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# FORENSIC ACCOUNTING AND FRAUD PREVENTION AND DETECTION IN COMMERCIAL BANKS IN NIGERIA

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***ABSTRACT***

*This study examined forensic accounting and its effect on fraud prevention and detection in Nigerian banks. Research data was collected from commercial banks staff in Nigeria adopting a simple questionnaire as the study instrument. Convenience sampling approach was adopted in the selection of 53 respondents from the population of the study. Fifty of the questionnaires were completed and returned. The study objectives included: to determine the effect of forensic accounting services rendered by forensic accountants on the prevention of fraud in banks. The survey approach was adopted in the conduct of the study while formulated hypotheses were validated using ordinary least square method (OLS) regression technique. Findings from the study unveil that there is a significant relationship between litigation support services, crime investigation services and documentation and reporting as forensic accounting functions and the prevention of fraud in banks. Arising from the findings, it was recommended that litigation support service should be enhanced to achieve optimal utilization in banks to reduce the occurrence of fraud; forensic Accountants functions should be performed by well-trained individuals and professionals in the profession. Furthermore, bank staff should be well remunerated with enhance packages that increases their motivation to contribute to organizational performance without seeing the performance of the organization as beneficial to management only but a joint beneficiaries* *of improved corporate performance while crime investigation should be enhanced to ensure continuous delivery to avoid lapses and gaps in the review of criminal acts by employee and other stakeholders in the banking sector of the financial service industry.*

***Key words:*** *Forensic accounting, fraud prevention, fraud detection, litigation, crime, documentation*

## Introduction

Financial recklessness and related offences have become a humongous challenge for businesses and other entities all over the world. It is presently a major concern of developing nations in Africa, Asia and South America. It has become an endemic situation thereby snowballing fraud and corruption into a normal way of life in these developing countries where individuals are only looking for opportunities to commit fraud or perpetrate acts of corruption without fear and absolute impunity. These acts of irregularities are so predominant to the extent that almost every individual cannot wash his or her hands, clean of it; starting from the public sector to the private sector, from the presidential villa of a nation, down the political office-holding ladder, to the ward councilors; from managing directors of a company, through middle management cadre and to as low as messengers (Kasum, 2007). The pattern and volume are growing daily and affecting all levels of the society. The wealthy, the poor, the young and the old, the male and the female all have a neck deep in activities related to bribery and fraud that say a lot about our moral and family circumstances. From lawmakers to bank managers / executives, from police officers to law enforcement personnel, from civil servants to school teachers, from market traders to street hawkers, there is endless potential for fraud and fraud related crimes.

Individuals commit fraud and corrupt practice as per their office capacity. Although financial irregularities affect both the private and public sectors, alarm calls for the magnitude of public office fraud along with the extent to which citizens are affected (Kasum, 2007). No money is completely free and therefore any amount misused will have a negative impact on where it should be legally used. These may have an effect on an organization or a nation as a whole. If the effect is not directed it may be indirect as it may affect facilities and infrastructure that are supposed to be of benefit to the person concerned. Unless it is impossible, individuals or mechanisms negatively affected by the fraudulent or corrupt practices will want to seek redress. Person, corporate and interested government bodies act to seek redress through divergent institutions such as the police and the law court. Whatever an investigator wants to do, will not be complete if there is no quantification of the extent to which the person concerned is affected.

Adebisiet al. (2016) identified the fact that increase in the frequency of fraudulent activities in the banking sector in Nigeria as well as all over the world has necessitated that forensic accounting must be carried out as a way of eliminating the rate of financial crimes that could cause fund mismanagement and misappropriation in various financial institutions in Nigeria. The forensic accounting tools are adopted by different financial establishments for the purpose of meeting the needs of various stakeholders in order to prevent fraudulent activities and ineffectiveness of the internal control system over a given period (Krstic, 2009). To ensure the effectiveness of the forensic accounting system, practitioners require a good communication skill and information technology knowledge for the attainment of fraud prevention (Adebisi et al., 2016). According to Okoye et.al. (2020), forensic accounting investigations are a major and vital apparatuses that can be used for the detection of financial fraud in deposit money banks across the globe where various fraudulent activities and corrupt practices frequently occurred. Okoye (2017) said that forensic accounting is the process of obtaining information and reporting suspicious transactions in an establishment for the purpose of accommodating accountability in discharging responsibility in Nigeria. Alhassan (2020) argued that enhanced and effective training and development should be provided for employees in the financial industry to enhance their moral responsibility, honesty and equality or fairness in discharging duties thereby minimizing the occurrence of fraudulent and other related activities in the industry. The persons practicing in this field (i.e. forensic accountants) investigates and documents financial fraud and white-collar crimes such as embezzlements and investigate allegations of fraud, estimates losses, damages and assets and analyses complex financial transaction (Marianne, 2005). This research will be considering the role of forensic accountants in detecting fraud in the banking sector of the Nigerian economy.

**Statement of the Problem**

The growing magnitude of fraudulent activities and other forms of corrupt practices across different sectors of the economy have not left the financial service sector without its attendant negative effect (Nonye & Okoli, 2015, Oladipo & Olurotimi, 2017 and Adebisiet al., 2016). This has to a large extent prompted the current study to investigate the role of forensic accounting on fraud detection and prevention in banks in Nigeria. Today, in Nigeria, several cases of funds misappropriation, cash larceny, assets misappropriation and other forms of fraud and corrupt practices have been reported across the financial service industry with a lot of negative effect on the financial performance of the banks. Considering the above senecios, it is widely believed that the incorporation of modern forensic auditing techniques in an audit in Nigeria is required to equip the accounting profession to deal appropriately with the challenge of detecting creative fraud schemes arising from audit failure to detect frauds. However, this study intends to provide further empirical evidence that forensic accounting can detect and mitigate the occurrence of fraud in banks in the Nigerian economy.

**Objectives of the Study**

The major objective of this study is to ascertain the effect of forensic accounting in fraud detection in commercial banks, while specific objectives of the study include:

i. To determine the effect of litigation support services the detection of fraud in Commercial Banks in Nigeria.
ii. To ascertain the extent to which crime investigative services influences the prevention of fraud in Commercial Banks in Nigeria.
iii. To establish the extent to which documentation and reporting services affect the prevention of fraud in Commercial Banks in Nigeria.

**Literature Review and Theoretical Framework**

**Theoretical Framework**

This study is anchored on a number of theoretical backings including the agency theory, the fraud prevention theory and the collar crime theory. The **Agency theory** was developed by Jensen & Meckling (1976). The theory addresses the issues relating agency issue which one party (the principal) delegates work to another (the agent), who performs that work. There is an agency relationship when the actions of one individual affect both his welfare and that of another person in an explicit or implicit contractual relationship. The individual who undertakes the actions is the agent and the person whose welfare (utility), measured in monetary terms, is affected by the agent's actions is called the principal (Akaranga, 2010; Kankpang, et. al, 2020). The **Fraud Preventative Theory** propounded by Ajzen & Fishbein (1980). Citing this theory, Akintoye (2008) and Kankpang, et al (2018) argued that forensic ligation support in banking sector provides assistance of a nature in a matter involving existing or pending litigation or represents the factual presentation of economic issue related to existing or pending litigation. It deals primarily with issues related to the qualification of economic damages sustained by parties involved in legal disputes and can assist in resolving dispute and can assist in resolving disputes, even before reaching or getting to the court room. A good example of litigation support assignment would be calculating the economic loss resulting from breach of contract. This thesis began by evidence of forensic accounting services as essential for effective in the performance of Commercial Banks. Forensic accounting services were also discussed as particularly important in the present technologically advanced yet fragile economic conditions. Intentions are the best predictor of any planned behavior and understanding the antecedents of intentions provides practical insights into the behavior (Ajzen & Fishbein 1980). Therefore, fraud preventative theory was proposed to curb the behavioural intention of any individual to fraud. According to Goosen, Pampallis, Van der Merwe and Mdluli (1999), a bank owes a duty to its customers to keep accurate records of all the transactions effected against the account in question. Thus, a bank statement serves a vital role in meeting the bank's accountability to its clients, and is a fundamental aspect of modern banking. Goosen et al. (1999:221) state that the role of a bank account statement, which is of the utmost importance to a bank, is that it serves as an audit trail showing in detail the various transactions effected against the account. The bank statement is a form of accounting record. This view is reflected in the total sample, which views a bank account statement as a detailed record of all transactions in a bank account. The **White-Collar Crime Theory** was propounded by Sutherland (1949). According to Alhassan (2020), criminal detection in a society at United State of America is a crime common among prominent people in a society; and said further that the crime rate was more than 3% people over the world sentenced to prison every year in relationship with the social status, desiring for money and possibility of jail. The major purpose of this theory is to investigate, fraud detection and application of court jurisdiction on the offenders. This theory is anchored on the study in order to determine its significant effect on the performance of banks (Atseye, et al, 2020).

## Conceptual Framework

### The Concept of Fraud and Forensic Accounting

Several authorities, such as (Sydney, 1986 and Ojigbede, 1986) were of the opinion that fraudulent activities involve the use of deceit and tricks to change the truth so as to deprive another person of his right. The concept of fraud in itself disordered. But scholars vary significantly in their expressions about fraud. The cause is sometimes confused with effect. Defining fraud is as difficult as identifying it. Fraud was defined by EFCC (2004:46) as ". . . the non-violent criminal and illicit activity committed with objective of earning wealth illegally either individually or in a group or organized manner thereby violating existing legislation governing the economic activities of government and its administration . . ." Nwaze (2012) defined fraud as a predetermined as well as planned tricky process or device usually undertaken by a person or group of persons with the sole aim of cheating another person or organization to gain ill-gotten advantage which would not have accrued in the absence of such deceptive procedure. (Onuorah & Appah, 2012) as cited in Bello (2001) and quoting Russel (1978) remarks that the term fraud is generic and is used in various ways. Okafor (2004) added that fraud embraces all the multifarious means which human ingenuity can devise, which are resorted to by an individual to get advantage over another in false representation.

The term "forensic accounting" was coined by Peloubet in 1946. He identified forensic accounting as meaning the application of accounting knowledge and investigative skills to identify and resolve legal issues. According to him, it is the science of using accounting as a tool to classify and advance evidence of money flow. These tools and/or techniques, skills and knowledge are usually priceless tools for fraud and forensic accounting investigators. Forensic accounting can also be seen as the integration of accounting, auditing and investigative skills (Dada, Owolabi & Okwu, 2013), (Zysman, 2004). Dhar and Sarkar (2010) also defined forensic accounting as the application of accounting concepts and techniques to legal problems. It demands reporting, where accountability of the fraud is established and the report is considered as evidence in the court of law or in administrative proceedings. According to the Association of Certified Fraud Examiners (ACFE) forensic accounting is the use of skills in potential or real civil or criminal disputes, including generally accepted accounting and auditing principles; establishing losses or profit, income, property or damage, estimations of internal controls, frauds and others that involve inclusion of accounting expertise into the legal system (www.forensicaccounting.com/there.htm.) (Okoye & Gbegi, 2013) agrees that forensic accounting also c alled investigative accounting or fraud audit is a merger of forensic science and accounting (Crumbley, 2003; Dhar & Sarkar, 2010 and Degboro & Olofinsola, 2007).

**Forensic Accounting, Fraud Prevention, Detection and Fraud Management**

There are several empirical studies examining the relationship between forensic accounting and fraud detection and prevention. Many of these studies draw evidence from developed economies like the United States of America, the United Kingdom and Canada. In Nigeria, few studies have also been conducted to investigate Forensic accounting and fraud prevention and detection, especially to examine their relevance to financial crimes in banks, public sector and private corporate organizations Okunbor & Obaretin, 2010). Kasum (2007) examined the relevance of forensic accountant to financial crimes in third world economies.

An understanding of effective fraud and forensic accounting techniques will assist Professional Forensic Accountants in identifying illegal activity and discovering and preserving evidence (Houck, 2006). Hence, it is important to understand that the role of a forensic accountant is different from that of regular auditor. Crumbley and Apostolou (2005) as cited by (Okoye & Gbegi, 2013) describes a forensic accountant as someone who can look behind the faced-out, accept the records, at their face value-someone who has a suspicious mind that (considers that) the documents he or she is looking at may not be what they purport to be and someone who has the expertise to go out and conduct very detailed interviews of individuals to develop the truth, especially if some are presumed to be lying. Forensic accounting as a field of specialization that has to do with provision of information that is meant to be used as evidence especially for legal purposes (Okpo & Simeon, 2023). The persons practicing in this field (i.e. forensic accountants) investigate and documents financial fraud and white-collar crimes such as embezzlement and investigate allegations of fraud, estimates losses damages and assets and analyses complex financial transactions. They provide those services for corporation, attorney, criminal investigators and the government (Coenen, 2005, Zysman, 2001) the forensic accountant's engagements are usually geared towards finding where money went, how it got there, and who was responsible (Degboro & Olofinsola, 2007 and Greenbaum & Thakor, 2010).

**Challenges of Forensic Accounting Application in Nigeria**

With the increase rise in financial accounting fraud in the current economic scenario experienced, financial accounting fraud detection has become an emerging issue of great importance for academic, research and industries. The failure of internal auditing system of the organizations in identifying the accounting frauds has led to use of specialized procedures to detect financial accounting fraud, collective known as forensic accounting (Sharma & Panigrahi 2012). As cited by (Modugu, & Anyaduba, 2013). Though financial fraud in Nigeria has witnessed highly publicized cases especially in the banking system, Enyi (2009) undertook a study to offer suggestions using real case problem on how to apply forensic accounting in investigating variances and suspected fraudulent activities in manufacturing processes and thus suggests that the application of forensic accounting applies to all scenes where fraud is a possibility. Okoye and Akenbor (2009) commenting on the application of forensic accounting in developing economies like Nigeria, notes that forensic accounting is faced with so many bottlenecks. These includes inability to operate more independently and effectively, lack of technical capabilities and inability of gathering information that is admissible in a court of law, less focus on offering service quality, conflicting regulatory codes and standards, lack of harmonization and unification of all the existing sectoral corporate governance codes applicable in Nigeria (CBN, SEC, and PENCOM Codes).

**Empirical Review**

Nwankwo (2013) examined implications of fraud on commercial banks performance in Nigeria. The study revealed that co-efficient of ATM bank fraud; forged cheque fraud and clearing fraud are in conformity with apriori expectations. There is a positive relationship between performances of banking industry and clearing cheque fraud with the co-efficient of clearing cheque at 4848.487, this implies a mint increase in CF will increase all EPS by 4848487. The study concluded, it is important to emphasize that the management and regulation of bank fraud was important in the performance of Nigeria commercial banks.

Ehioghiren, and Atu, (2016), studied forensic accounting and fraud management: Evidence from Nigeria. Primary sources of data were used for the study. The finding s was that forensic accounting significantly influences fraud detection and control, and also there are significant differences between the duties of professional forensic accountant and that of traditional external auditors.

Olaoye and Dada (2014) investigated Analysis of frauds in banks: Nigeria's Experience. The study revealed that misplaced value fragments and prevailing harsh economic environment, by time frauds are on the increase and banks are losing amounts running into millions of naira to fraudsters almost every day. The study recommended that the staff should be properly screened before they were employed and satisfactorily references must always be obtained. It also recommended steadfastness in punishing offenders and adoption of zero tolerance to corruption.
Another empirical study by Popoola et al. (2016) examines whether forensic accountants' knowledge, skills and competence are basically required for fraud prevention and detection in Nigeria. The study use survey research design and 400 questionnaires distributed among two groups of respondents comprise forensic accountants and auditors in the office of the Auditor General of Federation and Accountant General of the Federation in Nigeria respectively. The findings of the study revealed that forensic accountants have a high level of knowledge, skills, and experience in fraud prevention and detection. The findings of the study highlight the impact and influence of forensic accounting service towards fraud prevention and detection in both public and private organization.

In the same context, the study of Suleiman, Othman and Ahmi (2018) analyzed the expert perception on the impact of forensic accounting investigation techniques in mitigating corruption in Nigeria. Using in-depth interviews among 24 participants from anticorruption bodies in Nigeria such as EFCC and ICPC the study finds forensic accounting investigation as more appropriate in fraud investigation and is suitable for use for court purposes. Furthermore, a study by Nwaiwu and Aaron (2018), have also documented empirical evidence about the impact of a forensic accounting investigation. The authors found that forensic accounting is the best mechanism for fraud detection and prevention in an organization. Also, the findings of the study show that forensic accounting service improves the company overall performance. Additionally, Akhidime (2018) has also found that forensic accounting service produces appropriate outcomes in-terms of fraud prevention and detection capability. The study indicates that forensic accounting provides a more desirable process in understanding fraud has occurred. These studies highlighted the needs of forensic accounting investigation towards uncovering fraud issues.

**Research Methodology**

The research design employed in this research is the ex-post facto research design. This is because, the researcher does not aim to control any of the variables under investigation and our pre-disposition is to observe occurrence over a period of time (2005-2015). Another justification for the research design is the desire of the researcher to use secondary data to test the hypothesis formulated. These are already existing data, thus, cannot be manipulated by the researcher. Further justification is that, the survey design was used as this type of research design aids the collection of large amounts of data from a sizable population in a highly economical way. This research design is critical in determining the quality of research as it helps in addressing the study's research questions. The research is conducted in Nigeria with specific reference to Nigerian banking sector. The population of the study comprises four diverse groups; auditors (Internal and External), those involved in financial statement compilation, users, and academics.

In considering sample size, Saunders and Thornhill (2003) suggest that a minimum number of thirty (30) for statistical analyses provide a useful rule of thumb. Nevertheless, we adopted a sample of five hundred and seventy two (572) respondents which consist of the public and private companies' accountants, internal and external auditors, top management staff, shareholder as well as academician in Edo and Delta States. The sampling was done using simple random sampling.

This study made extensive use of both primary and secondary sources of data. Primary data was used in the study. The data were generated using well-structured likert scale questionnaire with 5 points scale, strongly agree-5, Agree-4, Undecided-3, disagree-2 and strongly disagree-1 are logically employed to quantitatively reflect this order of ranking and to ensure validity of the questionnaire used for the study. The secondary sources used in this study includes: journals, annual reports of the two selected banks and CBN statistical bulletin.

**Model Specification**

The model specification for this study will be as follows;

FAUD = βo + β1NPMt-1 i+ β2PAT2 t-1 i+ β3RE t-1i+ut…..

Where: FINPEF = Financial Performance

FAUD = Forensic Audit

NPM = Net Profit Margin

PAT = Profit After tax

RE = Retained Earnings

βo = Constant (Coefficient) to be estimated t = Current Period/Time

ut = Error term β1-β4 = Parameter of the independent variables to be estimated.

**Analytical Method/Technique**

Multiple regressions involved three or more variable the study will use a linear multiple regression analysis to test the association between the dependent and independent variables

**Validity and Reliability of the Study Instrument**

Validity is concerned with the extent to which an instrument measures what it is supposed to measure (Ofanson & Aigbokhaevbolo). For the purpose of this study, the content validity was adopted. To engage the content validity method, the questionnaire was reviewed by experts and independent assessors both within and outside the field of accounting. Following this review, corrections, suggestions and amendments were made and implemented before administering copies of the questionnaire to the selected respondents. Reliability is concerned with the stability and consistency of an instrument (Olu). To verify the reliability of the measuring instrument (questionnaire) developed for the purpose of this study, test-retest reliability method was engaged. Test re-test involves measuring the same individuals at two points in time. It involves giving the same test twice.

## Data Presentation, Analysis of Data and Discussion of Findings

### Data Presentation

This section presents the data collected and analysed during the study. It also tested the formulated hypotheses and discussed findings from the study. The study employed the application of statistical tools in the presentation, analysis and interpretation of data. Data were collected through research instrument administered as well as annual report of Deposit Money Banks quoted in the Nigerian stock Exchange 2005-2022.

**Table 1**

Modeling Forensic accounting through litigation support services (LSS), crime investigation services (CIS) and documentation and reporting services (DRS) using fraud prevention (FRP) as dependent variable using the ordinary least square method

| Variable | Estimated coefficient | Standard error | t-value | Sig. |
|---|---|---|---|---|
| Constant term | 5.194 | 1.375 | 3.777 | .002 |
| LSS | .076 | .159 | 3.480 | .004 |
| CIS | -1.235 | .544 | -2.269 | .001 |
| DRS | 3.593 | 1.024 | 3.509 | .002 |
| Rho | .792 | | | |
| $R^2$ | .628 | | | |
| Adjusted $r^2$ | .548 | | | |
| F-statistic | 7.869 | | | |
| DW | 2.918 | | | |

a. Predictors: (Constant), LSS, CIS, DRS
b. Dependent variable: Fraud prevention (FRP)

Source: SPSS version 25 Result

## Data Analysis

Table 1 presented the result of the analysis of data collected from the administered survey instrument, modelling fraud prevention (FRP) while independent variables were measured using forensic accounting proxies as average scores for litigation support services (LSS), crime investigation services (CIS) and documentation and reporting services (DRS) all obtained using the data obtained from the instrument administered by the researcher during the conduct of the study based on all the years under review. From the presented the OLS multiple regression equation adopted for the study. The model had fraud prevention (FRP) as the dependent variable. The independent variables were litigation support services (LSS), crime investigation services (CIS) and documentation and reporting services (DRS). The foregone model measured the combined effect of litigation support services (LSS), crime investigation services (CIS) and documentation and reporting (DRS) on the optimal fraud prevention level in a bank. The result of the Durbin-Watson (DW) is 2.918. This figure is above 2 and showed that there is no threat of independent error for the equation and indicates the absence of auto-correlation. The result also shows a F-statistics of 7.869 indicating that the model employed to explain the variations is adequate and significant at $p < 0.001$. This reveals that the model is capable of explaining variability in the variables.

The result further shows a negative coefficient for one of the variables crime investigation services (CIS) with a coefficient of -1.235. The coefficients for litigation support services (LSS) and that of documentation and reporting services (DRS) were found to be positive. The above result indicates that the one negative coefficient contradicts the apriori expectation that the forensic accounting through crime investigation services (CIS) will have positively affect the fraud prevention in Nigerian banks. The positive coefficients obtained for litigation support services (LSS) as well as documentation and reporting services (DRS) indicates that the occurrence or availability of the above forensic accounting services will result in increased bank fraud prevention and by extension improve positively the performance of banks in both the short and long run. Further caustic analytical review of the results indicated that all the independent variables (litigation support services (LSS), crime investigation services (CIS) and documentation and reporting services (DRS)) were found to be significant at 5% level. Arising from the foregone result therefore, it is conclusive that banks fraud preventive mechanisms are significantly affected by forensic accounting services rendered by forensic accountants rendered through litigation support services (LSS), crime investigation services (CIS) and documentation and reporting services (DRS).

The other statistics in the result indicates that the model does fit the data well, as measured by the adjusted coefficient of determination (Adjusted $R^2$). The adjusted $R^2$ value of 0.548% indicates that about 55 % of the observed changes in the dependent variable, that is, fraud prevention (FRP) can be explained by changes in the independent variables, forensic accounting services of litigation support services (LSS), crime investigation services (CIS) and documentation and reporting services (DRS). It follows that the remaining 45% is not accounted for by the model and is therefore represented in the usual stochastic error term. To examine the statistical significance of the individual variables in the model, the t-statistic value was used.

**Test of Hypotheses**

In other to test for hypothesis the researcher will adopt both the statistically significance and theoretical criteria expectation for accepting or rejecting the null hypothesis. The following hypothesis are restated here and tested.

**Hypothesis one:**

Dependent variable (FRP) = Fraud prevention

Independent variable ($\beta 1$) = litigation support services which was held constant

Result presented and analysed (Refer to table 1)

R = 0.792 $R^2$ = 0.628 Adjusted $R^2$ = 0.548

T-Statistic = 3.480 F-Statistic = 7.869 P-value = 0.00

Table value

T 0.01 (1, 6) = 1.697

In view of the above, the researcher concludes that there is a significant relationship between litigation support services (LSS) as a forensic accounting tool or services and the prevention of fraud in banks in Nigeria. Therefore, the null hypothesis is rejected and alternate accepted, this was informed by calculated t-value (3.480) with a critical p- value (0.004) which was lower than the table value (1.697).

**Hypotheses two:**
Dependent variable (FRP) = Fraud prevention
Independent variables (β2) = Crime investigation services which was held constant
Result presented and analysis (Refer to table1)
R = 0.792 $R^2$ = 0.628 Adjusted $R^2$ = 0.548
T-Statistic = -2.269, F-Statistic = 7.869 P-value P<0.001,
Table value
T 0.01 (1, 6) = -1.697

In other to validate the above hypothesis, the researcher adopted the use of the significant level of individual variable in the model, based on the list p<0.001. The above test indicates that at 5 per cent level of significance, there is a significant relationship between crime investigation services and fraud prevention in banks. This was found to be significant at conversional level, resulting therefore in the researcher accepting the alternate hypotheses and reject the null hypotheses, thereby revealing that crime investigation services has a significant effect on fraud prevention in Nigerian banks.

**Hypotheses Three:**
Dependent variable (FRP) = Fraud prevention
Independent variables (β3) = documentation and reporting services (DRS) which was held constant
Result presented and analysis (Refer to table 4.1)
R = 0.792 $R^2$ = 0.628
Adjusted $R^2$ = 0.548 T-Statistic = 3.509,

F-Statistic = 7.869 P-value P<0.001,

Table value
T 0.01 (1, 6) = 1.697

In other to test this particular hypothesis, the study employed the application of the significant level of the particular individual variable in the model, based on the list p<0.00 which is within the test at 5% level of significance, documentation and reporting services was found to be significant at conversional level, as a result, the researcher therefore accepted the alternate hypotheses and reject the null hypotheses. This by implication reveals that forensic accounting services through documentation and reporting services have significant effect on the prevention of fraud in banks in Nigeria.

**Findings**

This study examined the effect of forensic accounting on the prevention of fraud in the banking sector of the financial service industry in Nigeria. The study found that from the result of the hypotheses tested that litigation support services provided by forensic accountants affects the prevention of fraud in the banking sector. The study also observed and established that when crime investigation services by forensic accountants is effective it facilitates the effective prevention as well as detection of fraud and other abuse of office in banks. Accordingly, when appropriately and adequately applied crime investigation services minimizes the occurrence of fraud in banks. Finally, the effective use of documentation and reporting services in the banking system affects the prevention of fraud in the banks. The result of these documentations and reporting can reveal to a large extent the prevention of fraud.

**Conclusion**

Arising from the above findings, it is clear that when effectively applied, forensic accounting can affect the extent to which fraud and abuse of office can be mitigated in banks. Arising from the outcome of this study, litigation support services by forensic accountants affects the occurrence of fraud and by extension the effective prevention of the perpetration of fraud. Crime investigation services provided by forensic accountants affect the prevention of fraud in banks. Effective and efficient application of documentation and reporting affects the willingness of staff and other stakeholders in the perpetration of fraudulent activities in the workplace.

Arising from the foregone findings and conclusion drawn, the following recommendations are hereby proposed: Litigation support service should be enhanced to achieve optimal utilization in banks to reduce the occurrence of fraud. Forensic Accountants functions should be performed by well-trained individuals and professionals in the profession. Bank staff should be well remunerated with enhance packages that increases their motivation to contribute to organizational performance without seeing the performance of the organization as beneficial to management only but a joint beneficiary of improved corporate performance; Crime investigation should be enhanced to ensure continuous delivery to avoid lapses and gaps in the review of criminal acts by employee and other stakeholders in the banking sector of the financial service industry.

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