The significant contribution of the study is the researchers discovered that not only the experts (forensic accountants) fish out fraud activities but every staff, customer/stakeholders and even the banking public are made aware of forensic accounting to fish out and report to the experts on any abnormality that may lead to fraudulent act for the experts to investigate the activity before it materializes into fraud. Since the investigative techniques of forensic accounting help in fraud management; banks should continue the utilization of it to manage fraud.

Key words: Forensic Accounting, Fraud, Fraud Management, Banking sector, Nigeria.

Introduction

Frauds in Nigerian banking industry are so common that almost all cadres of staff are involved in one form of fraud or the other irrespective of their post. Even Managers or Operational staff perpetrates fraud to the level of their post and the magnitude of bank fraud is high. Also, the level at which the Nation is negatively affected requires urgent attention (Kasum, 2007). In recent years fraudulent activities are increasing at a tremendous rate (Enofe, Aigbepue and Ochuwa, 2017). These frauds have resultant damaging effect both to the developing economy, banks and investors/individuals. Therefore, fraud is to enrich oneself by intentionally reducing the value/worth of an asset in secret. To portray this further, Mukoro, Yamusa and Faboyede, (2013) believe that the trend and the volume are increasing on a daily basis and all levels of the banking public are also involved in fraud activities. It is a recognized fact that the management of banks experience fraud cases as reported in an annual report of Nigerian Deposit Insurance Corporation, (2009) cited in Adeyemo, (2012). Adeyemo, asserts that in 2009, the sum of funds fraudulently perpetrated by ten banks with the largest fraudulent activities, total 10,719 fraud cases perpetrated during the period, involving N168.84 billion and also, in the year 2008, 2007 fraud cases, with collective sum of frauds of N53.52 billion were perpetrated. Also, the number of fraud cases perpetrated only in the year 2009 was up to 10,719 in ten banks. That means on the average 1,071.9 fraud cases were perpetrated in a bank for a year and in a year we have 356 days. Showing that in a day, the banks concerned witness about three different frauds cases on a daily basis. Not to think of the amount of customer's funds and banks resources lost which invariably is a waste on the economy; because the said resources (N168.84 billion and N3.52 billion) would have been used to set-up and/or support another weak sector for economic growth and development. This then calls for full time and professional attention (Mukoto, Faboyede and Eziamaka, 2014).

Dada, (2014) argue that forensic accounting is the application of accounting concepts and techniques to fraud cases and that fraud control is the ability to detect/prevent fraud acts before it criticizes into fraud perpetration. Modugu and Anyaduba (2013) emphasizes that Forensic accounting emerged to put a hurt to certain fraud cases that cause bank failure, loss of customers funds/confidence, economic resource wastage among others. Also, Enyi and Ezuwore, (2014) noted the characteristics of forensic accountant are as follows; Ability to securitize large volume of records in the aim of examining the basic issues, Be abreast of all the necessary bank methods,

Must possess a sense of urgency and commitment which will enable him/her give prompt attention to fraud issues when required, Abiding by time table especially when need arises for over time duty to achieve targeted time, Ability to surface professional in a situation of a court case, The authors also stressed that Forensic accountant ought to possess the following skills: Communication skill, Investigating skills, honesty and high integrity to enable him / her evaluate and analyze evidential issues which in field of forensic accounting is called evidence, be a professional in accounting and be able to detect fraud with the aid of specialized computer programs (Software) which he must be an authority in it.

Urhoghide and Yakubu, (2014) defines forensic as a combined effort of accounting, auditing and investigative intuition to meet-up with the courts level in addressing matters concerning fraud litigations. According to Enofe, Okpako and Atube (2013) forensic accounting exposes all the loopholes and weaknesses/challenges revealed in the banking sector concerning fraud investigations and detection. Ennofe, Okpako and Afube, (2013) investigated the relationship between fraud detection and forensic accounting. Primary source of data was utilized and data were collected from fifteen companies in Benin City Edo State. Information was compute red with descriptive statistics utilizing ordinary least square (OLS) regression and chi-square. Their findings revealed that utilization of forensic accounting skills on firms affects degree at which fraudsters operate. Litigation service involved providing assistance to fraud matters and it deals with quantification of economic deals with the investigation of fraudulent issues (Zysman, 2001). Furthermore, in the cause of providing litigation support, the forensic accountant acquires documents used to assist a claim, investigates necessary documents that helps developing assessment of the fraud cases in specific area of loss. Also, Forensic accountant re-examines the steps in fraud discovering, formulates acts as required in the financial records, aid with the knowledge of fraud matters, construct questions to be asked during investigation processes.

Dada, (2014) report that forensic accounting uses accounting, auditing, computer, and expert witness techniques in confirming fraud cases for prevention purposes. According to Okoye and Gbegi, (2013) forensic accountant should possess good education and training, in-depth experiences and in addition is closer to being investigators, economist who do economic and market estimation and appraisers, especially trained in finance and/or valuation theory in

business. In the words of Nor et.al, (2013) Forensic Accountants have two basic areas as follows: investigative accounting and Litigation support.

Forensic accounting also provides for investigating technique. This means a thorough examination of the records and accounts of a bank's physical assets for specific purposes and for a specific period including the in and out routes/movement of their recourses (Onovo, 2001); the author stressed that the approach to an investigation is different to that of a normal audit. Thus, investigation is not an audit, as per the generally accepted auditing standards but is more comprehensive than an audit because it excludes many steps which would ordinarily form part of an audit. Also, investigation depends wholly on the requirement of the bank and is answerable to the management.

According to Nor and Betsy, (2013) forensic accountants have two primary areas namely: investigative accounting and Litigation support; Under investigative its covers: Reviews factual situation and provide suggestions regarding possible courses of action, Assist with the protection and recovery of assets and Co-ordinate other experts. While under litigation support, forensic accountants assist in: Obtaining document necessary to support or refute a claim, reviewing of the relevant documentation to form an initial assessment of the case in an identified areas of loss, Examination for discovering, including the formulation of the act regarding the financial residence and attendance at the examination for discovery to review the testimony, Assist with understanding the financial issues and To formulate additional questions to be asked (Nor and Betsy, 2013). This will require the forensic accountant to prepare evidence and information as to support for fraud case. Litigant is a person who is making or defending a case in court while litigate means to take a claim or disagreement to court (Wikipedia, 2018). Fraud management is a system that supports the businesses affected by these events like banks; provides them with the tools necessary for the assessment, control and prevention of these activities for the purpose of limiting and stopping money/funds loss. Banking industry plays a primary role in increasing the level of economic activities. Banking sector interact between suppliers and users of funds, banks normally are used to measure the impetus of the business activities in the economy (Eseoghene, 2010). However, the bank's ability or inability to perform the above duty, require having the trust and confidence of their enormous banking public.

Statement of the Problem

One of the controversial issues mostly discussed in Nigeria today is about numerous fraud cases in our banking sector (Dada, 2012) banking sector of Nigeria is affected by incessant fraud.

Thus, this paper stands to examine application of forensic accounting in fraud management in the Nigerian banking sector.

Objective of the Study The general objective of this study is to determine the level at which forensic accounting help in frauds management in Nigerian banking sector, using some selected banks in Nigeria as reference point. The specific objectives of the study are as follows:

1. to determine the extent to which investigative technique of the forensic accounting help in fraud management in the Nigerian banking sector.
2. to assess the degree to which Litigation technique of forensic accounting aid in fraud management in the Nigerian banking sector.

Research Questions: This study sought to answer the following questions:

1. To what extent does: investigative accounting aid in fraud management in the banking sector of Nigeria;
- 2 To what extent does Litigation support technique aid in fraud management in the banking sector of Nigeria?

Statement of Hypothesis:

The following hypotheses of the study were formulated to guide study (stated in Null form) as follows:

1. H₀₁: Investigating technique does not significantly aid management of frauds in the Nigerian banking sector.
2. H₀₂: litigation technique of the forensic accounting does not significantly manage frauds in the Nigerian banking sector

Literature Review Enofe, Aigbepue, Igbarmah, Ikponmwonba, (2017) investigated the role of expert witness investigation in detecting fraud in the Nigerian public sector utilizing survey research design in generating data from primary sources using a questionnaire, distributed to the respondents. Data collected was analyzed with SPSS 20.0 to analyze the responses from the respondents. The result revealed that forensic accountant as expert witness in court; with expert witness experience and expert witness educational wise have a positive relationship with fraud

detection. Recommendation was that there should be an increase in the use of forensic accountant as expert witness in the public sector to help in the detection of fraud.

Also, Okoye and Gbegi, (2013) assert that forensic accountant should possess good education and training, in-depth experiences and in addition is closer to being investigators, economist who do economic and market estimation and appraisers, especially trained in finance and/or valuation theory in business.

According to Nor, et.al. (2013) Forensic Accountants have two basic areas as follows: investigative accounting and Litigation support. This invariably put a hut in the growth of the economy. Thus, in the author's opinion these incessant fraud cases has placed greater expectation on the accountants to get acquainted with special skills to identify and act upon indicators of fraudulent acts and even on any red flag. Therefore, it is now important to introduce the skill of forensic accountant to prevent, detect fraudulent cases in Nigerian banking industry. Maintaining that Forensic Accounting uses investigative, computer, litigation and expert witness techniques in confirming fraud cases for prevention purposes. Thus, this paper stands to examine the role of forensic accounting in fraud detection / prevention for economic growth with keen interest in the Nigerian banking industry.

Modugu and Anyaduba (2013) emphases that Forensic accounting emerged to put a hurt to certain fraud cases that cause bank failures, loss of customer's confidence and economic unrest. Hence, Forensic Accounting is knowledge that involves the use of accounting, auditing, investigation, legal, and computer in providing the required evidence in a litigation process.

Okoye and Gbegi (2013) investigate application of forensic accounting as a technique for fraud control in the Public Sector Organizations in Kogi State. Primary Sources of data were adopted through the use of questionnaire and three hundred and seventy (370) questionnaires were distributed to employee of five (5) selected ministries. Data was analyzed using tables and simple percentages and analysis of variance (ANOVA) remained the statistical tool employed to test the hypothesis. The author found out that the use of forensic accounting in the public sector organizations of Kogi and detecting and preventing of fraud cases. Recommendation was that forensic accounting should replace external auditors.

Ennofe, Okpako and Afube, (2013) investigate the relationship between fraud detection and forensic accounting. Primary source of data was utilized and data were collected from fifteen companies in Benin City Edo State. Information was computed and with descriptive statistics utilizing ordinary least square (OLS) regression and chi-square. Their findings revealed that utilization of forensic accounting skills on firms affects degree at which fraudsters operate.

Beredugo, Inah and Edom, (2014) appraise Forensic Investigation and Auditors' Liability: Empirical from Nigeria. Survey research design was adopted and data were collected from five hundred and nine (509) respondents of selected Banks in Nigeria. Hypotheses were tested using Spearman's Correlations Coefficient and OLS. It was discovered that forensic investigation is significantly associated with auditor's liability. The study recommended that forensic investigation should be carried out occasionally and not only when there is a suspicion of fraud.

Modugu and Anyaduba, (2013) examine on how forensic accounting can help put an end to financial fraud in Nigeria. They utilized simple random method in choosing the sample size. Data was computed with the aid of binomial test. The study found out that stakeholder is of the view that forensic accounting is effective on fraud control.

Adegbie and Fakile, (2012) investigate using forensic investigation as a cure to fraud in Banks. Government parastatals were used as population of the study. The statistical model utilized is chi-square and statistical package for social statistics (SPSS) was used to – analyze the information. Findings indicated that forensic accounting is an antidote to fraud.

Olaoye and Dada, (2014) assess the nature, causes, effects, detection and prevention measure for bank frauds in Nigeria. Primary source of data collection involving the use of questionnaires was utilized. Questionnaire were administered together with Nigerian Deposit Insurance Corporation (NDIC) annual reports for data relating to total amount involved in frauds, ten banks with the highest fraud cases and categories of bank staff involved in frauds. The authors concludes that for the prevention of fraud, banks should have in place sound/effective internal control mechanism/checks and balances and provide adequate remuneration and reward for excellence and good conduct while the incessant and periodic

downsizing of bank staffs should be discouraged. Moreover, there should be steadfastness in punishing offenders and adoption of zero tolerance to corruption. Therefore, the society should imbibe cultural value system of treating fraudsters with contempt.

Akinyomi, (2012) examine the cases of fraud and its prevention in the Nigerian banking sector. Primary source of data collection was utilized with the aid of questionnaire which was distributed to two hundred (200) staff members of ten (10) commercial banks in Lagos. The respondents were selected using purposive non-probability sampling technique. Responses were tested for significance using T-test while findings revealed that Greed is a foremost cause of fraud, as greater part of the staff considered their remuneration as sufficient. It was also observed that banks' staff got involved at all stages of fraud, including: initiation, execution and concealment. However, computer fraud was in majority of the fraud perpetuated in the bank. As a result, loss of revenue and loss of customers' confidence top the list of resultant effect of incessant fraud.

Nor, Nafsiah, Betsy and Rosmawati, (2013) assert that frauds are the bane of Malaysian development efforts; Maintaining that most of these frauds destroy Malaysian economy to a large extent and that the integrity of government agencies are being questioned. Transparency measures became doubtful and meaningless. Need of professional expertise to undertake proper procedures are supposed to minimize the percentage of fraud. They investigated the awareness of the government agencies administrator on their understanding the role of forensic accountants, and secondly, to determine the relevance of the implementation of forensic accounting in public sector. Structured interviews and 50 questionnaires were distributed and collected from three selected government agencies in the Klang Valley that is, Inland Revenue Board of Malaysia, Ministry of Education and Shah Alam Court Council. The results show that majority of the government administrator understands the role of forensic accountants and believe that the existence of forensic accounting is a required strategy to detect and prevent fraud in Malaysian economy.

Sorunke, (2018) explain the upsurge in the loss of high profile fraud cases by the anti-corruption agencies in Nigeria, resulting from the inability of the prosecutors to come before courts with

legally acceptable evidence, the adoption of forensic accounting investigation techniques in fraud investigation and prosecution has become imperative. The study set out to examine the potency of forensic accounting investigation techniques in fraud investigation and prosecution in Nigeria. Survey design was used in the study with sample population consisting of investigators and prosecutors drawn from the four anti-corruption agencies in Nigeria (Economic and Financial crimes commission (EFCC), Independent Corrupt Practices Commission (ICPC), Code of conduct Bureau (CCB) and Police Special Fraud Unit (PSFU). The Yamane's formula was used in the determination of the sample size. The technique adopted for analysis of returned questionnaires include descriptive and inferential statistical methods, while Kolmogorov-Smirnov test was used to test the only hypothesis formulated for the study. The findings from the study indicate that there is a significant and positive relationship between the adoption of forensic accounting investigation techniques in fraud investigation and successful prosecution of fraud cases in Nigeria. It was therefore recommended that all the anti-corruption agencies in Nigeria should always adopt forensic accounting investigation techniques in all their fraud investigation so as to be able to come up with evidences that will be supportive in prosecution of fraud cases in courts.

Edori, (2018) investigate the increase in technology as it help all sectors of the economy in Nigeria yet, both the positive and the negatively with the fraudsters manipulating the negative part, while computer forensic accounting technique uses it as a tool to detect and prevent fraud perpetrators. The author utilized survey research method and hypotheses were tested using the Pearson product moment correlation coefficient (PPMC) statistical tool. Findings revealed that forensic accounting has a significant but negative relationship with frauds; technology has significant and positive relationship with both forensic accounting and fraud; and that technology moderates the relationship that exists between forensic accounting and frauds. Recommendations: Mandatory forensic accounting department ought be established in publicly and privately owned institutions and offices through regulatory authorities and not on voluntary basis; recruit forensic accountants/investigators/auditors in both the private and public sectors and regularly train and retrain them on current technologies; the Nigerian government should amend existing laws to meet the requirements of present day technological advancement. Finally, the author concluded that forensic accounting as a field has all it takes to fight fraud in

Nigeria and that technology moderates the relationship, though negative, between forensic accounting and fraud hence the need for technological advancement in forensic accounting in order to fight against these frauds.

Theoretical Framework

This theoretical definition is meant to give the meaning of a word in relation to the theories of a particular profession (Wikipedia encyclopedia, 2018). This research work is based on the theory of mindset and problem representation which was propounded by (Gollwitzer, 1996 cited in Oyier, 2014), The author maintain that Mindset means a type of Training with specific features that control (direct) a person in the assembling and analyzing of data, This in variably informs how individuals process information and forward their ways of reasoning. attitude influences decision making through its impact on the process by which different people operate data, preliminary individuals with a specific way of reasoning can collectively evoke in them a concentration on data consistent with the attitude and consequently make them to search for pertinent applicable data, it is noted that forensic Accountants position of the mind as an expert was an influence on fraud related job performance. This is as a result of forensic accountant expects are like to suspect wrongdoing in the banks operation. It is also expected that these experts would assess these wrongdoing as not dependable and at a high danger level. The author assumed:

1. That fraud cases would not have being rampant in the banks without the right person in the system with requisite abilities organizing, directing and perpetrating fraud.
2. They also assumed that there are four factors necessary in the cause if fraud perpetration, which include opportune formal placement of duty within the bank.
3. The opportunity to understand and manipulate accounting systems/transactions; which forensic accounting services is one of the management measures.
4. Assurance that fraudster would not be observed or detected and would certainly be covered

Ability to coop with the problem created outside the work place and within. Hence Forensic accountants ought to be aware that the urge or intention to perpetrate fraud can either be due to personal pressure, pressure from employer(s), or external pressure and each of these types of pressure can also happen because of financial and non- financial pressure. Accountants with forensic skills need to comprehend the tendencies to commit fraud in order to help them identify the specific fraud schemes an individual can commit and the systematic occurrence of fraud virus given inefficient or absence of forensic accounting.

Methodology

Research Design

The study employed the survey research method through the use of questionnaire. Banks regard fraud topics as sensitive area and as such are very reluctant in disclosing records in that regard. Therefore, survey research is best suit for this study. Tables and simple percentages were utilized in analyzing data.

Area of the Study

The area covered in this study is Commercial banks (money deposit banks) of Nigeria. Commercial banks were chosen because of its sensitive nature to fraud.

Population of the Study

The population of the study is seventy-one (71) Forensic Accountants who are in the field and in a better position toknow the level at which application of forensic Accounting controls fraud in the Nigerian banking system.The population of this study composed of forensic Accountants from all head offices of the twenty-two (22) commercial banksin their internal Auditing department at their head offices mostly in Lagos, Nigeria

Table 2: Composition of the population of the study

Below are the breakdown of the population of the study based on bank by bankanalysis (Questionnaire, 2017).

Determination of Sample Size

The sample size is seventy-one (71) this is due to the small size, therefore, the researcher decided to study all the population as sample.

Method of Data Generation

This study used primary source of data generation. Data was generated through information obtained from forensic accountants of the twenty-two (22) Banks. Questionnaire was developed and structured in a four (4)-point ratings Scale of strongly agree, Agree, strongly disagree, and disagree, administered to staff of the internal audit department.

Method of Data Analysis

Data analysis was through the use of frequency, percentages and single factor ANOVA. The single factor ANOVA was adopted to measure the variance in the responses. Were the calculated F is greater than the critical table value of F. It implies that forensic accounting significantly

manages fraud. However, were f-critical is higher than f- calculated It implies that forensic accounting does not aid in the management of fraud in Nigerian banking sector.

The instrument was subjected to face and content validity by experts in the field of accountancy department and the pilot study; while the test-retest method was used to test for the reliability of the instruments. This test was to determine the consistency of their responses to the questionnaire. Also, combat alpha which performed very well with a value of 0.876 which indicate a high measure of internal consistency (data is reliable)

Model Specification: $SSB = r\sum (XiL - x)^2$, $SSW = \sum\sum (XiL - x)^2$,

Where SSB = between sum of square, SSW = within treat sum of the square,

XiL = individual observation around their columns mean, X = grand mean column,

Df = degree of freedom ($c - 1$) (in 1), C = number of column, R = number of row,

\sum = Summation, Level of significant (0.05)

The Model adopted for this study is $SSB = r\sum (Xil - x)^2$, $SSW = \sum\sum (XiL - x)^2$,

IL= Variables of forensic accounting

Where i = investigative technique

J = litigation technique in Nigerian Banks

Result: The results of single factor ANOVA conducted at 0. 05 level of significance revealed that investigative technique of forensic accounting aid in fraud management in Nigerian banking sector with the Calculated F greater than the critical table value of F that is, $113.087 > 2.911334$. We reject the null hypothesis and accept the alternative hypothesis.

Also, from the single factor ANOVA test statistics conducted at 0.05 level of significance, revealed that the Litigation technique control fraud cases in Nigerian bank;. With F_{CAL} being more than F_{TAB} that is $172.7603 > 3.238872$. We therefore, reject the null hypothesis (H_0) and accept the alternate hypotheses. The contributions to knowledge are that through observation, the researcher discovered that not only the experts (forensic accountants) fish out fraud activities but every staff, customer/stakeholders and even the banking public are made aware of forensic accounting to fish out

and report to the experts on any Red flag (abnormality) that may lead to fraudulent act for the experts to investigate the activity before it materializes into fraud.

Cronbach alpha reliability of data
Cronbach Reliability and Correlation Test
 Cronbach Alpha Number of Items .876 15

Cronbach's Alpha			
0.87615			
Cronbach's Alpha with missing item			
SD	D	SA	A
-0.70995	-2.06201	0.366482	0.898158
Split-half			
Halves	0.894323		
OddEven	-0.71227		

Source: Microsoft excel toolkit 2007.

Decisions: The table above examines the properties of measurement scales and the items that compose the scales. Ideally, the Cronbach alpha coefficient should be about 0.7 (Pallant, 2001). The Cronbach coefficient for the study performed very well with a value of .876 and this indicates that the scales and the items of the research instrument show a high measure of internal consistency (data is reliable).

Objective 1
 Anova: Single Factor
 SUMMARY

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
Column 1	9	287	31.88889	27.36111
Column 2	9	204	22.66667	19
Column 3	9	27	3	11.5
Column 4	8	21	2.625	7.125

ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	5611.636	3	1870.545	113.087	8.8E-17	2.911334
Within Groups	512.7639	31	16.54077			
Total	6124.4	34				

Decisions:

Reject Ho if F – calculated is greater than or equal to F – critical value.

1. $F - Cal = 113.087$ $F - Tab = 2.911334$

Since the calculated F is greater than the critical table value of F which is, $113.087 > 2.911334$. We reject the null hypothesis and accept the alternative hypothesis at a 0.05 level of significance; thus, investigative technique of forensic accounting aid in fraud management in Nigerian banking sector.

Objective 2

Anova: Single factor

SUMMARY

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
Column 1	5	155	31	8
Column 2	5	136	27.2	15.7
Column 3	5	5	1	1.5
Column 4	5	9	1.8	4.7

ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>Df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	3874.15	3	1291.383	172.7603	2.13E-12	3.238872
Within Groups	119.6	16	7.475			
Total	3993.75	19				

Decisions

F – ratio Cal = 172.7603 F – ratio Tab = 3.238872 (Appendix V)

Reject Ho if F – calculated is greater than or equal to F – critical value.

From the ANOVA test statistics above F_{CAL} is more than F_{TAB} . That is $172.7603 > 3.238872$. We therefore, reject the null hypothesis (H_0) and accept the alternate hypotheses (H_1) at a 0.05 level of significance, meaning that the Litigation technique manage fraud cases in Nigerian banking sector

Summary Responses on key research questions

To what extent does the investigative technique of forensic accounting help in the management of fraud activities of your bank?

Use of Forensic Investigation fraud technology aid fraud management

Responses	Frequency	Percentage
Strongly agree	30	49.18%
Agree	25	40.98%
Disagree	1	1.64%
Strongly disagree	5	8.19%
Total	61	100%

Source: Field Survey, 2018.

Decisions

From the table above 30 respondents representing 49.18% of the total population strongly agrees that their bank practices investigative technique of forensic accounting, and that it significantly reduces fraud activities. 25 respondent representing 40.98 % agree, while only 6 of the respondents representing 9.8% of the population strongly disagree. From the scores, the researcher deduced that investigative technique of forensic accounting aid in fraud management in Nigerian banking sector, given the number of respondents that stood for it. This in agreement with the work of Asuquo, (2015) that, Forensic accounting professionals understand and investigate their computerized accounting systems to enable them carry out more effectively, the job of investigative accounting presently and in the future.

To what extent does the Litigation technique of forensic accounting significantly aid management of fraud in the Nigerian banking sector?

Litigation technique of Forensic Accounting prevent the occurrence of false expenses demand fraud in your bank

Responses	Frequency	Percentage
A Strongly Agree	30	49.18 %
B Agree	29	42.6%
C Disagree	1	0 %
D Strongly disagree	1	8.19 %
Total	61	100%

Source: Field Survey, 2018.

Decisions

The table above shows that 30 respondents representing 49.18% of the population Strongly Agree, 29 respondents representing 42.6% Agree, while 1 respondents representing 8.19% Strongly Disagree. From the scores above, the researcher deduced that Litigation technique help in fraud management in Nigerian banking sector, Also, in-line with the works of Ijeoma, (2015) findings revealed that there are proof that the introduction of forensic accounting tools which includes litigation has aid regained assurance in the credibility of banks and in their ability to manage fraud cases.

DISCUSSION

Effects of investigative technique in fraud management in the Nigerian banking sector (H₀₁) : Investigative technique of Forensic accounting has helped to manage fraud in banking sector of Nigeria, using investigative techniques to prevent and or detect fraud activities early enough before its perpetration in banks. Forensic Accountants have the relevant techniques to tackle frauds cases such as security fraud, misuse of funds, bankruptcy, contracts disputes, and possibly fraudulent prevention and detection of fraud transactions; including money laundering. As revealed from the result that tested objective one, which states that investigative technique of forensic accounting aid fraud management in the Nigerian banking sector. As revealed from the parameter tested to achieve this objective, f-value is $113.087 > 2.911334$ and at 34 degree of freedom which is greater than the rule of thumb value of 2 for significance. This revealed significantly the application of investigative technique of forensic accounting aid the management of fraud in the Nigerian banking sector. The significance was confirmed by p-value $< 95\%$ level of confidence. Hence, based on the result of the test, it cannot be disputed that forensic accounting significantly and positively manages fraud cases in the Nigerian banking sector. This is in line with the views of Ijeoma, (2015) were the author examined the use of forensic accounting in curbing frauds and came out with the conclusion that strong proof exist on the effectiveness of forensic accounting tools in controlling frauds. Also, Imam, Kumseh, and Jajere, (2015) studied “The Relevance of Forensic Accounting to Financial Crimes in Private and Public Sectors of Third World Economies with particular reference to Nigeria”. Their reviews are that investigative or forensic

accountant has a role to play, generally, but more in the banks. They then recommend the strengthening of forensic accounting institution and utilization of their services in banks of developing nation's economies

Effects of Litigation technique in fraud management in the Nigerian banking sector (H_{02}): As stated by Degboro and Olofinsola (2007), Litigation technique of forensic accounting provide assistance in fraud management issues affecting existing and pending cases as specified by the Alliance for Excellence in Investigation and Forensic Accounting of Canada; assisting in obtaining documentation necessary to support or refute a claim, review of the relevant documentation to form an initial assessment of the cases and identify areas of loss, assistance with the examination for discovery and the formulation of questions to be asked regarding the financial evidence, attendance at the investigation for discovery to review the testimony, aid in understanding the financial issues and to formulate additional questions, review of the opposing professional's damaging report, and reporting on both the strength and weaknesses of the position taken, and attendance at trial, to hear the testimony of the opposing expert and provide assistance with cross-examination.

The result of the test indicated that the f-calculated value is 172.7603 which are more than the f-critical value of 3.238872 for significance. This revealed litigation technique manage fraud activities in banks. The significance was confirmed by p-value > 95% level of confidence. Hence, based on the result of the test, it implies that measures of Litigation technique are needed to manage fraud activities (prevention and detection) bank frauds in banking sector of Nigeria.

Also, Enofe, Ildemuda and Emmanuel, (2015) investigated forensic accounting as a panacea of fraud reduction in Nigeria firms and their findings indicated that, first forensic accounting enhances financial fraud reduction in Nigeria firms through fraud prosecution and prescription of punishment for fraudsters and that forensic accountants should be part of the committee invited in setting up the organizational internal control system to ensure efficiency and effectiveness to help eliminate the chances of fraud; also the developed

internal control system by forensic accountant can help to indicate red flag areas.

Conclusion and Recommendation

We therefore conclude that, use of Forensic Accounting techniques, such as investigative and litigation support techniques significantly and positively aid fraud management in Nigerian banking sector

Recommendations are as follows: that investigative accounting technique aid in fraud management in the Nigerian banking sector together with Litigation technique should be strictly applied since its utilization exposes the fraudsters together with their high-rank officials supporting them and once this is done others will flee from getting involved in fraudulent practices.

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