ISSN: 7269 - 7741
Volume 15, Number 2, 2026
International Journal of Advancement in Finance, Accounting and Management Studies

FORENSIC ACCOUNTING AND PREVENTION OF FINANCIAL STATEMENT FRAUD IN LISTED FOOD AND BEVERAGE MANUFACTURING COMPANIES IN NIGERIA

Dr. Patience Omah and Dr. Precious Charles
Department of Accounting, Faculty of Administration and Management Sciences
Ignatius Ajuru University of Education, Rumuolumeni Port Harcour Rivers State, Nigeria

ABSTRACT

This study examines the effect of forensic accounting on the prevention of financial statement fraud in listed food and beverage manufacturing companies in Nigeria. Specifically, it investigates the effect of forensic audit and forensic data analysis on financial statement fraud prevention. The study adopts an ex-post facto research design and proposes a panel-data approach covering 10 selected companies over the period 2015–2025. The study uses the number of fraudulent financial reporting cases prevented as the measure of financial statement fraud prevention. Forensic audit and forensic data analysis are measured using annual disclosure and implementation indices, supported by relevant internal audit and compliance records. A Poisson regression model is considered appropriate because the dependent variable is a count of prevented cases. The analysis presented in this study uses 110 firm-year observations, representing 10 companies over 11 years. The results indicate that forensic audit and forensic data analysis have positive and statistically significant effects on the prevention of financial statement fraud. The study concludes that effective forensic auditing and data-driven examination of accounting records can strengthen financial reporting controls and reduce opportunities for fraudulent reporting. The numerical results are simulated for demonstration and must be replaced with actual company-level data before the article is submitted as an empirical study.

INTRODUCTION

Financial statement fraud remains a major concern in corporate organisations because it undermines the reliability, credibility and transparency of financial information presented to shareholders, creditors, regulators and other stakeholders. Financial statements are expected to provide a fair representation of an organisation's financial position, financial performance and cash flows. However, management may deliberately manipulate accounting estimates, revenue recognition, expenses, asset valuations and liabilities to present a more favourable financial position than the actual circumstances of the business justify. Such practices weaken investor confidence, distort resource allocation and expose companies to regulatory sanctions, litigation and reputational damage. The increasing complexity of corporate transactions has therefore strengthened the need for specialised accounting and investigative procedures capable of identifying and preventing fraudulent financial reporting (Nwanaka, 2022; Osaloni & Ige, 2023).

The manufacturing sector plays a significant role in Nigeria's economic development through employment generation, industrial production, tax contributions and the provision of consumer goods. Food and beverage manufacturing companies operate within complex production, procurement, inventory, distribution and sales processes. These activities create accounting transactions that require effective monitoring and verification. The volume of inventory movements, raw material purchases, production costs, sales transactions, trade receivables and operating expenses may create opportunities for manipulation where internal controls and independent monitoring mechanisms are inadequate. Aina et al. (2025) established that forensic accounting techniques significantly influence fraud prevention in quoted food and beverage manufacturing companies in Nigeria. Similarly, Lawal et al. (2020) found that forensic accounting has a significant effect on fraud detection in the Nigerian manufacturing industry.

Forensic accounting provides an investigative approach to examining financial information, identifying irregularities and obtaining evidence relating to suspected financial misconduct. It

combines accounting knowledge, auditing procedures, investigative techniques and analytical skills to identify inconsistencies in financial records. Unlike conventional auditing, which primarily focuses on expressing an opinion on the fairness of financial statements, forensic accounting places greater emphasis on investigating suspicious transactions, identifying indicators of fraud and supporting the prevention and resolution of financial misconduct. According to Nwanaka (2022), forensic accounting and investigative practices are important for minimising financial statement fraud in food and beverage manufacturing companies because the possibility of investigation can discourage fraudulent activities. Ajagun et al. (2025) also emphasised the relevance of forensic accounting procedures in strengthening fraud detection and prevention in Nigerian public corporations.

Forensic audit is an important component of forensic accounting because it involves the systematic examination of financial records, transactions, accounting estimates and supporting documents to identify irregularities that may indicate fraudulent reporting. It assists in evaluating the authenticity of transactions, examining unusual accounting entries and determining whether financial information is supported by adequate evidence. In addition, forensic data analysis applies analytical procedures and technological tools to large volumes of accounting and operational data to identify unusual patterns, inconsistencies and suspicious transactions. Osaloni and Ige (2023) observed that data mining, data analysis and machine-learning techniques contribute positively to the examination of financial reports in listed manufacturing companies in Nigeria. Aina et al. (2025) similarly identified computer-aided auditing and trend analysis as useful techniques for strengthening fraud prevention in quoted food and beverage companies.

Despite the importance of these practices, financial statement fraud prevention remains a significant corporate governance concern in Nigeria. Some manufacturing companies may have internal audit departments and external auditors without possessing sufficiently developed forensic capabilities to identify sophisticated financial reporting irregularities. Weak transaction monitoring, inadequate analytical tools, ineffective examination of accounting estimates and limited forensic expertise may reduce the effectiveness of existing controls. Oduwole and Oguntuase (2026) demonstrated the importance of forensic accounting intelligence analytics in strengthening proactive fraud prevention, while Amin et al. (2026) highlighted the contribution of data analytics, digital forensics and forensic document examination to financial crime prevention. This study therefore examines the effect of forensic audit and forensic data analysis on the prevention of financial statement fraud in listed food and beverage manufacturing companies in Nigeria.

Statement of the Problem

Financial statement fraud threatens the credibility of corporate reporting and reduces the confidence of investors and other users of accounting information in listed companies. In Nigeria, the complexity of manufacturing operations, the volume of financial transactions and the pressure to achieve corporate performance targets may expose food and beverage manufacturing companies to fraudulent financial reporting practices. Although conventional internal and external auditing mechanisms are established to promote accountability, they may not always provide the specialised investigative procedures and advanced analytical capabilities required to identify sophisticated accounting manipulation. Aina et al. (2025) established that forensic accounting techniques significantly improve fraud prevention in quoted food and beverage manufacturing companies, while Osaloni and Ige (2023) highlighted the contribution of data mining and analytical techniques to the examination of financial reports in listed manufacturing companies. Nevertheless, the continued need for stronger financial reporting controls raises questions about the effectiveness of specific forensic accounting practices in preventing financial statement fraud. In particular, inadequate forensic audit procedures may allow unsupported transactions, irregular journal entries and manipulated accounting estimates to remain undetected, while limited forensic data analysis may prevent companies from identifying unusual transaction patterns and financial reporting anomalies. Furthermore, existing studies have largely focused on general fraud prevention, fraud detection and financial reporting quality rather than the specific number of fraudulent financial reporting cases

prevented before publication of financial statements. This creates a need to examine the individual and joint effects of forensic audit and forensic data analysis on financial statement fraud prevention in listed food and beverage manufacturing companies in Nigeria.

Objectives of the Study

The main objective of this study is to examine the effect of forensic accounting on the prevention of financial statement fraud in listed food and beverage manufacturing companies in Nigeria. The specific objectives are to:

1. Examine the effect of forensic audit on financial statement fraud prevention in listed food and beverage manufacturing companies in Nigeria.
2. Determine the effect of forensic data analysis on financial statement fraud prevention in listed food and beverage manufacturing companies in Nigeria.
3. Evaluate the joint effect of forensic audit and forensic data analysis on financial statement fraud prevention in listed food and beverage manufacturing companies in Nigeria.

Research Questions

1. What is the effect of forensic audit on financial statement fraud prevention in listed food and beverage manufacturing companies in Nigeria?
2. What is the effect of forensic data analysis on financial statement fraud prevention in listed food and beverage manufacturing companies in Nigeria?
3. What is the joint effect of forensic audit and forensic data analysis on financial statement fraud prevention in listed food and beverage manufacturing companies in Nigeria?

Research Hypotheses

H01: Forensic audit has no significant effect on financial statement fraud prevention in listed food and beverage manufacturing companies in Nigeria.
H02: Forensic data analysis has no significant effect on financial statement fraud prevention in listed food and beverage manufacturing companies in Nigeria.
H03: Forensic audit and forensic data analysis have no significant joint effect on financial statement fraud prevention in listed food and beverage manufacturing companies in Nigeria.

Literature Review

Forensic Accounting

Forensic accounting refers to the application of accounting, auditing, investigative and analytical skills to examine financial information and identify evidence of suspected financial misconduct. It involves the examination of financial transactions, accounting records, supporting documents and internal control procedures to establish the accuracy and legitimacy of reported financial information. Forensic accounting goes beyond the routine verification of accounting balances by focusing on unusual transactions, inconsistencies and indicators of deliberate manipulation. Nwanaka (2022) explains that forensic accounting provides investigative support for minimising financial statement fraud, particularly where organisations are exposed to fictitious revenue reporting and other forms of accounting manipulation.

In corporate organisations, forensic accounting strengthens financial reporting oversight by providing specialised procedures for identifying and examining suspicious accounting activities. It involves the use of professional judgement, investigative techniques, transaction analysis and documentary evidence to establish whether reported financial information reflects the actual economic activities of the organisation. Ajagun et al. (2025) identified forensic accounting as an important mechanism for improving fraud detection and prevention in Nigerian public corporations. Similarly, Aina et al. (2025) established that the application of forensic accounting techniques improves fraud prevention and financial integrity in quoted food and beverage manufacturing companies.

Forensic Audit

Forensic audit is a specialised examination of financial records and transactions designed to identify irregularities, establish the existence of suspected fraud and obtain reliable evidence for investigation and accountability. It involves the examination of accounting entries, supporting documents, financial estimates, procurement records, revenue transactions and other relevant financial information. The procedure focuses on identifying inconsistencies between reported transactions and available evidence. Forensic audit also evaluates the adequacy of internal controls and identifies weaknesses that may create opportunities for financial statement manipulation. Lawal et al. (2020) demonstrated the relevance of forensic accounting practices in improving fraud detection in the Nigerian manufacturing industry.

Forensic audit contributes to financial statement fraud prevention by subjecting accounting information to detailed examination before fraudulent transactions result in material misstatements. It encourages scrutiny of unusual journal entries, unsupported adjustments, suspicious revenue recognition and irregular expense classifications. The presence of forensic audit procedures may also discourage management and employees from manipulating accounting records because suspicious transactions are more likely to be investigated. Kadir et al. (2026) reported that forensic auditing practices significantly improve financial fraud prevention among listed financial firms in Nigeria. These findings support the argument that effective forensic audit procedures can improve financial reporting reliability and strengthen corporate accountability.

Forensic Data Analysis

Forensic data analysis involves the use of analytical procedures and technological tools to examine financial and non-financial data for unusual patterns, inconsistencies and indicators of possible fraud. It applies techniques such as trend analysis, ratio analysis, exception reporting, transaction matching, data mining and anomaly identification to examine large volumes of accounting information. These techniques enable forensic accountants to identify transactions that deviate from established patterns and require further investigation. Osaloni and Ige (2023) identified data mining, data analysis and machine-learning techniques as relevant tools for examining financial reports and identifying potential financial manipulation in listed Nigerian manufacturing companies.

The application of forensic data analysis improves financial statement fraud prevention by enabling organisations to identify suspicious transactions and unusual accounting patterns at an early stage. It assists in detecting duplicate payments, unusual journal entries, abnormal changes in financial ratios, unexpected revenue movements and inconsistencies between operational and financial records. Oduwole and Oguntuase (2026) found that forensic accounting intelligence analytics significantly enhance proactive investment fraud prevention in Nigeria. Amin et al. (2026) also identified data analytics as an important component of forensic accounting techniques for financial crime detection and prevention. These studies indicate that analytical tools can strengthen transaction monitoring and improve the identification of potential financial reporting irregularities.

Financial Statement Fraud Prevention

Financial statement fraud prevention refers to the policies, procedures and control mechanisms established to reduce the occurrence of deliberate misrepresentation in corporate financial reports. It involves identifying and addressing conditions that may encourage management or employees to manipulate financial information. Financial statement fraud may occur through fictitious revenue, improper expense recognition, concealed liabilities, manipulated asset valuations, inappropriate accounting estimates and deliberate omission of material information. Prevention therefore requires effective corporate governance, internal controls, independent oversight and specialised fraud-risk assessment. Nwanaka (2022) emphasised that forensic investigation can serve as a deterrent against financial statement fraud, particularly through the investigation of fictitious revenue and other fraudulent reporting practices.

Financial statement fraud prevention is important because it protects the credibility of accounting information and strengthens confidence among shareholders, creditors, regulators and other stakeholders. It also reduces the financial and reputational consequences associated with fraudulent reporting. Aina et al. (2025) found that forensic accounting techniques significantly improve fraud prevention in quoted food and beverage manufacturing companies in Nigeria. However, in the present study, financial statement fraud prevention is measured by the documented number of fraudulent financial reporting cases prevented before the affected financial statements are issued. Such cases must be supported by documentary evidence from internal audit, forensic investigation, compliance or risk-management records. The absence of detected fraud should not automatically be classified as a prevented case.

Effect of Forensic Audit on Financial Statement Fraud Prevention

Forensic audit can improve financial statement fraud prevention by subjecting accounting records and transactions to detailed investigative examination. It enables organisations to identify unsupported transactions, unusual accounting adjustments, suspicious revenue recognition and irregular financial reporting practices. Through the examination of documentary evidence and transaction trails, forensic auditors can identify potential manipulation before it becomes part of the final financial statements. Lawal et al. (2020) found that forensic accounting has a significant effect on fraud detection in the Nigerian manufacturing industry, suggesting that specialised accounting examination can strengthen organisational fraud-control mechanisms.

The preventive contribution of forensic audit also arises from its deterrent effect. When employees and management are aware that financial transactions may be subjected to specialised forensic examination, the likelihood of deliberate manipulation may decline. Forensic audit also assists audit committees and management in strengthening internal controls and correcting weaknesses that create opportunities for financial statement fraud. Kadir et al. (2026) established that forensic auditing practices positively influence financial fraud prevention among listed financial firms in Nigeria. Similarly, Aina et al. (2025) found that forensic accounting techniques improve fraud prevention in quoted food and beverage companies. Therefore, effective forensic audit procedures are expected to increase the number of fraudulent financial reporting cases identified and prevented before publication of the financial statements.

Effect of Forensic Data Analysis on Financial Statement Fraud Prevention

Forensic data analysis contributes to financial statement fraud prevention by improving the identification of unusual patterns and inconsistencies within large volumes of accounting information. It allows organisations to analyse transactions across different periods, departments and operational units to identify activities that deviate from expected financial patterns. In manufacturing companies, analytical procedures can be applied to inventory records, production costs, sales transactions, receivables and supplier payments to identify suspicious movements that may indicate financial reporting manipulation. Osaloni and Ige (2023) demonstrated the relevance of data mining and data analysis techniques to the examination of financial reports in listed manufacturing companies in Nigeria.

Furthermore, forensic data analysis supports timely fraud-risk identification by enabling continuous or periodic examination of accounting data. Automated analytical procedures can identify unusual transactions that may not be easily recognised through routine manual checks. This improves the ability of forensic accountants and internal auditors to concentrate their investigations on transactions with higher fraud-risk indicators. Oduwole and Oguntuase (2026) found that forensic accounting intelligence analytics significantly improve proactive fraud prevention, while Amin et al. (2026) established the relevance of data analytics to financial crime prevention. Consequently, forensic data analysis is expected to improve financial statement fraud prevention by strengthening transaction monitoring and supporting timely corrective action.

Theoretical Review

Agency Theory (Jensen and Meckling, 1976)

Agency Theory, developed by Jensen and Meckling (1976), explains the relationship between principals and agents within an organisation. The theory assumes that shareholders, as principals, delegate decision-making responsibilities to managers, who act as agents. Although managers are expected to act in the best interests of shareholders, differences in objectives, information asymmetry and conflicting interests may create agency problems. Managers may possess more information about the organisation's financial activities than shareholders and may exploit this advantage to manipulate financial information for personal benefits, including improved performance-based rewards and favourable corporate evaluations.

The theory is relevant to this study because forensic audit and forensic data analysis serve as monitoring mechanisms that reduce information asymmetry and strengthen accountability. Forensic audit provides detailed examination of financial transactions, while forensic data analysis improves the identification of unusual accounting patterns and possible manipulation. These practices strengthen the monitoring responsibilities of audit committees and management, thereby reducing opportunities for managers to engage in fraudulent financial reporting. Agency Theory therefore provides a theoretical explanation for the expected positive effect of forensic accounting practices on financial statement fraud prevention.

Empirical Review

Oduwole and Oguntuase (2026) examined the influence of forensic accounting intelligence analytics on multidimensional investment fraud prevention in Nigeria. The study investigated financial data mining analytics, financial net-worth analytics, financial background analytics, financial link analytics and financial predictive analytics. A quantitative cross-sectional survey design was adopted, and data were collected from 219 professional forensic experts in Nigeria. Descriptive statistics and multiple regression analysis were used to analyse the data. The findings revealed that forensic accounting intelligence analytics significantly enhanced investment fraud prevention, although the magnitude of influence varied across the dimensions examined. The study concluded that intelligence-driven analytical techniques strengthen proactive fraud-risk identification.

Garba et al. (2026) investigated forensic accounting skills and financial reporting quality in listed Nigerian deposit money banks. The study adopted a survey research design and administered 98 questionnaires to respondents drawn from listed deposit money banks. Forensic accounting skills were measured through fraud prevention and detection skills, forensic audit and investigation skills, litigation skills, and computer-assisted review and audit skills. The data were analysed using path analysis through SmartPLS. The findings showed that fraud prevention and detection skills, forensic audit and investigation skills, and litigation skills had positive and significant effects on financial reporting quality, while computer-assisted review and audit review did not have a significant effect. The study recommended continuous training and development of internal audit personnel in forensic accounting.

Amin et al. (2026) examined forensic accounting techniques and financial crime detection and prevention in Nigeria's Economic and Financial Crimes Commission. The study focused on data analytics, digital forensics and forensic document examination. It adopted a quantitative cross-sectional survey design and collected data from EFCC personnel involved in investigation, forensic accounting, intelligence, audit and legal functions. The study is relevant because it examines the contribution of analytical and investigative techniques to financial crime detection and prevention. Its focus on forensic data analytics provides a basis for examining the preventive value of analytical procedures in corporate financial reporting.

Eno et al. (2026) investigated forensic accounting techniques and fraud reduction in Nigerian public sector institutions between 2015 and 2025. The study employed panel data from selected ministries, departments and agencies and specified a fixed-effects regression model. The explanatory variables included investigative auditing, data analytics, computer-assisted audit techniques, litigation support

and whistleblowing effectiveness, while fraud reduction served as the dependent variable. The study is relevant to the present research because it considers forensic data analytics and investigative auditing within a longitudinal framework. However, its focus on public sector institutions differs from the listed manufacturing companies considered in this study.

Akeke et al. (2026) examined forensic auditing and fraud detection in public and private tertiary institutions in Cross River State, Nigeria. The study investigated data mining and analytics, document examination and forensic interviewing techniques. A survey research design was adopted, involving a population of 181 internal auditors and bursary staff. Data were collected through a structured questionnaire, while mean, standard deviation and independent-samples t-test were used for analysis. The findings indicated that data mining and analytics, document examination and forensic interviewing techniques contributed positively to fraud detection. The study provides evidence of the relevance of analytical and investigative techniques, although its institutional setting differs from the manufacturing sector.

Kadir et al. (2026) examined forensic auditing and financial fraud prevention among listed financial firms in Nigeria. The study adopted a quantitative cross-sectional survey design and collected primary data from 302 respondents drawn from listed financial firms on the Nigerian Exchange. The data were analysed using Partial Least Squares Structural Equation Modelling. The findings revealed that forensic auditing practices, forensic audit expertise, forensic audit tools and techniques, internal control systems and regulatory compliance had positive and significant effects on financial fraud prevention. The study recommended professional training, investment in digital forensic technologies and stronger internal controls.

Maidarasu et al. (2026) investigated forensic risk assessment and fraud detection in Nigerian listed firms. The study examined the contribution of risk assessment to identifying fraudulent activities and protecting the credibility of corporate financial statements. It adopted a quantitative research design and reported a significant association between forensic risk assessment and fraud detection. The findings suggested that the use of forensic risk assessment tools improves the capacity of listed companies to identify and respond to fraud risks. The study is relevant to the present research because risk assessment and data-driven examination support the preventive objectives of forensic accounting.

Gap in Literature

The reviewed studies establish the relevance of forensic accounting, forensic audit, forensic data analysis and related investigative techniques in improving fraud detection, financial reporting quality and fraud prevention. However, most of the reviewed studies focus on deposit money banks, public sector institutions, financial firms, tertiary institutions and investment fraud. Limited attention is given to the prevention of financial statement fraud in listed food and beverage manufacturing companies in Nigeria. This is important because manufacturing companies have distinctive financial reporting risks associated with inventory valuation, production costs, procurement, revenue recognition and distribution activities.

Furthermore, several existing studies examine broad forensic accounting skills or combine multiple forensic techniques without isolating the individual effects of forensic audit and forensic data analysis on financial statement fraud prevention. The present study addresses this gap by examining these two specific dimensions and measuring financial statement fraud prevention through the number of fraudulent financial reporting cases prevented. It also proposes a panel-data framework covering selected listed food and beverage manufacturing companies over the period 2015–2025. The study therefore contributes to the literature by focusing on a distinct corporate sector, separating the effects of the two forensic accounting practices and adopting a count-based measure of fraud prevention.

METHODOLOGY

The study adopts an ex-post facto research design to examine the effect of forensic accounting on financial statement fraud prevention in selected listed food and beverage manufacturing companies in Nigeria. The proposed sample comprises 10 companies: Cadbury Nigeria Plc, Dangote Sugar Refinery Plc, Flour Mills of Nigeria Plc, Guinness Nigeria Plc, NASCON Allied Industries Plc, Nestlé Nigeria Plc, Nigerian Breweries Plc, PZ Cussons Nigeria Plc, UAC of Nigeria Plc and Unilever Nigeria Plc. The study covers 2015–2025, giving a maximum of 110 firm-year observations (10 companies × 11 years), provided complete records are available. Secondary data are to be obtained from published annual reports, financial statements and relevant internal audit, compliance and forensic investigation records. Forensic audit and forensic data analysis are measured using disclosure and implementation indices, while financial statement fraud prevention is measured by the documented number of fraudulent financial reporting cases prevented before the affected financial statements are issued. Descriptive statistics and Poisson regression are proposed for the analysis because the dependent variable is a count measure.

Analysis and Findings

Descriptive Statistics

Table 1: Descriptive Statistics of the Variables

Variables	Mean	Std. Dev.	Minimum	Maximum	Observations
FSFP	1.655	1.565	0.000	6.000	110
FA	64.071	9.794	39.694	84.875	110
FDA	58.551	12.042	26.449	84.758	110

Source: Author, 2026.

Table 1 presents the descriptive statistics of financial statement fraud prevention (FSFP), forensic audit (FA) and forensic data analysis (FDA). Financial statement fraud prevention has a mean of 1.655 and a standard deviation of 1.565, indicating that the sampled firm-year records have an average of approximately 1.66 documented prevented cases in the illustrative dataset. The minimum and maximum values are zero and six cases respectively. Forensic audit has a mean of 64.071 and a standard deviation of 9.794, suggesting a relatively higher level of forensic audit implementation across the illustrative observations. Similarly, forensic data analysis records a mean of 58.551 and a standard deviation of 12.042. The descriptive results indicate variations in the implementation of forensic accounting practices among the sampled companies and across the study period.

Regression Analysis

Table 2: Poisson Regression Results on the Effect of Forensic Accounting on Financial Statement Fraud Prevention

Variables	Coefficient	Std. Error	z-statistic	p-value
Constant	-2.1417	0.572	-3.743	0.000
Forensic Audit (FA)	0.0252	0.008	3.021	0.003
Forensic Data Analysis (FDA)	0.0164	0.007	2.517	0.012
Model Statistics	**Value**			
Observations	110			
Log-likelihood	-181.920			
Deviance	160.860			
Pearson Chi-square	143.000			
Cox-Snell Pseudo R-squared	0.1941			

Source: Author, 2026.

Table 2 presents the illustrative Poisson regression results. Forensic audit has a positive coefficient of 0.0252 and a p-value of 0.003, which is below the 0.05 significance level. This indicates a positive and statistically significant effect of forensic audit on financial statement fraud prevention in the

illustrative model. Forensic data analysis also has a positive coefficient of 0.0164 and a p-value of 0.012, indicating a positive and statistically significant effect on financial statement fraud prevention. The Cox-Snell Pseudo R-squared of 0.1941 indicates that the model provides a measurable improvement in explaining the observed count outcome relative to an intercept-only model. It should not be interpreted in the same way as the R-squared in an ordinary least squares regression. The results suggest that forensic audit and forensic data analysis jointly contribute to explaining variations in the number of financial statement fraud cases prevented.

Decision on Research Hypotheses

The first and second null hypotheses are rejected based on the illustrative individual coefficient tests. However, the third hypothesis requires a separate joint Wald or likelihood-ratio test of the two explanatory variables. Individual significance does not, by itself, constitute the formal joint significance test.

Discussion of Findings

The illustrative result reveals that forensic audit has a positive and statistically significant effect on financial statement fraud prevention. This suggests that detailed examination of financial records, accounting entries, supporting documents and unusual transactions can strengthen the ability of manufacturing companies to prevent fraudulent financial reporting. The result is consistent with Kadir et al. (2026), who found that forensic auditing practices significantly improve financial fraud prevention among listed financial firms in Nigeria. It also agrees with Garba, Abubakar and Abubakar (2026), whose findings established that forensic audit and investigation skills positively influence financial reporting quality. The result further supports the position of Akeke et al. (2026), who reported that forensic auditing techniques, including document examination and data analytics, contribute positively to fraud detection. These findings reinforce the importance of specialised audit procedures in strengthening the credibility of corporate financial reporting.

The result also indicates that forensic data analysis has a positive and statistically significant effect on financial statement fraud prevention. This implies that analytical examination of financial records can improve the identification of unusual transactions, suspicious accounting patterns and inconsistencies that may indicate fraudulent reporting. The result is consistent with Oduwole and Oguntuase (2026), who established that forensic accounting intelligence analytics significantly enhances investment fraud prevention in Nigeria. It also agrees with Amin et al. (2026), whose study highlights the relevance of data analytics and digital forensic techniques to financial crime detection and prevention. Similarly, Eno, Ukpong and Uwah (2026) examined data analytics and investigative auditing as components of forensic accounting techniques for fraud reduction. The findings suggest that combining forensic audit with analytical procedures can strengthen financial reporting controls and improve the prevention of fraudulent financial statement practices.

CONCLUSION

This study examines the effect of forensic accounting on the prevention of financial statement fraud in listed food and beverage manufacturing companies in Nigeria, focusing on forensic audit and forensic data analysis. The illustrative regression results indicate that both forensic audit and forensic data analysis have positive and statistically significant effects on financial statement fraud prevention. The findings suggest that detailed forensic examination of accounting records and the application of analytical techniques can improve the identification and prevention of fraudulent financial reporting. The study therefore concludes, subject to validation with actual company-level observations, that effective forensic accounting practices can strengthen corporate financial reporting controls, improve accountability and reduce opportunities for financial statement manipulation in listed manufacturing companies in Nigeria.

RECOMMENDATIONS

Based on the illustrative findings, the study recommends that:

1. Management of listed food and beverage manufacturing companies should strengthen forensic audit procedures through regular examination of financial transactions, accounting estimates, journal entries and supporting documents to identify suspicious activities before financial statements are issued.
2. Companies should invest in appropriate forensic data analysis tools and develop the analytical capabilities of internal auditors and forensic accounting personnel to improve the identification of unusual transaction patterns, inconsistencies and potential financial reporting manipulation.
3. Audit committees and boards of directors should strengthen oversight of forensic accounting activities by ensuring that identified irregularities are properly investigated, documented and addressed before they develop into material financial statement misstatements.

REFERENCES

Aina, G. O., Oyetunji, O. T., Lawal, B. A., & Dada, G. A. (2025). Forensic accounting techniques and fraud prevention in quoted food and beverages companies in Nigeria. *NIU Journal of Humanities, 10*(1), 41–51. https://doi.org/10.58709/niujhu.v10i1.2099

Ajagun, O. P., Awogbayila, S. O., & Adeniran, O. S. (2025). Forensic accounting as a tool for fraud detection and prevention in Nigeria: A survey of chosen public corporations in Nigeria. *International Journal of Research and Innovation in Applied Science.* https://doi.org/10.51584/IJRIAS.2025.100700117

Akeke, M. N. G., Iwowo, S. E., Agim, D. A., Ereh, C. O., & Ewum, A. A. (2026). Forensic auditing and fraud detection in Nigeria: Evidence from public and private tertiary institutions in Cross River State. *Educational Research and Reviews, 21*(5), 61–73. https://doi.org/10.5897/ERR2026.4508

Amin, R. O., Aminu, I. Y., & Ene, J. C. (2026). Forensic accounting techniques and financial crime detection and prevention: Evidence from Nigeria's Economic and Financial Crimes Commission. *FUDMA Journal of Accounting and Finance Research, 4*(3), 412–426. https://doi.org/10.33003/fujafr-2026.v4i3.420.412-426

Amin, R. O., Aminu, I. Y., & Ene, J. C. (2026). Forensic accounting techniques and financial crime detection and prevention: Evidence from Nigeria's Economic and Financial Crimes Commission. *FUDMA Journal of Accounting and Finance Research.* https://doi.org/10.33003/fujafr-2026.v4i3.420.412-426

Eno, J. A. B., Ukpong, G., & Uwah, U. E. (2026). Forensic accounting techniques and fraud reduction in Nigerian public sector institutions (2015–2025): An empirical panel data analysis. *Journal of Accounting and Financial Management, 12*(6), 235–249. https://doi.org/10.56201/jafm.vol.12.no6.2026.p235.249

Garba, M. R., Abubakar, S., & Abubakar, N. (2026). An empirical analysis of forensic accounting skills and financial reporting quality in listed Nigerian deposit money banks. *KASU Journal of Accounting Research and Practice, 11*(1), 415–430. https://doi.org/10.68022/kajarap.2026.zwnpmqpc

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behaviour, agency costs and ownership structure. *Journal of Financial Economics, 3*(4), 305–360. https://doi.org/10.1016/0304-405X(76)90026-X

Kadir, A. O., Ismail, J., & Quadri, Y. O. (2026). Forensic auditing and financial fraud prevention among listed financial firms in Nigeria. *Kashere Journal of Accounting and Finance, 6*(1), 70–89.

Kadir, A. O., Ismail, J., & Quadri, Y. O. (2026). Forensic auditing and financial fraud prevention among listed financial firms in Nigeria. *Kashere Journal of Accounting and Finance.*

Lawal, B. O., Yinusa, S. O., Lawal, B. A., Oyetunji, O. T., & Adekoya, A. A. (2020). Forensic accounting and fraud detection: Evidence from manufacturing industry in Nigeria. *KIU Interdisciplinary Journal of Humanities and Social Sciences, 1*(2), 242–264.

Maidarasu, A. U., Hussaini, I., Kumo, U. A., & Saifuddeen, I. (2026). Forensic risk assessment and fraud detection in Nigerian listed firms. *International Journal of Research and Innovation in Applied Science, 11*(1), 457–468. https://doi.org/10.51584/IJRIAS.2026.11010039

Nwanaka, C. (2022). The effect of forensic accounting and financial statement fraud minimization in Nigeria. *BW Academic Journal, 1*(1), 9.

Oduwole, F. R., & Oguntuase, A. T. (2026). Influence of forensic accounting intelligence analytics on multidimensional investment fraud prevention: Evidence from professional forensic experts in Nigeria. *International Journal of Accounting, Finance and Taxation, 3*(2), 75–87.

Osaloni, B. O., & Ige, A. G. (2023). An evaluation of the effect of forensic accounting techniques on financial reports of listed manufacturing companies in Nigeria. *European Journal of Business and Social Sciences.*