ISSN:7161- 7342
Volume 15, Number 2, 2026
International Journal of Accounting & Public Policy

FORENSIC ACCOUNTING TECHNIQUES AND RECOVERY OF PUBLIC FUNDS 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

The recovery of misappropriated public funds remains an important concern in Nigeria because the diversion of government resources undermines public financial accountability, institutional effectiveness and socioeconomic development. Forensic accounting provides specialised investigative and analytical techniques that can assist in identifying financial irregularities, tracing misappropriated resources and supporting legal proceedings aimed at recovering public funds. This paper examines the relationship between forensic accounting techniques and the recovery of public funds in Nigeria from a conceptual and theoretical perspective. Specifically, it discusses forensic investigation, asset tracing and litigation support services as important dimensions of forensic accounting that contribute to the recovery of public resources. The paper adopts a conceptual review approach and draws on existing scholarly literature, relevant theoretical arguments and institutional publications. Deterrence Theory, associated with Becker (1968), provides the theoretical foundation for explaining how the detection of financial misconduct and the possibility of legal consequences can discourage the misappropriation of public resources. The conceptual discussion establishes that forensic investigation facilitates the identification and examination of financial irregularities, asset tracing assists in locating and establishing ownership of assets connected to financial misconduct, while litigation support services strengthen the presentation of financial evidence during legal proceedings. The paper argues that effective public fund recovery requires the coordinated application of these techniques, supported by institutional cooperation, professional competence, reliable financial information and effective judicial processes. It concludes that strengthening forensic accounting practices is essential for improving public financial accountability and recovering misappropriated government resources in Nigeria. The paper recommends improved forensic investigation capacity, stronger asset-tracing mechanisms and enhanced litigation support services within relevant public institutions.

Keywords: Forensic accounting, forensic investigation, asset tracing, litigation support services, recovery of public funds.

INTRODUCTION

Public funds constitute resources generated or controlled by government for the provision of essential services and the promotion of national development. These resources are expected to support public infrastructure, education, healthcare, security, transportation and other government responsibilities. The effective management of public funds is therefore important for improving citizens' welfare and achieving sustainable economic development. However, the misappropriation, diversion and concealment of public resources remain major concerns in Nigeria. Financial misconduct reduces the resources available for government programmes and weakens public confidence in government institutions. Consequently, the recovery of misappropriated public funds has become an important aspect of public financial accountability and anti-corruption administration. The United Nations Convention against Corruption (2003) recognises asset recovery as an important component of international efforts to combat corruption and restore proceeds of unlawful activities. The recovery of public funds requires more than the identification of financial irregularities. It involves establishing the circumstances surrounding the diversion of resources, identifying individuals and organisations connected to the transactions, locating assets acquired through the proceeds of financial misconduct and providing evidence to support appropriate recovery

proceedings. Conventional accounting and auditing procedures may identify financial inconsistencies, but complex financial misconduct often requires more specialised investigative procedures. Forensic accounting addresses this need by combining accounting, auditing, investigation and analytical skills to examine financial transactions and provide evidence that can support administrative and legal processes. Gerson, Brolly and Skalak (2012) explain that forensic accounting investigation focuses on developing detailed factual information from documentary and testimonial evidence concerning suspected financial impropriety. Its application is particularly relevant in situations involving concealed transactions, multiple financial accounts, suspicious asset acquisitions and complex ownership arrangements.

Forensic investigation represents an important technique through which forensic accounting contributes to the recovery of public funds. It involves the systematic examination of accounting records, financial statements, transaction histories and other relevant documents to identify irregularities and establish the movement of public resources. Through forensic investigation, relevant authorities can determine the nature and extent of suspected financial misconduct, identify the parties involved and develop evidence that supports recovery actions. Clayton (2012) identifies document examination, data analysis and account reconciliation as important investigative procedures in forensic accounting. Effective investigation therefore provides the foundation for other recovery activities because the identification of misappropriated resources must be supported by reliable financial information and properly documented findings.

Asset tracing is another important technique in the recovery of public funds because financial misconduct may involve the conversion of diverted resources into properties, investments, business interests and other forms of wealth. The identification of suspicious transactions alone may not result in the recovery of public resources if the assets connected to those transactions cannot be located or linked to the proceeds of financial misconduct. Asset tracing assists in identifying, locating and establishing the ownership or control of such assets. Brun et al. (2020) explain that asset recovery involves strategic, organisational, investigative and legal processes, particularly where proceeds of corruption are concealed in different jurisdictions. Similarly, litigation support services provide specialised accounting assistance during legal proceedings by helping legal practitioners interpret financial evidence, prepare expert reports and establish the financial implications of suspected misconduct (Golden et al., 2012). These techniques complement one another in the recovery process because investigation identifies financial irregularities, asset tracing establishes the location of recoverable resources, while litigation support strengthens the legal process through which recovery is pursued.

In Nigeria, institutions such as the Economic and Financial Crimes Commission (EFCC), Independent Corrupt Practices and Other Related Offences Commission (ICPC) and relevant departments of the Federal Ministry of Justice have responsibilities relating to the investigation of financial misconduct and the recovery of proceeds of crime. The ICPC identifies asset investigation, asset identification, asset tracing, asset recovery and asset management as stages in its recovery activities (Independent Corrupt Practices and Other Related Offences Commission [ICPC], n.d.). The Proceeds of Crime (Recovery and Management) Act 2022 also provides a legal framework for the recovery and management of proceeds of unlawful activities (Federal Republic of Nigeria, 2022). These institutional and legal arrangements demonstrate the importance of coordinated financial investigation and recovery procedures. Nevertheless, the effectiveness of these arrangements depends on the quality of forensic investigation, the capacity to trace assets and the availability of competent litigation support. Recent Nigerian studies have also highlighted the contribution of forensic investigation, asset tracing and expert evidence to financial enforcement and public-sector accountability (Amin et al., 2026; Borle & Nwaiwu, 2026; Abdulwahab et al., 2026). Against this background, this paper examines forensic investigation, asset tracing and litigation support services as conceptual dimensions of forensic accounting that contribute to the recovery of public funds in Nigeria.

Conceptual Review

Forensic Accounting

Forensic accounting refers to the application of accounting, auditing, investigative and analytical skills to examine financial transactions, identify irregularities and provide evidence for legal or administrative proceedings. It combines accounting knowledge with investigative procedures to establish the nature, extent and consequences of suspected financial misconduct. Forensic accountants examine financial statements, accounting records, transaction histories, supporting documents and other relevant information to identify inconsistencies and determine whether financial resources have been diverted or misappropriated. Silverstone and Sheetz (2012) explain that forensic accounting involves specialised accounting activities that can be applied to fraud investigations, business valuation, financial disputes and other matters requiring professional financial analysis. Unlike conventional auditing, which generally focuses on expressing an opinion on financial statements and assessing compliance with established standards, forensic accounting is often directed towards investigating specific allegations, reconstructing financial transactions and developing evidence that can withstand professional and legal scrutiny (Gerson et al., 2012).

The relevance of forensic accounting extends beyond the detection of fraud to include the investigation of financial misconduct, identification of assets, quantification of losses and support for legal proceedings. It is particularly important in the public sector because the misappropriation of government resources may involve complex financial arrangements and transactions that are difficult to establish through routine accounting procedures. Forensic accounting provides techniques for examining suspicious activities, tracing financial flows and establishing relationships between individuals, organisations and assets. Recent studies have demonstrated the relevance of forensic accounting in strengthening public-sector accountability, fraud management and financial enforcement (Borle & Nwaiwu, 2026; Timkat, 2025). Consequently, its application can strengthen public financial accountability and support the recovery of misappropriated public resources.

Forensic Investigation

Forensic investigation is the systematic examination of financial transactions, accounting records and related evidence to identify suspected fraud, misappropriation and other forms of financial misconduct. It involves the application of investigative accounting procedures to establish the origin, movement and destination of financial resources. The process may involve reviewing accounting records, analysing bank transactions, examining procurement documents, reconciling financial information and evaluating supporting evidence. Gerson et al. (2012) distinguish forensic investigation from conventional auditing by emphasising the detailed development of factual information concerning suspected or known financial impropriety. Clayton (2012) also identifies data mining, document examination and account reconciliation as relevant investigative techniques.

In the context of public fund recovery, forensic investigation provides the foundation for identifying the nature and extent of financial misconduct. It assists investigators in determining the amount involved, the transactions through which resources were diverted and the individuals or organisations connected to the activities. It also provides information that can guide asset tracing and the preparation of evidence for legal proceedings. The effectiveness of forensic investigation depends on the competence of investigators, availability of reliable financial records, independence of the investigative process and cooperation among relevant institutions. Amin et al. (2026) and Abdulwahab et al. (2026) emphasise the importance of forensic investigation in strengthening financial enforcement and corruption control. Where these conditions are present, forensic investigation can strengthen the identification of misappropriated resources and improve the possibility of their recovery.

Asset Tracing

Asset tracing refers to the process of identifying, locating and establishing the ownership or control of assets suspected to have been acquired through unlawful financial activities. It involves examining

financial transactions, ownership records, property information, business interests and other relevant sources to establish the relationship between suspicious financial activities and identifiable assets. Asset tracing may involve the examination of financial records, corporate ownership information, property documentation and transaction histories. It is an important component of forensic accounting because the proceeds of financial misconduct may be converted into different forms of assets or transferred through arrangements that make their identification difficult. Brun et al. (2020) explain that asset recovery requires coordinated investigative and legal strategies, especially where stolen assets are concealed across different jurisdictions.

The importance of asset tracing to public fund recovery lies in its ability to connect suspected financial misconduct with identifiable resources that may be subject to lawful recovery procedures. Identifying the amount of money diverted is not sufficient where the resources have been converted into property, investments or other assets. Investigators must also establish the location, ownership and relationship of such assets to the suspected misconduct. Effective asset tracing therefore provides information necessary for asset preservation, forfeiture proceedings and other lawful recovery measures. The ICPC (n.d.) identifies asset tracing as a distinct stage in its asset recovery and management process. Amin et al. (2026) similarly identify asset tracing as an important forensic accounting technique associated with asset recovery and prosecution outcomes.

Litigation Support Services

Litigation support services refer to specialised accounting and financial assistance provided to legal practitioners, investigators and judicial institutions during proceedings involving financial matters. These services include the preparation of expert reports, examination of financial documents, reconstruction of transactions, interpretation of complex accounting information and presentation of expert evidence. Forensic accountants may assist legal practitioners by explaining financial transactions, quantifying losses, identifying inconsistencies in financial records and providing professional opinions on accounting matters. Golden et al. (2012) explain that forensic accounting investigators work with legal practitioners in matters involving investigations, financial reporting concerns and litigation. Litigation support therefore connects forensic accounting investigation with the legal process through which claims relating to misappropriated public resources are established and pursued.

The contribution of litigation support services to public fund recovery is particularly important because financial investigation and asset identification must be supported by evidence that can be properly presented and evaluated during legal proceedings. Forensic accountants assist in organising financial information, explaining the relationship between transactions and suspected misconduct, and preparing reports that communicate complex accounting issues clearly. They may also provide expert testimony where specialised financial knowledge is required. Hopwood, Pacini and Young (2014) discuss the contribution of forensic accountants to the discovery process, preparation of reports and presentation of testimony in legal disputes. Effective litigation support can strengthen recovery claims and improve the quality of legal proceedings. However, its effectiveness depends on professional competence, objectivity, accurate documentation and compliance with relevant legal and evidential requirements.

Recovery of Public Funds

Recovery of public funds refers to the process through which government resources previously lost, diverted, misappropriated or unlawfully acquired are returned to the public treasury or restored to lawful public control. It may involve the return of cash, recovery of properties, forfeiture of assets, enforcement of compensation orders and other lawful measures through which public resources are restored. Public fund recovery is an important component of public financial management because it seeks to restore resources that should have been available for government expenditure and public service delivery. It also reinforces accountability by ensuring that individuals and organisations responsible for financial misconduct are subjected to appropriate legal and administrative

consequences. The United Nations Convention against Corruption (2003) recognises the recovery of assets as a fundamental principle in addressing corruption, while the Proceeds of Crime (Recovery and Management) Act 2022 provides a Nigerian legal framework for the recovery and management of proceeds of crime.

The effectiveness of public fund recovery depends on several interconnected factors, including the quality of financial investigations, availability of reliable evidence, identification of recoverable assets, institutional coordination and the effectiveness of legal proceedings. Recovery may also be affected by delays in judicial processes, inadequate financial information, weak inter-agency cooperation and difficulties associated with assets located in different jurisdictions. Brun et al. (2020) identify investigative, organisational and legal challenges as important considerations in the recovery of stolen assets. Forensic accounting contributes to this process by providing investigative and analytical procedures that support the identification of financial misconduct, tracing of assets and presentation of evidence. The recovery of public funds should also extend beyond the formal declaration of forfeiture to include the proper custody, management, accounting and disposal of recovered assets in accordance with applicable laws (ICPC, n.d.).

Forensic Investigation and Recovery of Public Funds

Forensic investigation contributes to the recovery of public funds by establishing the financial circumstances surrounding the diversion or misappropriation of government resources. Through the examination of accounting records, transaction histories and supporting documents, forensic investigators can identify suspicious financial activities and determine the movement of public resources. The process assists in establishing the nature of financial misconduct, quantifying the resources involved and identifying the individuals or organisations connected to the transactions. These findings provide a foundation for relevant authorities to initiate appropriate recovery procedures and establish claims over misappropriated resources. Gerson et al. (2012) emphasise that forensic investigation focuses on developing factual information from documentary and testimonial evidence, making it relevant to the establishment of financial misconduct.

The relationship between forensic investigation and public fund recovery is also reflected in the quality of evidence developed during the investigative process. An investigation that is properly documented and supported by reliable financial information can strengthen the credibility of recovery claims and provide guidance for subsequent asset-tracing activities. Conversely, incomplete records, inadequate investigative skills and poor documentation may weaken the ability of relevant institutions to establish financial misconduct. Empirical evidence from Borle and Nwaiwu (2026) indicates that forensic investigation services contribute positively to public-sector fraud management integrity. Similarly, Abdulwahab et al. (2026) identify forensic investigation as an important dimension of forensic accounting in corruption control. Forensic investigation is therefore a fundamental component of public fund recovery because it provides the information required to identify misconduct, establish financial responsibility and support the recovery of resources.

Asset Tracing and Recovery of Public Funds

Asset tracing contributes to public fund recovery by identifying and locating resources connected to suspected financial misconduct. Public funds diverted through financial transactions may subsequently be converted into properties, investments, business interests and other forms of wealth. Consequently, the recovery process requires procedures that can establish the relationship between suspicious financial transactions and identifiable assets. Asset tracing helps investigators examine financial flows, ownership information and transaction records to identify resources that may be subject to lawful recovery proceedings. It therefore moves the recovery process beyond identifying the amount of money involved to determining the assets through which the misappropriated resources may be recovered. Brun et al. (2020) explain that tracing and identifying assets are central investigative components of the asset recovery process.

The effectiveness of asset tracing also depends on access to relevant information, professional expertise and cooperation among institutions responsible for financial investigation and asset recovery. The identification of assets may require information from financial institutions, property registries, corporate records and other relevant sources. Where such information is accessible and properly examined, the authorities can develop a clearer understanding of the location and ownership of recoverable resources. The ICPC (n.d.) includes asset tracing in its institutional recovery process, while Amin et al. (2026) report that asset tracing contributes positively to asset recovery and prosecution success. Asset tracing is therefore an important component of public fund recovery because it provides the information required to identify, preserve and pursue assets connected to financial misconduct.

Litigation Support Services and Recovery of Public Funds

Litigation support services contribute to the recovery of public funds by assisting in the preparation, interpretation and presentation of financial evidence during legal proceedings. Financial investigations may reveal suspicious transactions and identify assets connected to suspected misconduct, but such findings must be properly documented and presented to support recovery claims. Forensic accountants provide specialised assistance through the preparation of expert reports, reconstruction of financial transactions, quantification of losses and explanation of complex accounting information. These services help legal practitioners and judicial institutions understand the financial issues involved in recovery proceedings. Golden et al. (2012) explain that forensic accounting investigators provide assistance to legal practitioners in investigations and litigation involving financial matters.

The relationship between litigation support services and public fund recovery also depends on the reliability and clarity of financial evidence. Properly prepared reports and professional expert assistance can strengthen the presentation of recovery claims and improve the understanding of financial transactions during legal proceedings. On the other hand, poorly documented evidence, inaccurate financial calculations and inadequate expert assistance may weaken recovery efforts. Hopwood et al. (2014) highlight the importance of forensic accountants in developing financial analyses, communicating findings and providing effective testimony during legal disputes. Similarly, Abdulwahab et al. (2026) identify litigation support as an important dimension of forensic accounting in corruption control. Litigation support services therefore complement forensic investigation and asset tracing by providing the professional accounting assistance required to translate investigative findings into evidence that can support lawful recovery decisions.

Theoretical Framework

Deterrence Theory (Becker, 1968)

This paper is anchored on Deterrence Theory, associated with Becker (1968), which explains how individuals make decisions concerning unlawful activities by considering the expected costs and benefits of their actions. The theory proposes that individuals may be discouraged from engaging in illegal activities when the likelihood of detection and the consequences of punishment are sufficiently significant. It considers the relationship between the expected gains from unlawful conduct and the potential costs associated with detection, prosecution and punishment. In the context of public financial management, the theory suggests that effective investigative and enforcement mechanisms can discourage the misappropriation of public resources by increasing the likelihood that financial misconduct will be identified and addressed.

Deterrence Theory is relevant to this paper because forensic accounting techniques strengthen the mechanisms through which financial misconduct can be detected, investigated and subjected to legal action. Forensic investigation improves the identification and examination of suspicious financial transactions, asset tracing increases the possibility of locating resources connected to financial misconduct, while litigation support services strengthen the presentation of financial evidence during legal proceedings. When these techniques operate effectively, individuals involved

in the diversion of public resources may face a greater likelihood of detection and legal consequences. Amin et al. (2026) also adopted Deterrence Theory in examining forensic accounting techniques and enforcement outcomes within the EFCC. The theory therefore provides a basis for explaining how forensic accounting techniques can promote accountability, support public fund recovery and discourage future financial misconduct in Nigeria.

Relevance and Limitation of the Theory

The relevance of Deterrence Theory to the recovery of public funds lies in its explanation of how effective investigation and enforcement can influence the behaviour of individuals responsible for managing public resources. Where financial misconduct is detected and the proceeds are successfully recovered through appropriate legal procedures, the expected benefits of misappropriation may be reduced. Forensic accounting techniques strengthen this process by improving the identification of irregularities, locating assets and supporting the presentation of evidence. The theory therefore explains the preventive and corrective roles of forensic accounting in public financial management (Becker, 1968).

However, deterrence alone does not fully explain the institutional and professional conditions required for successful public fund recovery. The existence of laws and possible sanctions does not automatically guarantee that misappropriated resources will be identified or recovered. Recovery also depends on investigative competence, reliable financial information, institutional cooperation, asset-management procedures and judicial efficiency. Brun et al. (2020) identify organisational, investigative and legal coordination as important considerations in effective asset recovery. Consequently, the application of Deterrence Theory in this paper is complemented by the conceptual argument that forensic investigation, asset tracing and litigation support services must operate together within an effective institutional and legal framework.

Empirical review

Amin et al. (2026) examined forensic accounting techniques and enforcement outcomes within the Economic and Financial Crimes Commission. Their study considered data analytics and asset tracing in relation to asset recovery and prosecution success. The findings indicated that data analytics had a positive and significant effect on asset recovery, while asset tracing had positive and significant effects on both asset recovery and prosecution success. The study demonstrates the importance of specialised financial investigation techniques in improving enforcement outcomes and provides relevant evidence on the contribution of asset tracing to public fund recovery.

Borle and Nwaiwu (2026) examined forensic accounting practices and fraud reduction in the Nigerian public sector, focusing on forensic investigation services and expert witnessing. Their findings indicated that forensic investigation services and expert witnessing contributed positively to fraud management integrity. The study highlights the importance of investigative accounting and professional evidence in strengthening public-sector accountability. Its contribution is relevant to the present discussion because the recovery of public funds depends on the ability to investigate financial misconduct and establish reliable evidence.

Abdulwahab et al. (2026) examined forensic accounting and corruption control in Nigerian public-sector institutions. Their study considered forensic investigation, litigation support and whistleblowing in relation to corruption control. The findings identified forensic investigation as an important contributor to corruption control, followed by litigation support and whistleblowing. The study provides support for the argument that investigative and legal-support techniques are relevant to strengthening institutional accountability and addressing financial misconduct.

Onimisi and Jugu (2026) investigated the effects of forensic accounting techniques on fraud investigation effectiveness in Plateau State ministries, departments and agencies. The study focused on computer-assisted audit techniques and forensic data analytics. The findings indicated that these techniques contributed positively to investigation effectiveness. The study demonstrates the

importance of technology-supported financial examination and analytical procedures in identifying financial irregularities within public institutions.

Kolawole (2026) examined forensic accounting investigation in the recovery of looted funds in Nigeria. The study discussed the contribution of forensic investigation to the detection and tracing of illicit financial flows and the recovery of public resources. It also identified challenges associated with judicial delays, inadequate inter-agency cooperation and limited technological capacity. These issues reinforce the need for a coordinated approach to financial investigation and public fund recovery.

Obah (2026) examined the role of forensic accountants in fraud investigation among selected anti-corruption agencies in the South-East geopolitical zone of Nigeria. The study considered investigative accounting skills, litigation support and digital evidence analysis in relation to fraud investigation outcomes and asset recovery. Its findings highlighted the importance of professional forensic accounting competencies in supporting investigations and recovery-related activities. The study is relevant because the successful recovery of public resources requires the integration of financial investigation with appropriate legal and evidential procedures.

Lawal et al. (2026) investigated forensic accounting techniques and fraud detection in the Lagos State public sector. The study examined investigative tools, litigation support, digital analysis and data mining in relation to fraud detection and recovery-related outcomes. The study highlighted the importance of specialised forensic accounting procedures in detecting financial irregularities and managing financial losses in public institutions. Its focus on litigation support and investigative techniques provides additional support for the relevance of forensic accounting in public-sector accountability.

The reviewed literature demonstrates that forensic investigation, asset tracing, digital financial analysis and litigation support are important to the identification and management of financial misconduct. However, the literature also reveals that these techniques are frequently examined in relation to different outcomes, including fraud detection, corruption control, investigation effectiveness and enforcement success. Amin et al. (2026) focused on enforcement outcomes and asset recovery, while Borle and Nwaiwu (2026) examined fraud reduction and forensic investigation services. Abdulwahab et al. (2026) concentrated on corruption control, whereas Kolawole (2026) specifically considered the recovery of looted funds. The present paper brings the three dimensions of forensic investigation, asset tracing and litigation support services together within a single conceptual discussion of public fund recovery. Its emphasis is on explaining how these techniques complement one another in the recovery process and the institutional conditions required for their effective application.

Conceptual Relationship

The framework establishes that forensic investigation, asset tracing and litigation support services are complementary rather than isolated techniques. Forensic investigation establishes the financial facts surrounding suspected misconduct. Asset tracing builds on the investigative findings by identifying and locating assets connected to the transactions. Litigation support services assist in presenting the resulting financial evidence through appropriate legal procedures. Together, these techniques provide an integrated approach to the recovery of public funds.

Figure 1: Conceptual Framework of Forensic Accounting Techniques and Recovery of Public Funds

Forensic Accounting Techniques:

1. Forensic Investigation
2. Asset Tracing
3. Litigation Support Services

Each of the three dimensions contributes to:

Recovery of Public Funds

The relationship can be expressed conceptually as:
Forensic Investigation → Recovery of Public Funds
Asset Tracing → Recovery of Public Funds
Litigation Support Services → Recovery of Public Funds

DISCUSSION

The conceptual discussion establishes that forensic investigation is fundamental to the recovery of public funds because it provides the financial information required to identify and establish suspected misconduct. The recovery of misappropriated resources begins with the identification of suspicious transactions and the examination of relevant accounting records. Without a properly conducted investigation, it may be difficult to establish the amount involved, determine how the resources were diverted or identify the parties connected to the transactions. Forensic investigation therefore provides the foundation for the recovery process by developing the financial evidence required for subsequent actions. This position is consistent with Gerson et al. (2012), who emphasise the development of detailed factual information in forensic investigations, and with Borle and Nwaiwu (2026), who identify forensic investigation as an important component of public-sector fraud management.

Asset tracing complements forensic investigation by establishing the location and ownership of resources connected to suspected financial misconduct. Financial investigation may establish that public funds have been diverted, but the recovery process requires additional information about the assets through which the resources may be recovered. Asset tracing provides this information by examining financial flows, ownership records and related transactions. The process is particularly important where diverted resources have been converted into properties, investments or other forms of wealth. Brun et al. (2020) explain that asset recovery requires coordinated investigative and legal strategies, while Amin et al. (2026) demonstrate the relevance of asset tracing to asset recovery and enforcement outcomes. Consequently, the effectiveness of public fund recovery depends not only on the identification of financial misconduct but also on the ability to locate and establish claims over recoverable assets.

Litigation support services provide the legal and evidential connection between forensic investigation, asset tracing and the actual recovery of public resources. Financial information and asset-tracing findings must be properly documented and presented to support recovery proceedings. Forensic accountants assist by preparing expert reports, explaining financial transactions, quantifying losses and providing professional opinions on accounting matters. Their contributions can strengthen the presentation of financial evidence and assist legal practitioners and judicial institutions in understanding complex financial issues. Golden et al. (2012) and Hopwood et al. (2014) identify the contribution of forensic accountants to legal investigations, financial reporting and expert evidence. Without adequate litigation support, investigative findings may not be effectively translated into successful recovery actions.

The three techniques are therefore interdependent and should be applied as complementary components of a coordinated recovery process. Forensic investigation establishes the financial facts, asset tracing identifies the resources connected to the misconduct, and litigation support services strengthen the legal process through which recovery is pursued. Their effectiveness, however, depends on the institutional environment within which they operate. Access to financial information, professional competence, inter-agency cooperation, technological capacity and judicial efficiency are important conditions for successful recovery. The ICPC (n.d.) identifies investigation, identification, tracing, recovery and management as connected stages of its asset recovery activities. Strengthening the relationship among anti-corruption agencies, financial institutions, relevant government departments and judicial institutions can therefore improve the application of forensic accounting techniques and support the restoration of misappropriated public resources.

Challenges Affecting The Application Of Forensic Accounting Techniques In Public Fund Recovery In Nigeria

Inadequate Forensic Investigation Capacity

The effective application of forensic accounting requires professionals with specialised knowledge of accounting, auditing, financial investigation and legal evidence. Inadequate training and limited access to specialised investigative resources may reduce the ability of public institutions to examine complex financial transactions. Gerson et al. (2012) highlight the specialised factual and evidential demands of forensic investigations. Strengthening professional competence is therefore important for improving the quality of financial investigations and supporting recovery activities.

Difficulties in Identifying and Tracing Assets

Assets connected to financial misconduct may be held through complex ownership arrangements, transferred between different individuals or organisations, or located outside the jurisdiction where the investigation originated. These circumstances may complicate the process of establishing ownership and locating recoverable resources. Brun et al. (2020) identify cross-border asset recovery as a process involving significant investigative and legal challenges. Effective asset tracing requires reliable information, appropriate investigative capacity and cooperation among relevant institutions.

Weak Institutional Coordination

Public fund recovery may involve several institutions with different responsibilities relating to investigation, asset identification, prosecution, forfeiture and asset management. Inadequate coordination may lead to fragmented information, duplication of responsibilities and delays in recovery activities. The asset recovery framework discussed by Brun et al. (2020) emphasises the importance of coordinated institutional and investigative approaches. Effective collaboration among relevant institutions is therefore necessary to improve the movement of information and the coordination of recovery procedures.

Judicial Delays and Evidential Challenges

The recovery of public funds may require judicial proceedings through which ownership claims, forfeiture applications and other legal issues are determined. Delays in legal proceedings and weaknesses in the documentation or presentation of financial evidence may affect the effectiveness of recovery activities. Hopwood et al. (2014) highlight the importance of effective preparation and communication of forensic evidence during litigation. Appropriate litigation support and efficient judicial processes are therefore important for strengthening the recovery of public resources.

Inadequate Technology and Financial Information

Modern financial transactions may involve electronic payments, digital records and complex transaction patterns. Limited access to appropriate technology and reliable financial information may restrict the ability of investigators to examine transactions and identify assets. Clayton (2012) identifies data mining, document review and account reconciliation as relevant investigative procedures. Investment in appropriate financial investigation systems and improved information-sharing arrangements can strengthen forensic accounting practices.

Weak Management of Recovered Assets

Public fund recovery does not end with the identification or forfeiture of assets. Recovered resources must also be properly documented, secured, managed and accounted for. Weak asset management arrangements may create further accountability concerns and reduce the public benefit derived from recovery activities. The ICPC (n.d.) recognises asset management as a stage in the recovery process, while Brun et al. (2020) discuss the organisational arrangements required for effective asset

recovery. Effective asset management procedures are therefore necessary to ensure that recovered resources are preserved and handled in accordance with applicable laws.

CONCLUSION

This paper examines the relationship between forensic accounting techniques and the recovery of public funds in Nigeria from a conceptual and theoretical perspective. It establishes that forensic investigation, asset tracing and litigation support services are important and complementary techniques for strengthening the recovery of misappropriated public resources. Forensic investigation assists in identifying financial irregularities and establishing the circumstances surrounding the diversion of public funds. Asset tracing facilitates the identification and location of assets connected to financial misconduct, while litigation support services strengthen the presentation of financial evidence during legal proceedings. The paper concludes that effective public fund recovery requires the coordinated application of these techniques within a supportive institutional and legal framework. Strengthening forensic accounting capacity, improving inter-agency cooperation and ensuring effective management of recovered assets are important for promoting public financial accountability and restoring resources lost through financial misconduct in Nigeria.

RECOMMENDATIONS

Based on the conceptual discussion, the following recommendations are made:

1. **Strengthening forensic investigation capacity:** Government and relevant anti-corruption institutions should invest in continuous professional training, specialised investigative resources and appropriate financial analysis systems. This will improve the capacity of forensic accountants and investigators to identify financial irregularities, reconstruct transactions and develop credible evidence for recovery proceedings.
2. **Improving asset tracing mechanisms:** Relevant institutions should strengthen asset-tracing procedures through improved access to financial and ownership information, effective information-sharing arrangements and cooperation with relevant domestic and international institutions. This will improve the identification and location of assets connected to financial misconduct and support lawful recovery activities.
3. **Enhancing litigation support services:** Anti-corruption institutions should engage competent forensic accounting professionals to provide expert reports, financial analysis and other specialised assistance during legal proceedings. This will improve the quality of financial evidence and strengthen the presentation of recovery claims.
4. **Promoting institutional collaboration:** The EFCC, ICPC, Federal Ministry of Justice, Office of the Auditor-General for the Federation and other relevant institutions should improve coordination in the investigation, identification, recovery and management of public assets. Effective collaboration will reduce information gaps and improve the overall recovery process.
5. **Strengthening recovered asset management:** Government should ensure that recovered funds and properties are properly documented, secured, managed and accounted for in accordance with applicable laws. This will promote transparency and ensure that recovered resources are preserved for legitimate public purposes.

REFERENCES

Abdulwahab, A. I., Muhammad, M. M., & Enebi, K. D. (2026). Forensic accounting and corruption control in Nigerian public sector institutions. *KASU Journal of Accounting Research and Practice, 11*(2).

Amin, R. O., Aminu, I. Y., & Ene, J. C. (2026). Beyond investigation: Forensic accounting techniques and enforcement outcomes in the Economic and Financial Crimes Commission. *Journal of Contemporary Accounting and Finance, 1*(2), 58–67. https://doi.org/10.33003/jocaf-2026.v1i2.26.58-67

Becker, G. S. (1968). Crime and punishment: An economic approach. *Journal of Political Economy, 76*(2), 169–217.

Borle, L. M., & Nwaiwu, J. N. (2026). Forensic accounting practices and fraud reduction in the public sector in Nigeria. *Global Journal of Engineering and Technology Advances, 28*(1), 177–193. https://doi.org/10.30574/gjeta.2026.28.1.0188

Brun, J.-P., Sotiropoulou, A., Gray, L., & Scott, C. (2020). *Asset recovery handbook: A guide for practitioners* (2nd ed.). World Bank.

Clayton, M. M. (2012). Investigative techniques. In T. W. Golden, S. L. Skalak, M. M. Clayton, & J. S. Pill (Eds.), *A guide to forensic accounting investigation* (2nd ed.). John Wiley & Sons. https://doi.org/10.1002/9781119200048.ch14

Federal Republic of Nigeria. (2000). *Corrupt Practices and Other Related Offences Act, 2000*.

Federal Republic of Nigeria. (2002). *Economic and Financial Crimes Commission (Establishment) Act, 2002*.

Federal Republic of Nigeria. (2022). *Proceeds of Crime (Recovery and Management) Act, 2022*.

Gerson, J. S., Brolly, J. P., & Skalak, S. L. (2012). The roles of the auditor and the forensic accounting investigator. In T. W. Golden, S. L. Skalak, M. M. Clayton, & J. S. Pill (Eds.), *A guide to forensic accounting investigation* (2nd ed.). John Wiley & Sons. https://doi.org/10.1002/9781119200048.ch3

Golden, T. W., Dyer, M. T., & Andreassen-Henderson, S. (2012). Working with attorneys. In T. W. Golden, S. L. Skalak, M. M. Clayton, & J. S. Pill (Eds.), *A guide to forensic accounting investigation* (2nd ed.). John Wiley & Sons. https://doi.org/10.1002/9781119200048.ch20

Hopwood, W., Pacini, C., & Young, G. (2014). Fighting discovery abuse in litigation. *Journal of Forensic & Investigative Accounting, 6*(2).

Independent Corrupt Practices and Other Related Offences Commission. (n.d.). *Proceeds of crime, recovery and management*. https://icpc.gov.ng/asset-tracing/

Kolawole, T. O. (2026). Analysis of forensic accounting investigation in the recovery of looted funds in Nigeria. *SustainE, 3*(2). https://doi.org/10.55366/suse.v3i2.6

Lawal, B. A., Oyetunji, O. T., Akinwonmi, T. A., & Enerson, J. (2026). Forensic accounting techniques and fraud detection: Evidence from Lagos State public sector. *Business and Finance Journal, 17*(1), 79–94.

Obah, G. S. (2026). Role of forensic accountants in fraud investigation: An empirical study of selected anti-corruption agencies in Nigeria (South-East Zone). *World Journal of Advanced Research and Reviews, 32*(1), 1696–1701. https://doi.org/10.30574/wjarr.2026.32.1.2718

Onimisi, M. G., & Jugu, Y. G. (2026). Effects of forensic accounting techniques on fraud investigation effectiveness in Plateau State MDAs. *Nigerian Accounting Horizon Journal*, 123–139. https://doi.org/10.67862/nahj.2026.ahi1bzc0

Silverstone, H., & Sheetz, M. (2012). Forensic accounting. In H. Silverstone, M. Sheetz, S. Pedneault, & F. Rudewicz (Eds.), *Forensic accounting and fraud investigation for non-experts* (3rd ed.). John Wiley & Sons.

Timkat, N. P. (2025). An evaluation of forensic accounting techniques on public funds management in Nigeria. *Nigerian Accounting Horizon Journal, 10*(2), 221–230. https://doi.org/10.67862/nahj.2025.1xj5pnsw

United Nations. (2003). *United Nations Convention against Corruption*. United Nations Office on Drugs and Crime.