

FORENSIC AUDIT AND FINANCIAL CRIMES IN NIGERIA PUBLIC SECTOR

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Abstract

This study examined the effect of forensic audit and financial crimes in Nigeria public sector. A conceptual framework research model was developed to envelope the four specific objectives, research questions, and hypotheses. Simple random sampling technique was adopted and six (6) departments to obtain 350 respondents. A 5-point likert-scale questionnaire was administered to respondents, of which 334 copies of the questionnaire were returned useful, obtaining a 98 percent response rate. The study adopted descriptive statistics; Pearson's Product Moment Correlation to answer the research questions, simple regression was used to test the individual hypotheses. Based on the analysis, the study found: There is a moderate, positive and significant impact of investigative accounting on money laundering, There is a moderate, positive and significant effect of investigative accounting on payroll fraud in the public sectors of Nigeria There is a weak but positive and significant effect of litigation support service on money laundering in Nigeria public sector, there is a weak but positive and significant effect of litigation support service on payroll fraud in Nigeria public sectors. Therefore, the study concludes that, forensic audit significantly influence financial crime in the public sector and recommends amongst other that, the Nigeria public sectors should adopt investigative accounting as a means of handling financial crimes in their organizations, and that the Nigeria public sectors should make available and accessible, the components of forensic accounting branded by this study to tackle financial crimes, in view of the fact that the study unveiled a statistically association between them.

KEY NOTE: FORENSIC AUDIT, FINANCIAL CRIMES, INVESTIGATIVE ACCOUNTING, LITIGATION SUPPORTS, PAYROLL FRAUD, MONEY LAUNDERING

Introduction

Financial crime covers a multitude of offence ranging from fraud to money laundering looting to financial malpractice (which includes offence committed through financial activities such as round flipping grant of unsecured loan or overdraft facilities, redness activities which cause the collapse of banks) by individual and financial institutions. They also includes; obtaining money by false pretense- popularly known as advance fee fraud, looting and money laundering, payroll fraud, internet fraud, embezzlement, asset misappropriation which is a generic term used to describe the process by which criminal disguise the original ownership and control of the proceed appears to have been derived from legitimate source (Economic and Financial Crime Commission, 2002).

Financial crime is defined as any nonviolent offence that is committed by or against an individual or corporation that can result in financial loss, has a high patency to corrupt and sabotage the economic policy of the government. From the definition, it can be seen that financial crime can threaten the security of consequences as it undermines initiative and effort to establish and strengthens economic growth. It hence, discourage direct foreign investment; facilitate tax evasion thereby encourage financial malpractice, exposes government financial institutions to reputation society and free movement of person, (Kawugana & Faruna 2019). A country like Nigeria whose economy is still in its developing stage is being rated as one of the most corrupt

nations in the world would definitely create a feeling of unhappiness in the mind of citizens and government of the country. The immediate cause of such situation is the loss of fiduciary relationship and confidence by foreign investors investing in the economy and affairs of such country (Kawugana & Faruna 2019).

The existence of corruption in the economy of a developing country like Nigeria has become an impediment to its. The depth and span of its existence has created a negative impression which shows that it has become part of the nation's economy. From a relatively mind manifestation at the country's independence, it has grown at an alarming rate through the second republic, spread wide through the military interregnum and continued its rampaging course to present day economy of the nation. Corrupt practice has become so common that no sector or institution can boast its spread or protected from its corrosive impact.

Nigeria justice system expenses delay, delay is simply defined as an act of postponing or slowing down something or an instance at which something is postponed (Garner, 2004). Delay could also mean the period during which something is postponed or slowed. Sometimes, it could mean the period within which a party to a suit must take some action as perfecting an appeal or responding to a written discovery or request. In brief, it is an act of hindrance, procrastination, protraction or suspension which has become the background for injustice in the delivery of justice. Meanwhile, delivery of justice, according to the Black's Law Dictionary, is the giving of yielding possession or control of something to another (Garner, 2004). This means that when justice is withheld, justice is delayed. This could be tantamount to slavery. However, delivery of justice means liberation, release, surrender, and of course, liberty.

Therefore, where the process of criminal justice is slow, it constitutes a major challenge to the enforcement of the law and sometime could frustrate the agencies meant to implement the law. Prominent among the act constitute challenge in the judicial process is the emphasis by some Judges on legal technicalities notwithstanding the substance of the case. Again, various interlocutory application and injunction could be used just to delay the proceedings and until appeal on such issue is determine by the Supreme Court, the trial court cannot proceed with the matter. The prosecuting counsel and defense counsel equally play a major role here. Lack of diligent prosecution, unnecessary adjournments and breach of ethics of the court all end up affecting the justice delivery system (Ogundayisi, 2010). Witnesses are not ready to willingly come to court to give evidence even when they are compelled because of their interest in the case or the caliber of person being prosecuted by the court. The consequential effect of the above challenges is traffic of cases in court. Unfortunately, the courts hardly grant accelerated hearing to criminal proceedings.

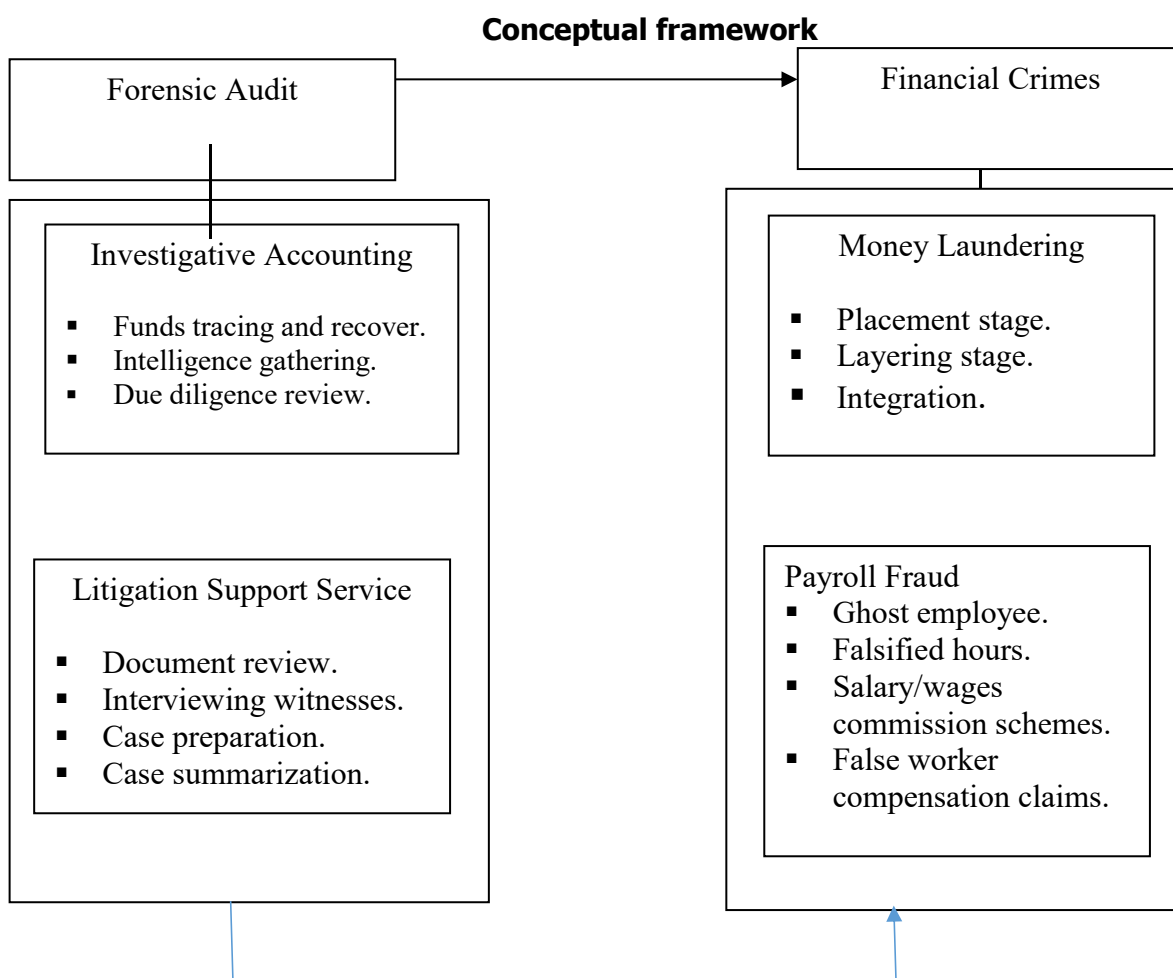
Political system is another avenue of legitimizing illicit funds from financial crimes by using such funds to sponsor political campaigns during elections period. The main purpose is to infiltrate the political arena and influence governance. This is because, political officers in the country also engage in money laundering. The resultant effect of this is that it undermines the democratic and economic basis of the society which leads to weakening of institutions and loss of confidence in the rule of law. According to Otunsanya, (2012) "corruption and money laundering are important not just for the volume of funds that are shifted out but also because of the damage they do to the integrity of judicial and political institutions" (Otunsanya, 2012).

Financial crime affects the government of any country financially; this is because launderers and other perpetrators of economic and financial crimes evade payment of taxes to government. The principle of taxation is to create adequate revenue for the government to finance and supply certain socio-economic and political needs of its citizenry (Mohasoa, 2016). It is an established

truth that most Nigerian does not pay or some pay inadequate tax. The effect of this is that the government will be incapacitated in discharging its duties. Revenue derive from taxes are used for national security, social and economic development of the country.

Financial crime encourages tax evasion because launderers will do everything possible to conceal the source of their illicit funds in order avoid prosecution and other sanctions imposed by the law. It is important to note that those who get their money from legitimate source do also evade taxation in Nigeria. However, money laundering and other financial and economic crimes in Nigeria reduce government revenue from taxation thereby posing a great challenge on the social and economic growth of the country (Anele, 2013).

In light of the problems of financial crimes discussed above, this study examined forensic audit and financial crimes in Nigeria public sector.



Source: Onowu, J. Uche, 2023, Ohaka, 2021, James, 2022, Researcher, 2025.

Aim and objectives of the study

The aim of the study is to examine forensic audit and financial crimes in the public sector of Nigeria. The following specific objectives of the study are to:

1. examine the effect of investigative accounting on money laundering in the public sector of Nigeria,
2. examine the effect of investigative accounting on payroll fraud in the public sector of Nigeria,

3. examine the effect of litigation support services on money laundering in the public sector of Nigeria,
4. examine the effect of litigation support service on payroll fraud in the public sector of Nigeria,

Research questions

1. What is the effect of investigative accounting on money laundering in the public sector of Nigeria?
2. What is the effect of investigative accounting on payroll fraud in the public sector of Nigeria?
3. What is the effect of litigation support service on money laundering in the public sector of Nigeria?
4. What is the effect of litigation support service on payroll fraud in the public sector of Nigeria?

Research hypotheses

- H₀₁:** There is no significant effect between investigative accounting and money laundering in the public sector of Nigeria?
- H₀₂:** Investigative accounting does not significantly effect on payroll fraud in the public sector of Nigeria?
- H₀₃:** There is no significant effect between litigation support service and money laundering in the public sector of Nigeria?
- H₀₄:** litigation support service does not significantly effect on payroll fraud in the public sector of Nigeria?

REVIEW OF RELATED LITERATURE

Conceptual Review

Forensic Audit

There may be so many definitions of forensic audit as there are authors. But the Association of Certified Fraud Examiners (2010), defined forensic audit as the use of skills in potential or real civil or criminal disputes, including generally accepted accounting and auditing principles in establishing losses of profit, income, property or damage, estimations of internal controls, frauds and others that involve inclusion of accounting expertise into the legal system. Hence, forensic accounting involves the application of accounting concepts, auditing techniques and investigative procedures in solving legal problems. Be that as it may, it should be noted here that the responsibility of preventing and detecting fraud in financial statements lies not only in the hands of management of an enterprise, but also other control institutions and mechanisms. System of internal control, internal auditing and audit committee are the key elements for prevention and detection of frauds that are created through property misuse as well as those that use financial statements as instruments of frauds. But external auditing and forensic accounting perform retrospective control of financial data with the aim of detecting omissions, frauds and securing the reliability and credibility of financial statements.

Dimensions of the Predictor Variable

Concept of investigative accounting

Investigation assesses and reports on financial transactions related to allegations against individuals and companies in a variety of situations including arson, embezzlement, money laundering, investment scams, stock market manipulations and identity theft and also includes searching for irregularities associated with civil matters, such as a search for hidden assets in divorce cases, (Cable, 2009).

Forensic audit in an investigative mode facilitates the review of a given situation and come up with possible course of actions and assists in the recovery of assets. Alarming sums of money are stolen from businesses each year by trusted employees. It is estimated that in 2008, at least \$6

billion was lost by businesses as a result of fraudulent activities. In fact, smaller companies suffer the majority of the losses. This is due to their lack of funds to implement preventive procedures in concert with a generally stronger trust and more personal relationship with employees. In order to prosecute those responsible for these crimes, there arose the need to understand the path leading to the fraud. Thus forensic accounting became heady to bridge the gap. As stated by Jacowski (2007), forensic accounting is a rapidly expanding field involving careful investigative work, in dept financial analysis and an understanding for legal system of any given country. Forensic accountants must therefore think on their feet and work side by side with law enforcement personnel in order to solve the puzzles surrounding fraud cases. In the United State of America, forensic accounting professionals are frequently required to testify in court as expert witnesses and provide key evidence leading to convictions Jacowski, (2007)

Concept of Litigation Support Service

Litigation support service assists the lawyers in investigating and assessing the integrity and a mounts relating to areas such as damages resulting from personal injuries, wrongful death, breach of contract, casualty, fidelity losses, lost profits due to business interruption, product liability, shareholder disputes, bankruptcies, marital disputes, investigative services related to fraud and other illegal acts. The los recovery process involves civil and criminal litigation, expert testimony and collecting insurance. Recovery can also be made by suing the fraudster (Harwood (2016).

Litigation is a term encompassing the use of court processes to resolve a dispute, in line with the rules in place in that jurisdiction. According to Harwood (2016), stages in litigation involves before litigation starts, preparing case and finally, trial and enforcement. Before litigation begins various forms of preliminary investigations takes place also, various forms of alternative dispute resolution (ADR) are encouraged to be examined. It is encouraged that parties consider alternative means of resolving the disputes first. The more conventional alternative dispute resolution (ADR) options include: Arbitration a confidential form of dispute resolution where one or more arbitrators decide a case rather than a court appointed judge. Mediation is a facilitated negotiation assisted by an independent third-party mediator appointed by the parties. An independent expert is appointed to resolve the matter by producing a legally binding decision (Harwood, 2016).

Criterion Variable

Financial crime

Financial crime seems to be the most popular issue discussed as a cause of underdevelopment in Nigeria today. Almost every section of the country is affected by corruption ranging from educational sector to the various organs of government. In the corporate world, many businesses have collapsed due to mismanagement by the corrupt directors appointed to manage them. Corrupt practices are reported in the area of pensions' salaries and wages, in legislative process as well as other areas of government business. It undermines good government fundamentally development and particularly it hurts the poor. To combat the menace, many tribunals, probe panels and anti-corruption institution had been set up to reduce corruption, but it appears they lacked investigative skills that will ensure successful prosecution of persons accused of corrupt practices. There is therefore the need to adopt effective investigation technique that will assist the anticorruption institutions to successfully reduce corruption. Corruption is seen as the abuse of entrusted power for private gain (Golden, *et al.*, 2006). Corruption is the largest single inhibitor of equitable economic development in many countries of the world including Nigeria it is a form of behavior, which includes conflict of interest, embezzlement, fraud, bribery, political corruption and extortion, (Onakuse, 2004).

According to Mazunder (2011), the law enforcement personnel in recent years have become more aware of financial crimes, they however have lacked the training and expertise in combating such crimes, they are better trained at combating violent or personnel behavior crimes but now it has the responsibility to expand its knowledge and expertise into the economic crises area. Since

many detectives do not have an accounting background, they often fail to use financial information to support their cases; forensic accounting technique is thereof seen as a viable tool in combating economic crime. Crumbley, Heiter and Smith (2009), opined that forensic accounting is the action of identifying, recording, settling, extracting, sorting, reporting and verifying past financial data or other accounting activities, for settling current or prospective legal disputes, or using such past financial data for projecting future financial data to settle legal disputes. It utilizes accounting, auditing and investigative skills when conducting any kind of investigation. Equally critical is the ability to respond immediately and to communicate financial information clearly and concisely in courtroom setting.

Measures of the criterion variable

Money laundering

You can trace the earliest story of the beginning of money laundering to Chinese merchants 2000 years ago who hid money they made from legitimate businesses from greedy kings. They did it successfully and invested their money in villages but because they failed to declare their wealth to the government, they committed the crime of not paying tax. When you hide your money and fail to pay tax you have committed a crime of money laundering. In addition, when criminals succeed in laundering ill-gotten wealth it would prove that crime pays which emboldens criminals to commit more crimes to bring in more money. In the recent times, money laundering began when criminals formed organized criminal groups in the late (1920's).

A notable leader of a gang Meyer Lansky started modern money laundering. He was able to launder proceeds from gambling from 1920 to 1932. He opened offshore bank accounts with a Swiss bank and later bought one in 1934 to keep all the proceeds gotten from criminal activities, when they passed the Swiss Bank Act of 1934 into law with the principle of Bank Secrecy. He later laundered these monies by granting loans to fellow criminals through his bank in a bid to legitimize the source of his wealth. However, the British Guardian Newspaper was the first to use the term "money laundering" while reporting the Watergate Scandal, to show how a company in Miami moved dirty money from United States to Mexico and back to US, for donation to the Committee handling the re-election bid of President Nixon.

Payroll fraud

Fraud has been a part of business and social life for thousands of years Skalak, *et al.* (2006) in their book "A Guide to Forensic Accounting Investigation" cited Hammurabi's Code of Laws dating back to approximately 1800 BCE, the problem of fraud is squarely faced 'If a herdsman to whose care cattle or sheep have been entrusted be guilty of fraud and make false returns of the natural increase, or sell them for money, then shall he be convicted and pay the owners ten times the loss' the earliest law makers were also the earliest to recognize and combat fraud place, there remains a chance that in the United State, Skalak, *et al.* (2006) stated that fraud has been in existence since the colonies were settled. In 1616 in James Town, Virginia, Captain Samuel Argall allegedly 'fleeced investors in the Virginia Company of every chicken and dry good that wasn't nailed down'. Cited the book 'Stealing from America', Skalak, *et al.* (2006) stated that within two years of Argall's assumption of leadership in James Town, the 'whole estate of the public was gone and consumed... 'While he returned to England with a boat stuffed with looted goods, residents and investors in the company were left with only six goats. Furthermore, they stated that fraud permeated the American society such that during the American civil war, the legislature recognized the need for new laws to combat fraud.

THEORETICAL REVIEW

Fraud Triangle

The fraud triangle theory was developed as an idea to investigate the cases of fraud by Donald Cressey a criminologist in 1950 and published in 1953. He started the study of fraud by arguing

that there must be a reason behind everything people commit fraud led him to focus his research on what drives people to violate the trust. He interviewed 250 criminals in a period of five months whose behaviours met two criteria. Initially people are accepting responsibilities of trust in good faith, and; circumstances make them violate the trust. He related that three factors (Pressure, Opportunity and rationalization) must be present for an offense to take place. Cressey further states that following; trust violators, when they conceive of themselves as having a financial problem that is non-sharable and have knowledge or awareness that this problem can be their own conducted in that situation verbalizations which enable them to adjust their conceptions of themselves as trusted person with their conception of themselves as users of the entrusted funds or property. (Cressey, 1953) cited in (Wells, 2011).

According to Wells (2005), pressure is what causes a person to commit fraud. Pressure can include almost anything including medical bills, expensive tastes, addiction problems, etc. Most of the time, pressure comes from a significant financial need/problem. Often this need/problem is non-sharable in the eyes of the fraudster. That is the person believes, for whatever reason, that their problem must be solve in secret. However, some frauds are committed simple out of greed alone. Perceived pressure refers to the factors that lead to unethical behaviours. Every fraud perpetrate faces some pressure to commit unethical behavior (Abdullah & Mansor, 2015); these pressure can either be financial of non-financial pressures. Albrecht et al., (2006) pointed out that, since the pressure to commit fraud may not be real, it is important to use the word perceived. It the perpetrators believe that they were pressurized, this belief could lead to fraud. Perceived pressure can exist in various ways, especially in non-sharable financial need. Financial pressure is recognized as the most common factor that lead an entity to engage in an evil action. Specifically, about 95 percent of all fraud cases have been perpetrated due to the fraudster's financial pressure (Albrecht et al., 2006). Lister (2007) states that pressure is a significant factor to commit fraud, He determines three types of pressure which are personal, employment stress, and external pressure. Vona (2008) further examines persona and corporate forces as motivations' proxies for fraud commitment. Examples of perceived pressure include greed, living beyond one's means, large expenses or personal debt, family financial problem or health, drug addiction and gambling. Pressure is the motivation to commit fraudulent acts or activities. The theorist claimed that this pressure could be linked to financial, non-financial, dogmatic and societal factors. Opportunity relates to the aptitude and power of an individual to identify weaknesses within a financial system and to take advantage of the system for fraudulent activities. Dogmatic and societal pressure arises where an individual senses or believes that they cannot face being unsuccessful, due to their status or standing. Rationalization refers to the justifications and explanations that individuals give why immoral conduct is different from illegal activity. If an individual cannot defend their fraudulent activities, then it is improbable that he or she will be involved in fraud. An example of a rationalization is the belief that fraud is acceptable because an employer is cheating the person of his or her salary, (Wells 2005).

Fraud triangle theory is related to this study because it shows how pressure, rationalization and opportunity explain the behavioural disposition of an individual towards committing fraud. Going with this theory, forensic accountants will be able to identify the root cause of fraud and detect the psychological attributes of fraudsters in the course of their investigation. This understanding will help forensic accountants have a comprehensive forensic investigation while detecting fraud in an organization (Wells, 2005).

EMPIRICAL REVIEW

Extensive studies have been conducted in many countries into forensic accounting and financial crimes. Most of their findings revealed that forensic accounting is a new field necessary for preventing and detecting financial crimes through its investigative accounting and litigation support.

Adegbe and Fakile (2012), conducted an evaluation of forensic accounting as antidote to economic and financial crime in Nigeria. The paper was on empirical testing of Economic and Financial Crime in Nigeria: Forensic Accounting as Antidote. Questionnaires were administered to the sampled population. The statistical model applied was Chi-Square and Statistical package for social statistics (SPSS) was applied to compute the data. The results show that forensic Accounting is a financial strategy to curb and resolve economic and financial crimes in Nigerian economy. The alternate of the flour hypotheses were accepted. They recommend among others that the government of Nigeria should enact a law that will make forensic accounting a practice in Nigeria so that economic and financial crimes can become history. The similarity between their study and this is that both used primary data collection method, and application of forensic accounting in Nigeria. The study is however restricted also to financial crimes within the jurisdiction EFCC unlike this study that covers the entire public sector.

Izedonmi and Ibadin (2012), this study examines some basic and common financial crimes in corporate organizations, situating the focus on Nigeria, and by extension, the developing world. No doubt, financial crimes have affected individuals and corporate organizations negatively. Some instances of corporate scandals, occasioned by financial crimes, have put accounting professional bodies into a new perception and paradigm that go beyond statutory audit. This study discusses financial crimes and some basic and common financial crimes in corporate organizations. The review indicates that the motivations for financial crimes are built around some risk factors, which include the incentive (or pressure), opportunity and rationalization surrounding the financial criminals. This paper canvasses for the intervention of forensic accounting to solve the vexed problems of financial crimes with a further recommendation that the forensic accountant adopts the inference, relevance and logic solution approach (IRLS) in dealing with financial crimes in corporate organizations in Nigeria.

Methodology

Research design

The adopted quasi-experimental research design.

Population of the study

The targeted population of the study is three Federal Government Agencies: the senior staff of the Nigeria Police Force, EFCC and ICPC.

Sample size and sampling techniques

This study utilized purposive (Judgmental) sampling technique. The population of the study as noted is three government agencies (Nigeria Police Force, EFCC and ICPC). Since the population is small, the population of the study is also the sample size.

Instrument for data collection

This study has the questionnaire as the main data collection instrument for variables. In other words, one (1) instrument was used for primary data collection which was titled "Forensic Audit and Financial Crime Questionnaire (FAFCQ)". The FAFCQ was a self-structured questionnaire item instrument that was used to measure the variables or dimensions of forensic audit in the following sub-headings: (i) Investigative accounting and (ii) Litigation support services to measure the variables or proxies of Financial crime in the following sub-headings: (i) Money laundry (ii) Payroll fraud.

The FAFCQ instrument was patterned based on a revised five-point Likert rating scale format. Furthermore, Part A consisted of three (3) questions that were meant to identify the participating firms; Part B elicited two (2) questions on forensic accounting dimensions (investigative accounting and litigation support service, to determine the extent firms are carrying out forensic accounting activities.

Administration of Instrument

This study has the questionnaire as the main data collection instrument for variables. The instrument was a self-structured 3questionnaire item instrument that was used to measure the variables or dimensions, and was patterned based on a revised five-point Likert rating scale format. The instrument was distributed personally by the researcher and research assistant within three months.

Method of data analysis

The study utilized simple regression through the aid of SPSS.

DATA PRESENTATION, ANALYSIS, RESULTS AND DISCUSSION

Data presentation

Data for this study were engendered through questionnaires administered and collected from sample of three federal government agencies in Nigeria. Data were collected through a 24 item questionnaire administered to the respondents. Subsequently, three hundred and fifty (350) copies of the questionnaire produced were distributed to the respondents. Table 4.1 shows the distribution and the collection pattern of the respondent's questionnaire

Distribution and retrieval of respondents' questionnaire (n=334)

| S/n | Characteristics of questionnaire | Available Quantity | Percentage% |
|-----|---|--|-------------|
| 1. | Total number of copies produced and distributed | 350 | 100 |
| 2. | Copies returned (received) | 342 | 98 |
| 3. | Copies not returned (not received) | 8 | 2 |
| 4. | Copies returned (received) | 342 | 100 |
| 5. | Usable copies | 334 | 98 |
| 6. | Unusable (Discarded) | 8 | 2 |
| | Usable rate | $\frac{334}{342} \times \frac{100}{1}$ | 75.1 |

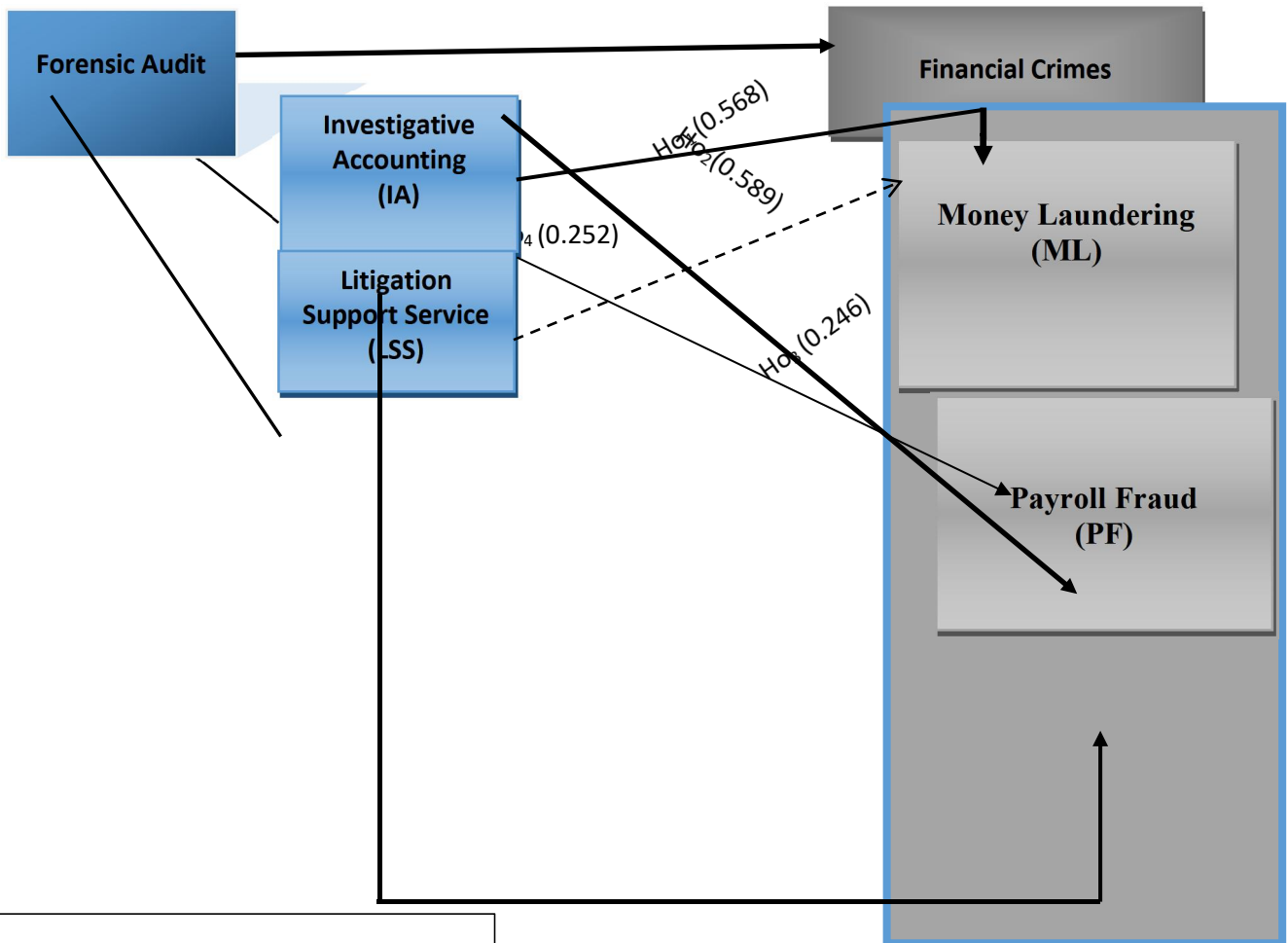
Source: Field work (2025).

Summary of Findings

The findings above are summarized as follows:

1. There is a moderate, positive and significant impact of investigative accounting on money laundering, and this relationship is moderated by corporate culture.
2. There is a moderate, positive and significant effect of investigative accounting on payroll fraud in the public sectors of Nigeria
3. There is a weak but positive and significant effect of litigation support service on money laundering in the public sector of Nigeria.
4. There is a weak but positive and significant effect of litigation support service on payroll fraud in the public sectors of Nigeria.

HEURISTIC MODEL



KEY:

- Indicates moderate, positive and significant influences.
- - - - - → Indicates weak, positive and significant influences.
- Indicates weak, positive and insignificant influence.

Figure 4.5 Heuristics Model of Forensic Accounting Techniques and Financial Crimes
Source: Designed by the Researcher, 2025

Discussion of findings

Investigative accounting and money laundering

As an important dimension of forensic accounting, investigative accounting shows moderate, positive and significant relationship with money laundering in public sectors of Nigeria. This is evidenced by the results in table 4.20 with beta value of .568 and p value of 0.0000 leading us to

reject the null hypothesis of no significant relationship between these two variables. Consistent with our expectation *a priori*, this finding suggests that investigative accounting that is corporate culture compliant can positively influence money laundering environment in gaining competitive advantage. This view, according to Olofinsola (2007), investigative accountant renders assistance of accounting and financial nature in a financial crime and related economic issue involving existing or pending cases. Thus, increasing purge of money laundering activities which directly results from investigative accounting reinforces the Police man theory. This finding agrees with the findings of Edheku *et al.* (2010) which revealed that accounting officers in the private and public sectors strongly agreed that forensic accounting has an impact on fraud detection.

Investigative accounting and payroll fraud

Our findings also suggest that investigative accounting positively and significantly influenced payroll fraud. This is evidenced by the results in table 4.21, particularly the associated value of the beta of .589 and p value of 0.0000 which is lesser 0.05, leading us not to reject the null of no significant relationship between these two variables. Theoretically, any strategy that decreases money laundering should also decrease payroll fraud, as payroll fraud is a positive function of money laundering. Thus, our *a priori* expectation is that investigative accounting has positive relationship with payroll fraud. This finding is also consistent with findings of Emeh and Obi (2013) which indicated that forensic accounting as a fraud detection tool has relevance efforts for combating financial fraud.

Litigation support service and money laundering

The result in table 4.23 suggests litigation support service has positive and highly insignificant influence on money laundering. This is evidenced by the positive sign of beta (= .246) and the very high p-value (= 0.1076) corresponding to litigation support service in that table, thus leading us to strongly accept the null hypothesis of no significant influence between the two variables. We expected *priori* that litigation support service should have a positive and significant influence on money laundering. This should have ultimately led to increase in money laundering detection. Thus, our finding does not support this view and implies that litigation support service decreased the effort on curbing of money laundering of the government agencies in our sample. This finding is not consistent with Daniel and Ezekiel (2017) whose findings revealed that forensic accounting evidence (documentary evidence, demonstrative evidence, physical evidence and oral evidence) has significance influence on litigation services.

Litigation support service and payroll fraud

The results in table 4.24 suggest that litigation support service has a weak, positive and significant influence on payroll fraud as evidenced by the beta sign (= .252) corresponding to litigation support service which is positive, with a p-value (= 0.0000) that is below all conventional levels. This leads us to reject the null hypothesis that litigation support service does not significantly influence payroll fraud. *A priori*, we expected a positive and significant relationship between litigation support service and payroll fraud, given that litigation support service is a direct signal to indicate that the public sector have the wellbeing of the public at the heart of their organizations' operations. However, contrary to this position, our results point to the direction of those other factors that are equally of interest to publics which may be playing out in the market place. This result is not consistent with the findings of Dada (2020) whose results revealed that litigation support service had significant but negative effect (reduction) on financial crimes in the public sector of Nigeria.

SUMMARY, CONCLUSION, RECOMMENDATIONS AND CONTRIBUTION TO SCHOLARSHIP

Summary of findings

This study focused on examining the effect of forensic audit and financial crime in Nigeria public sectors. The reason being that public sectors which contributed to the economic growth and development of Nigeria have been witnessing intensification in financial crimes. To guide the study, a conceptual framework was developed showing the predictor and criterion variables with their dimensions and measures. In addition, specific objectives of the study were stated as well as research questions. Based on the research objectives and questions, null hypotheses were formulated. The intension is to highlight initiatives that can successfully drive public sectors in Nigeria in order to achieve ultimately sustainable down turn financial crimes.

The various concepts bordering on the key variables and their sub-variables were reviewed. Concepts reviewed include – forensic audit and its dimensions as well as financial crimes and its measures. Also, studies found relevant to this current study were reviewed, which revealed that there is no known study that has been carried out on financial crimes by means of financial measures in the contemporary location where this study was accomplished. The research method adopted was survey, which has to do with experimental design to provide a numerical description of the effect of forensic audit and financial crimes. The population of the study was made up of three government agencies in Nigeria.

A total of seven (4) hypotheses were tested using the simple regression method to ascertain the effect of predictor variable on the criterion variable, and the probability values varies on the level of significance. The stated null hypotheses were all rejected and the alternative hypotheses accepted while the hypotheses on the effect of litigation support service on money laundering was accepted, In effect, there is significant influence of the components of forensic accounting on financial crimes and corporate culture moderates the relationship between forensic audit and financial crimes in Nigeria public sector.

Conclusion(s)

This study assessed the effect of forensic audit and financial crimes in Nigeria public sectors by means of a quantitative analysis, which makes obvious that in attendance are ample substantiations that the components of forensic audit investigated by this existing study were optimistically connected with financial crimes, presenting a good judgment to assert that these branded variables (investigative accounting and litigation support service) have the latent to deactivate financial crimes, and their absence spells economic regression in the long run, thus weighing up financial crimes. The study therefore, concludes that, forensic audit significantly influence financial crimes in the public sectors of Nigeria.

Investigative accounting on money laundering, and payroll fraud

This study assessed the degree to which investigative accounting influences money laundering, and payroll fraud of public sectors in Nigeria, and with the statistical result of ($R = .568$, $Pv = 0.0000$; $R = .589$, $Pv = 0.0000$) respectively, found that investigative accounting has moderate, positive and significant influence on money laundering, and payroll fraud of public sectors in Nigeria. The study therefore, concludes that investigative accounting, as a dimension of forensic audit significantly influences financial crimes through money laundering, and payroll fraud in the public sectors of Nigeria.

Recommendations

1. The public sectors in Nigeria should adopt investigative accounting as a means of handling financial crimes in their organizations.

2. The public sectors in Nigeria should make available and accessible, the components of forensic accounting branded by this study to tackle financial crimes, in view of the fact that the study unveiled a statistically association between them.
3. Besides, the study recommends that the public sector in Nigeria should adopt the operational framework of this study which has been urbanized and translated into matter-of-fact regulation for public sectors in Nigeria. This operational framework provides detailed boosters for creating the accomplishments of forensic accounting in predicting optimistically financial crimes.
4. In order to boost forensic accounting, the public sector in Nigeria should design forensic accounting furthering programs in terms of investigative accounting and litigation support services that are proficient in enhancing affirmative financial crimes detection and handling.

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