International Journal of Business and Technical Education
(A Journal of The School of Business Studies, The federal Polytechnic Ado-Ekiti)
Jacob et al., Vol 1. No. 1, (2025)
https://sbsijbtefpa.com/index.php/ijbte

Forensic Accounting and Fraud Detection in Deposit Money Banks (DMBS) in Nigeria

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Abstract

This study investigated the effect of forensic accounting on fraud detection in listed deposit money banks in Nigeria. The study specifically employed three key independent variables of usefulness of adopting forensic accounting (UAFA); adherence with forensic accounting practices (AFAP), and effectiveness of forensic accounting processes (EDAP) to proxy forensic accounting, while the dependent variable was measured with trends in fraud detection (TFD). Employing a quantitative approach, the study utilized secondary data sourced from financial statements inno, regulatory reports, and documentary analyses of selected banks covering the period of 2011 to 2023. Preliminary tests were conducted using the Augmented Dickey-Fuller to determine the level of integration of the variables of interest. Subsequently, upon the finding of the unit root test, the data were estimated using multiple regression analysis. Results indicated the beneficial effects of integrating forensic accounting practices, demonstrating a positive correlation between adherence to forensic accounting principles and enhanced fraud detection within listed deposit money banks in Nigeria. The study concluded that investing in forensic accounting is crucial for bolstering fraud detection efforts within these banks. It was then recommended that banks should prioritize training and development programs to enhance the forensic accounting skills of internal staff.

Keywords: *Deposit Money Banks, Forensic Accounting, Fraud Detection, Accounting Principles, Financial Statement*

1. Introduction

The Nigerian banking sector has experienced a notable increase in fraudulent activities recently, posing significant risks to both financial stability and investor confidence. Despite regulatory measures aimed at curbing fraud, perpetrators continue to exploit weaknesses in the system, necessitating a proactive approach to detecting and preventing fraudulent behavior. Forensic accounting, a specialized field that integrates accounting, auditing, and investigative techniques, offers a promising avenue for uncovering financial irregularities and fraudulent schemes. However, its application within the Nigerian banking sector remains relatively unexplored, highlighting the need for empirical research to evaluate its effectiveness in combating fraud within listed deposit money banks (Garcia et al, 2024: Agboare, 2021).

Deposit money banks (DMBs) in Nigeria have a history of financial scandals dating back to the 1930s, including instances of bank failures and acquisitions. These crises emphasize the importance

of robust financial oversight and accountability within the banking industry (Ojo-Agbodu, 2022). Although the Central Bank of Nigeria (CBN) has consistently raised the minimum capital requirements for banks, the lack of implementation of forensic accounting practices has been identified as a significant factor contributing to financial fraud and instability, ultimately affecting managerial performance. However, adopting forensic accounting techniques among listed deposit money banks in Nigeria could potentially mitigate risks, enhance transparency, and improve overall financial performance. Forensic accountants play a critical role in detecting and preventing fraud by providing specialized accounting expertise and investigative skills to regulatory authorities (Okpala & Enwefa, 2017). Given the rising prevalence of fraud and financial crimes within the banking sector, the services of forensic accountants are essential for uncovering hidden financial misappropriations and fraudulent activities, both within the industry and beyond.

The increasing frequency of fraud in Nigeria's banking sector highlights the urgency of strengthening existing fraud detection mechanisms (Khersiat, 2018). Traditional audit methods may not adequately address the sophisticated nature of financial crimes, leading to undetected fraudulent activities that undermine the credibility of financial institutions. Therefore, there is a critical need to assess the potential of forensic accounting techniques in enhancing fraud detection capabilities within listed deposit money banks. Empirical studies examining the effectiveness of forensic accounting in fraud detection have produced mixed findings (Ojo-Agbodu et al., 2022).

While some research has explored the correlation between forensic accounting techniques and improved fraud detection capabilities, such as Beasley et al (2014), Olaoye and Dada (2017), Khersiat (2018), Yahaya et al (2018), Olaleye and Fashina (2019), Smith et al (2022), Ojo-Agbodu, et al (2022), Chen et al (2023), and Garcia et al (2024), these studies have not collectively considered all relevant variables. Furthermore, limited empirical evidence exists regarding the application of forensic accounting specifically within the Nigerian banking sector, warranting further investigation. This research aims to address these gaps by conducting a comprehensive empirical analysis tailored to the unique challenges of the Nigerian banking environment.

The primary objective of this study is to investigate the effect of forensic accounting on fraud detection in listed deposit money banks in Nigeria, while the study aimed to specifically: determine the usefulness of adopting forensic accounting practices on fraud detection in listed deposit money banks; assess the impact of forensic accounting practices on fraud detection in listed deposit money banks; and examine the effectiveness of forensic accounting processes on fraud detection in listed deposit money banks.

This study is divided into five key sections starting with the introduction that contains background, statement of problem, gap in the literature and objectives of the study. The second section reviewed the literature through conceptual review, theoretical review and empirical review. The methods employed in carrying out the investigation was in section three, while section four was results presentation and discussion and section five has conclusion and recommendations.

2. Literature Review

2.1. Conceptual Review

2.2. Forensic Accounting

Forensic accounting entails employing investigative methods to uncover financial irregularities, fraud, and misconduct within organizations (Bassey, 2018). In the banking sector, techniques like data analytics, forensic auditing, and fraud examination are pivotal in detecting and addressing fraudulent activities, thereby protecting stakeholders' interests. Chen et al (2023) further affirm that forensic accounting applies accounting principles and investigative techniques to reveal financial fraud and irregularities.

Professional forensic accountant as an investigator is seen as he who is expert in fraud detection, especially in accurately documenting the kind of evidence needed for a successful criminal prosecution. In addition, he should be able to work in challenging regulatory and litigation atmosphere (Claire & Jude, 2016). Forensic Accountant is thus expected to work with reasonable accuracy and be able to reconstruct the destroyed, missing or deceptive accounting records. Meanwhile, he should be effective at economic and financial loss, social harm and good in estimating damage as well as being familiar with the assumptions, opportunity cost situations, algorithm and econometric models computations (Owojori & Asaolu, 2009). He should also be able to quantify and measure fictitious assets such as loss of reputation and goodwill. As an evaluator, forensic accountants should also be capable of reliably expressing expert opinion on issues of business value in line with the generally accepted presumption.

Therefore, forensic accountant should be effective in evaluating the historical and predicted level of risks and returns of any going concern all financial transactions connecting to contract, assets, valuation of asset and liabilities, equities, property taxes etc (Mukorol, et al., 2013). Obviously, conventional auditors may not adequately present a good witness in a court, and are sometime more of hindrance than help for law enforcement. Therefore, in an event of suspected fraud, forensic accountants are more relevant and helpful in detecting fraud. For that reason, forensic accountant should possess special skills and training that can equip him in playing his roles as expert witness and fraud investigator.

2.3. Fraud Detection and Prevention

Fraud refers to human behaviour that entails deceit and strong desire and for trust violating. Fraud can be termed as non-violent crime and unlawful activity committed with the desire of getting wealth illegally either individually or in group in a planned manner. This act violates the existing government legislation and its economic activities and administration. Enofe et al. (2013) also see fraud as an organised complicated process generally undertaken by a person or a group with the full desire of cheating an individual or organisation to get ill-gotten benefits. Kasum (2009) affirm that forensic accountants need exceptional skills, professional knowledge and training that is beyond acquired academic degree. They also noted that for forensic accountants to be effective they must attain relevant level of skills and knowledge.

Fraud encompasses intentional deception or misrepresentation of financial information for personal gain or to conceal unlawful activities (Johnson, 2018). Nwaiwu & Aaron (2018) outline common types of fraud encountered in banking, including embezzlement and identity theft, necessitating robust internal controls and effective fraud detection mechanisms (Ogundana et al., 2018). Regarding fraud detection within the banking sector, Garcia, Rodriguez & Martinez (2024) accentuate the vital role of forensic accountants in identifying fraudulent transactions, analyzing financial data, and offering expert testimony in legal proceedings. Traditionally, fraud detection

relied on internal controls, audits, and whistleblower reports (Ojo-Agbodu et al., 2022). However, advancements in technology have led to the development of more sophisticated fraud detection techniques, including predictive modeling and anomaly detection algorithms (Okoli & Ezeani, 2019).

Fraud Prevention entails formation of a culture of honesty, sincerity and assistance to ensure elimination or drastic reduction in the level of fraud occurrence. Enofe et al (2015) noted that one major way to successful fraud prevention is to focus on organization's traditions and adopt strategies to make it fraud free or low fraud environment. This can be accomplished through identifying the root causes, blocking the loopholes identifying the lacuna being exploited by the perpetrators and above all workers' welfare must be taken care of properly. Forensic accountant needs specialist and professional skills to be effective in the performance of his duties. Olajide (2014) affirmed that for a forensic accountant to effectively prevent fraud, he should possess knowledge, skills and competencies in the following areas: accounting, auditing and investigation skills; criminology particularly leaning to the nature, scope, dynamics of fraud and financial crimes, the legal, regulatory, professional environment and technical issues; and forensic and litigation consultative services, including research and analysis validation of losses, liabilities and damage investigation as well as conflict resolution.

2.4. Theoretical Framework

Fraud Triangle Theory

This theory was developed in 1950s by Donald, R. Cressey, a criminologist who studied embezzlers and other white-collar criminals like bank personnel. The central theme of fraud triangle theory focused on key three concepts of pressure, opportunity and rationalization, hence, the name "triangle". According to Cressey (1953), trusted persons become trust violated when they conceive of themselves as having a financial problem that is not shareable, are aware this problem can be resolved secretly by violation of the position of financial trust and are able to apply to their own conduct in their situation verbalizations which enable them to adjust their conceptions of themselves as trusted persons with their conceptions of themselves as users of the entrusted funds or properties.

The theory holds the opinion that pressure otherwise known as incentive refers to the motivation or need to commit fraud. In most cases, those perpetrating these frauds believe they have personal financial problems and challenges which justify their involvement in committing frauds. They believe their financial needs could not be satisfied with their legitimate income and resources; hence they resort to fraud activities to meet their needs. It is intrusive to note that pressure is often internal and personal, making it difficult for organizations to detect. In Nigerian context, most staff of deposit money banks are facing the challenge of undue pressure from family and friends who depend on them for financial assistance which could tempt the staff to engage in fraudulent activities (Chen et al, 2023).

Besides, when and where the environment presents an enticing opportunity to commit fraud, personnel would naturally exploit such opportunities to engage in fraudulent activities. By opportunity, this means ability to commit fraud without detection. Even if a person is under pressure, they cannot act unless an opportunity exists. Weak or absence internal controls, poor

oversight, poor segregation of duties, inadequate supervision or monitoring, access to sensitive systems or assets, management override of controls or lack of audit create opportunity for fraud. This is the element that organizations can most effectively control or reduce through good governance and internal controls (Agboare, 2021).

Rationalization is the third element of fraud triangle theory. Cressey (1953) defined rationalization as the justification the fraudsters use to convince themselves that the fraudulent act is acceptable. This is critical because most fraudsters do not view themselves as criminals. Rationalization allows individuals to maintain their self-image while committing unethical or illegal act. Fraud triangle theory helps auditors and forensic accountants' access where pressure exist, whether opportunities are present and what types of rationalization may be common in a company or individual. This theory remains the most influential and widely used model in fraud prevention and forensic accounting. By addressing each side of the triangle, an organization can build effective fraud risk management systems and reduce their exposure to fraudulent activities.

2.5. Empirical Review

Rationalization is the third element of fraud triangle theory. Cressey (1953) defined rationalization as the justification the fraudsters use to convince themselves that the fraudulent act is acceptable. This is critical because most fraudsters do not view themselves as criminals. Rationalization allows individuals to maintain their self-image while committing unethical or illegal act. Fraud triangle theory helps auditors and forensic accountants' access where pressure exist, whether opportunities are present and what types of rationalization may be common in a company or individual. This theory remains the most influential and widely used model in fraud prevention and forensic accounting. By addressing each side of the triangle, an organization can build effective fraud risk management systems and reduce their exposure to fraudulent activities.

Garcia et al (2024) conducted a longitudinal study investigating the Role of Forensic Accounting in Enhancing Financial Performance. Employing a mixed methods approach, the study tracked companies' financial performance pre and post implementation of forensic accounting practices. The research, utilizing both quantitative and qualitative analyses, collected financial data from various sources over several years. Introducing forensic accounting interventions, the study assessed their impact on financial performance through statistical tests and thematic analysis. The findings underscored a notable improvement in financial metrics post-adoption of forensic accounting measures, emphasizing its proactive role in identifying and mitigating financial risks.

Chen et al (2023) investigated the impact of forensic accounting techniques on financial performance metrics among listed companies. Their quantitative analysis revealed a significant positive relationship between forensic accounting practices and financial indicators, suggesting that robust forensic accounting contributes to higher profitability and financial stability. Regulatory encouragement of mandatory adoption of forensic accounting practices among listed companies was recommended to mitigate financial fraud and enhance investor confidence.

Ojo-Agbodu et al (2022) explored the impact of forensic accounting on fraud detection and prevention within Nigerian deposit money banks (DMBs). Despite significant correlation between forensic accounting and fraud detection, the study found limited effectiveness in fraud prevention.

Consequently, strategic interventions such as integrating forensic accounting principles more robustly into DMB systems were recommended to combat fraud effectively.

Agboare (2021) examined the role of forensic accountancy on financial irregularity exposure in Deposit Money Banks in Nigeria with the focus on the effectiveness of conducting enquiry on financial misstatement discovery and to know whether reestablishing incomplete accounting data can be effective in disclosing financial scam in DMBS . The study found out that forensic accounting procedure of enquiry, scrutinizing financial records and reconstruction of partial accounting proceedings have a way or influence on misstatement discovery in DMBS in Nigeria.

Ismail (2020) investigated forensic accounting and misstatement exposure and preclusion in Nigeria government establishment where the impacts of the use of forensic investigation practice on exposing irregularity in Nigerian government service. The study also assessed the connections that exist between forensic auditing and legal proceedings practice in the Nigerian courts. It was revealed that employing forensic investigation in Nigerian government establishments was potent in divulging misstatement; it was also found out that there is a strong connection between forensic investigation and legal proceeding practice in Nigerian legal system.

Ewa et al. (2020) evaluated forensic accounting methods in fraud avoidance and discovery in Nigerian banking Institution, where specific measuring of influence of commercial data mining, ratio analysis and trend analysis procedures were examined in fraud uncovering. The study discovered that the use of forensic accounting practice significantly improved detection and restraint of misstatement in banking industry.

Inyada et al (2019) highlight the reduction in financial irregularities, improved risk management, and enhanced transparency as factors contributing to increased profitability and shareholder value. They stress the importance of continual monitoring and evaluation of forensic accounting processes to adapt to evolving financial risks.

In the study conducted by Abdulrahamn (2019) on how and whether forensic accounting can help to ameliorating fraud in Nigerian government establishment. Secondary source of data were used for the study where content analysis was done. The data collected to review the findings of other researchers. The work was based on fraud triangle theory as propounded by Southern land (1949) and fraud diamond theory propounded by wolf and Hermanson (2004). The study revealed that there is significant and positive association between forensic accounting method and fraud prevention in Nigerian public service.

Bassey (2018) assessed the effects of forensic accounting on the prevention of fraudulent activities in micro-financial banks in cross river state. The research work focused on the use of the forensic accounting in the management of fraud. It was discovered that the use of forensic audit and litigation reduces fraud in the selected micro-finance banks, which was in support of Okoafor and Agbiogwu (2016), where they opined that forensic skill minimizes fraud cases in financial sector. The finding of Bassey (2018), it also supported Srivastava et al (2003).

Mawutor et al (2015) studied misstatement and output of deposit money banks, where the impact of fraudulent activities in banks were examined. The study revealed that total misstatement sum was negative and has insignificantly effects on the performance of deposit money banks, however,

the number of stated occurrences of fraud and staff involved, significantly and positively influence the position of deposit money banks.

3. Research Methodology

This research looked into the realm of listed deposit money banks (DMBs) in Nigeria, specifically investigating the implementation of forensic accounting practices and their efficacy in detecting fraud. Employing a quantitative approach, the study utilized secondary data extracted from financial statements, regulatory reports, and documentary analyses of the chosen banks while the data were estimated using descriptive statistics, ADF unit root test and multiple regression analysis. The research investigated the effect of forensic accounting on fraud detection of listed DMBs over a thirteen-year period (2011-2023). This extended timeframe encompasses periods not yet explored by previous studies, thereby broadening the scope of investigation.

Model specification

This study adapted the models used by Ojo-Agbodu et al (2022) who examined the effect of forensic accounting on detecting and preventing fraud within selected quoted deposit money banks (DMBs) in Nigeria stated as follow:

$FD = \beta + \beta 1FA + \mu$………………………………………………………………(1)

$FP = \beta + \beta 1FA + \mu$………………………………………………………………(2)

Where: FA = Forensic Accounting; FD = Fraud Detection; FP = Fraud Prevention; μ =Error term.

After the modification, this study's model was designed and specified below:

$\text{TFD} = f(\text{UAFA}, \text{AFAP}, \text{EDAP}) \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots (3)$

Where:

TFD_{it} = Trends in fraud detection for DMB in Nigeria *i* in year *t*

UAFA_{it} = Usefulness of adopting forensic accounting for DMB in Nigeria *i* in year *t*

AFAP_{it} = Adherence with forensic accounting practices for DMB in Nigeria *i* in year *t*

EDAP_{it} = Effectiveness of forensic accounting processes for DMB in Nigeria *i* in year *t*

Table 1: Variable Measurements

Variable Types	Variable Proxy	Measurements	Sources
Dependent variable: Fraud detection	Trends in fraud detection (TFD)	Numbers of fraud detected per annum in natural log form	Published financial statements of the selected banks
Independent Variable: Forensic Accounting	Usefulness of adopting forensic accounting (UAFA)	Frequency of Forensic Audits Conducted measured in term of % of number of forensic audits per year	Published financial statements of the selected banks

	Adherence with forensic accounting practices (AFAP)	Compliance level with forensic accounting standards assessment in natural log form	Published financial statements of the selected banks
	Effectiveness of forensic accounting processes (EDAP)	Time taken from initial detection of suspicious activities to the completion of forensic investigations in binary variable	Published financial statements of the selected banks.

Source: Authors' Compilation, 2025

4. Data analysis and discussion

Table 2: Descriptive Analysis Results

Variables	TFD	UAFA	AFAP	EDAP
Mean	0.018162	0.730431	0.003615	0.243492
Median	0.019600	0.706400	0.003900	0.235500
Maximum	0.037000	1.181600	0.009700	0.393900
Minimum	0.000300	0.503700	0.000200	0.167900
Std. Dev.	0.010369	0.173309	0.002578	0.057769
Observations	104	104	104	104

Source: Authors' compilation 2025

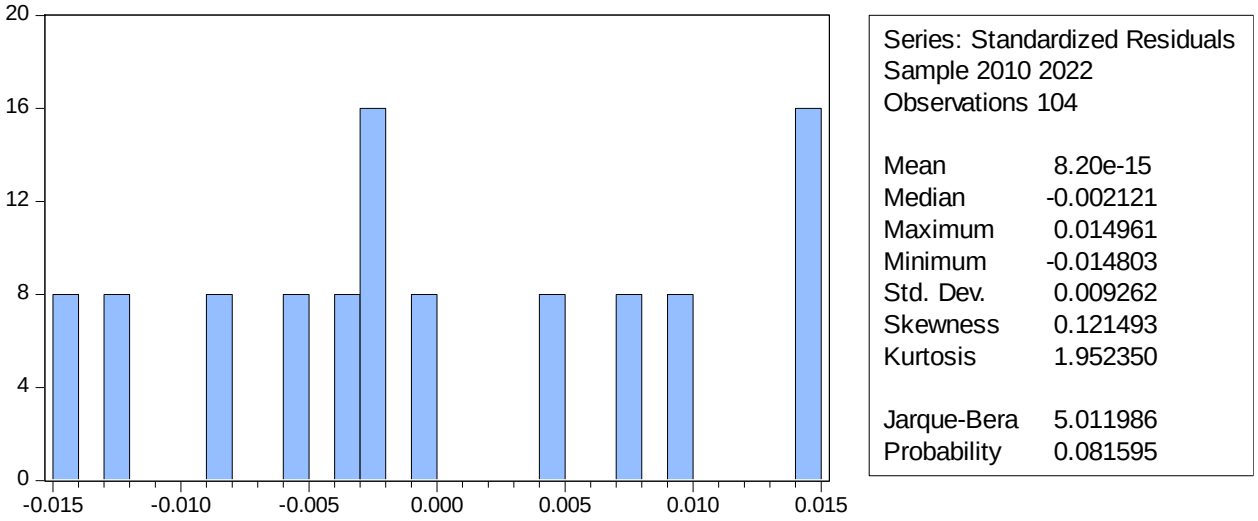
The results of descriptive statistics indicate that the average trend in fraud detection (TFD) stands at 0.018162, suggesting that only approximately 2% of fraud cases were reported through forensic accounting during the review period. The range of TFD varies from a minimum of 0.000300 to a maximum of 0.037000. The average usefulness value of adopting forensic accounting (UAFA) is 0.730431, with a standard deviation (SD) of 0.173309, indicating that forensic accounting is effective in detecting fraud in listed deposit money banks (DMBs) in Nigeria at a rate of 73%. The range for UAFA spans from 0.503700 to 1.181600. On the other hand, the average adherence level with forensic accounting practices (AFAP) is 0.003615, suggesting that DMBs' compliance with forensic accounting practices is merely 1%. The range for AFAP extends from 0.000200 to 0.009700. Furthermore, the mean effectiveness of forensic accounting processes (EDAP) is 0.243492, with a SD of 0.167900, indicating that the effectiveness of forensic accounting processes in fraud detection in listed DMBs in Nigeria is approximately 24%. Lastly, the research findings reveal that there were no missing observations (100) during the data estimation process.

Table 3: Unit Root - ADF – Fisher Method

Variables	t-statistics	P-value
TFD @ Level	27.0083	0.0414
UAFA @ 1st Difference	46.7202	0.0001
AFAP @ Level	31.3786	0.0120
EDAP @ 1st Difference	46.7072	0.0001

Source: Authors' Computation, 2025

Table 3 illustrates the outcomes of unit root examinations. The t-statistic for trends in fraud detection (TFD) registers at 27.0083, yielding a probability value of 0.0414, indicating significance below the 5% threshold. Consequently, the null hypothesis is rejected, suggesting non-stationarity and the absence of a unit root in the data. Similarly, the t-statistic for the utility of adopting forensic accounting (UAFA) stands at 46.7202, accompanied by a probability value of 0.0001, indicating the absence of a unit root in UAFA. Likewise, the t-statistic for adherence to forensic accounting practices (AFAP) is 31.3786, with a probability value of 0.0120, suggesting stationarity at the level and the absence of a unit root. Lastly, the t-statistic for the effectiveness of forensic accounting processes (EDAP) is 46.7072, with a probability value of 0.001, indicating stationarity at the level and the absence of a unit root in the data.



Source: Authors' Computation, 2025

Figure 1: Normality Test

Figure 1 reveals the outcome of a normality test, indicating a Jarque-Bera statistic of 5.01196 and a corresponding probability value of 0.081595. Consequently, the data can be considered to follow a normal distribution.

Table 4: Random Effect Model Result

SERIES: TFD, UAFA**,** AFAP**,** EDAP

Model 2: Random-effects (GLS), using 104 observations Included 8 cross-sectional units Time-series length = 13 Dependent variable: TFD				
Variables	Co-efficient	Std. Error	z-Statistic	P-value
Constant	0.001733	0.005662	0.306095	0.7602
UAFA	64.11022	15.29061	4.192785	0.0001
AFAP	1.301787	0.424937	3.063486	0.0028
EDAP	192.3667	45.87347	4.193419	0.0001
R2	0.702075			
Adjusted R2	0.678137			
Durbin-Watson stat	1.198420			
Breusch-Pagan test:	X^2= 4.3333, P= 0.019, P=0.0374			
Hausman Test	X^2= 0.000, P=1.000			

Source: **Authors' Computation, 2025**

Results from post-data tests aimed at selecting a model estimator for data analysis among pooled least squares (PLS), fixed effects (FE), and random effects (RE) models indicate that the Breusch-Pagan Lagrange multiplier test comparing PLS and RE reveals a chi-square (χ^2) value of 4.3333 with a probability value of 0.0374, which is greater than the 0.05 significance level, favoring the RE model. Additionally, the Hausman test comparing FE and RE shows a χ^2 value of 0.000 with a probability value of 1.0000, which is less than the 0.05 significance level, also supporting the RE model. Consequently, the random effect is deemed the most appropriate data estimator for this research.

The adjusted R^2 value of 0.702075 suggests that even with other variables incorporated into the error term, the utility of adopting forensic accounting (UAFA), adherence to forensic accounting practices (AFAP), and the effectiveness of forensic accounting processes (EDAP) collectively account for 71% of the ability to detect fraud in listed deposit money banks in Nigeria. Similarly, the R-adjusted square value of 0.678137 indicates that even with all other variables considered in the error term, the explanatory variables still explain 68% of the effectiveness and utility of forensic accounting practices and processes in fraud detection in DMBs in Nigeria.

Based on the selected best-fitted random effect results, the coefficient of the usefulness of adopting forensic accounting (UAFA) is positive and significant (β=64.11022, p=0.0001), suggesting that UAFA positively impacts fraud detection in listed DMBs in Nigeria. Likewise, the coefficient of adherence to forensic accounting practices (AFAP) is statistically significant and positive (β=1.301787, p=0.0028), indicating that AFAP influences fraud detection in listed DMBs in Nigeria. Furthermore, the beta value of the effectiveness of forensic accounting processes (EDAP) is positive and statistically significant (β=−192.3667, p=0.001), demonstrating that

EDAP contributes to fraud detection in listed DMBs in Nigeria. Lastly, the Durbin-Watson value of 1.198420, close to 2, suggests that the data exhibit no serial correlation.

5. Findings and Discussions

This research looked into the impact of forensic accounting on fraud detection within listed deposit money banks in Nigeria. The descriptive statistics reveal a generally minimal trend in detected fraud. Furthermore, the study indicates that while the usefulness of adopting forensic accounting for fraud detection in these banks stands at 73%, the level of compliance with forensic accounting practices remains dismally low at 1%. Despite this, the effectiveness of forensic accounting processes in detecting fraud within listed deposit money banks in Nigeria registers at 24%.

Utilizing a random effect approach, the study uncovers a significant and positive correlation between the adoption of forensic accounting and fraud detection effectiveness, as well as adherence to forensic accounting practices and the effectiveness of fraud detection within listed deposit money banks in Nigeria. These results lead to the rejection of hypotheses one to three. Moreover, these findings align with prior research outcomes from studies such as Khersiat (2018), Yahaya et al (2018), Olaleye and Fashina (2019), Smith et al (2022), Ojo-Agbodu et al (2022), Chen et al (2023) and Garcia et al (2024), all indicating the significance of forensic accounting in fraud detection across various organizational settings.

The implications of this study are anticipated to offer valuable insights into the role of forensic accounting in enhancing the financial performance of Nigerian banks. Positive correlations between the adoption of forensic accounting practices and improvements in profitability, risk management, and regulatory compliance underscore the importance of integrating forensic techniques into banking operations. By illuminating the pivotal role of forensic accounting in fraud detection, stakeholders including regulators, policymakers, banking professionals, investors, and the public will be equipped with valuable insights to inform strategic decision-making processes aimed at bolstering fraud risk management frameworks and safeguarding the integrity of Nigeria's banking sector.

6. Conclusion and Recommendations

The results of this study reveal the significant impact of forensic accounting on fraud detection within listed deposit money banks in Nigeria, underscoring its importance for corporate governance, risk management, and regulatory oversight. By fortifying internal controls, uncovering financial irregularities, and promoting transparency, forensic accounting emerges as a pivotal tool for fostering the long-term sustainability and stability of Nigeria's banking sector.

This research enriches the existing body of knowledge by furnishing empirical evidence regarding the efficacy of forensic accounting in bolstering fraud detection mechanisms within Nigeria's banking landscape. The implications extend to regulatory frameworks, organizational strategies, and professional education in the realms of forensic accounting and fraud risk management. By addressing prevalent gaps in literature and offering actionable insights, this study deepens comprehension of the challenges and prospects associated with combatting financial fraud in burgeoning economies such as Nigeria. Nonetheless, constraints like sample size limitations and

data availability may temper the generalizability of the findings, necessitating cautious interpretation and prompting further research endeavors to corroborate empirical outcomes.

Drawing from these findings, the study advocates for banks to prioritize investment in training and development initiatives aimed at enhancing the forensic accounting proficiency of internal personnel. Additionally, banks are advised to establish explicit protocols for conducting forensic investigations in response to suspected fraudulent activities. Moreover, fostering collaboration among internal audit, compliance, and forensic accounting units is imperative to ensure a cohesive approach to fraud detection and prevention.

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