FORENSIC ACCOUNTING RELEVANCE AND FRAUD DETECTION PROCESS AND FINANCIAL PERFORMANCE IN NIGERIA

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ABSTRACT

Due to the paradigm shift in the accounting profession, focus is now on Forensic Accounting. As a result of the upsurge in financial accounting fraud in the global economy, forensic accounting has become an emerging topic of great importance for academic, research and industries. The objective of the study is to examine the forensic accounting relevance and selected listed companies’ fraud detection process and performance in Nigeria. A cross-sectional quasi experiment design was used for this investigation. Primary data gotten from structured questionnaire were analyzed using descriptive statistics and correlation with the aid of SPSS v20.0. The findings of this study reveals that there is both positive and negative significant relationship between the proxies of the two variables. It is recommendation that, Forensic accounting experts from the professional accounting body should be employed to carry out litigation support services to serve as expert witness that will assist the court reach a conclusion on issues which the court itself may not have the knowledge to decide. Investigative Accounting measures and pro-active fraud prevention programs should be put in place for fraud detection and prevention. Forensic Accounting should be included in accounting program of Nigerian universities and colleges to ensure proper training of professionals and as well create more awareness.

Keywords: Forensic Accounting, Fraud Detection, Companies, Performance and Nigeria.
Introduction

The absence of truthfulness, fairness, justice, equity and honesty in the business world has resulted to fraud and embezzlement which has brought about the subject of Forensic Accounting. Fraud and fraudulent practices has become a severe problem of concern across the globe. It is so endemic that it is gradually becoming a normal way of life in the developing nations, Nigerian inclusive. The negative effect of corruption on development has made Nigerian government to seek for solution on how to combat this menace. This may explain why several institutions have been established in Nigeria. Among these are the Code of Conduct Bureau, the Independent Corrupt Practices Commission (ICPC) and the Economic and Financial Crimes Commission (EFCC). The key feature here, however, is effectiveness and implementation, it lack may be one reason why the existence of these institutions has not, actually, resulted in significant reductions in the perceived level of corruption in Nigeria. (Zhaol., Yen & Chiansi, 2004; Yandong, 2004, Williams, 2005).

Over the years, empirical and theoretical works have been carried out on fraud and forensic accounting as a result of the resent scandal that rocked the corporate world. The Enron and WorldCom cases are a classical examples being often cited which has brought Forensic Accounting to the forefront in the fields of learning in the business world. Investors and indeed the general public expect an auditor to detect all form of fraud and fraudulent practices. As Izedonmi (2000) puts it that the primary responsibility of the management audit is to ensure that fraud and error are prevented or detected in the enterprise. Similarly, Okunbor & Obaretin (2010) reported that the spates of corporate failures have placed greater responsibility and function on accountants. It has become imperative for accountants at all levels to have the requisite skills and knowledge for identifying, discovering as well as preserving the evidence of all forms of irregularities and fraud. As Kasum (2009) noted, the perpetuation of financial irregularities are becoming the specialty of both private and public sector organizations in Nigeria as individuals and accountants perpetrate fraud and corrupt practice according to the capacity of their office. Consequently, there is a general expectation that forensic accounting and quality assurance should be able to stem the tide of financial malfeasance witnessed in the Nigerian public sector (Winigral; Gerson & Berlin, 2010; Ravisankar; Pavi; Rayhova & Bose, 2011; Ramaswany, 2011; Okoye & Yugu, 2013; Oyundele, 2013; Okoye & Gbeyi, 2013).

Prior studies such as Okoye & Akamobi (2009); Owojori & Asaolu (2009), have provided empirical evidence on the relationship between forensic accounting and financial reporting. More so, Dassen & Schelleman (2001), and auditing and assurance standards board (2009), have shown that equality assurance influences the quality of financial reporting. Also Ezeagba (2014) examined the role of forensic accounting and quality assurance on financial reporting. But a lacuna exists in their various studies. Okoye & Akabobi (2009); Owojori & Asaolu (2009), did not focus on a particular sector of the Nigerian economy. Dassen & Schelleman (2001) and auditing and assurance standards board (2009), though focused on the public sector of the economy, they are of foreign origin and therefore lack local contents (Wallace, 2002; Rome, 2003; Peterson, 2003; Okoye & Juja; 2013).
Again, there appears to be inadequate emphasis, especially survey evidence on the relationship between forensic accounting, quality assurance and financial reporting of public sector in Nigeria. To the best of my knowledge, there are no studies to date that have examined the combined effect of forensic accounting and quality assurance on financial reporting of public sector in Nigeria. Ezeagba (2014) only investigated the combined effect of forensic accounting and quality assurance on financial reporting of banks in Nigeria. It is against this backdrop that this study is consummated (Tiparic; Hraska & Aleksio, 2007; Nwaze, 2008, Njanike; Dube & Mashayanye, 2009; Ogundele, 2013).

The rest of the paper is organized as follows. The next section briefly surveys the relevant literature and specifies the main hypotheses of this study. Section three describes the procedure (methods) adopted for the empirical analysis. Section four presents the main results and the discussion of the empirical investigation. Section five is concluding remark and recommendations.

Review of Related Literature and Hypotheses

There are four theories of fraud as put forward by Comer (1986) which explains frauds from various angles, which underpins the study.

Differential Opportunity

This theory puts forward the fact that all people have the opportunity to commit fraud, against their employers, suppliers, customers of their employer, third parties and government departments (Salierno, 2000; Ramos, 2003; Santosa; Wei & Chan, 2005). However such opportunity is guided or regulated by accessibility of the perpetrator to the accounts, assets, and premises and to computer systems. The skill required to identify that such opportunity exists and to be used, availability of sufficient time to plan and execute the fraud is also important for its success (Peterson, 2003; Niyrini & Mittermaier, 2007; Njanike; Dube & Mashanayanye, 2009; Nwaze, 2008; Pan et al, 2011).

Theory of Concealment

Concealment is an essential ingredient of most systematic fraud. It can be defined as a manipulation of an accounting record or misrepresentation of a physical, personal or commercial reality intended to; Hide, disguise or alter an account/inventory discrepancy before, during or after a fraudulent act; Disguise, confuse, or delay the recognition of the perpetrators guilt or to establish a plausible excuse for dishonesty; Enable the perpetrator to obtain a dishonest advantage by deception (Ormerod, 2006; Onwughuzie, Johnson, 2006; Owojori & Asaolu, 2009; Okumbor & Obaretin, 2010; Onuba, 2012).

The theory explains the fact that the perpetrators deliberately introduce confusion during, or after the act, to conceal it or assist in its omission. Greed motivates this type of fraud to exploit any opportunities available. Self preservation is crucial when it comes to concealment. The perpetrator usually tries to hide the loss and the evidence which indicates that he is responsible
for it. He will strive to conceal the fraud in the best way available to him and may adopt optimum concealment course (Iwuagwa, 2000; Lu; Hsu & Hsu, 2005; Litvok 2007; Ibex & Gripro, 2008; Moboloyi & Omoteso, 2009; Mustafa & Youssef 2010; Muslimat & Hanid, 2012).

**Theory of Deviations**
Fraud is deviant behavior and perpetrators often conceal their dishonesty as plausible breaches of rules or procedures. Simply put, a deviant is a person whose behavior deviant from what is acceptable in the business world (Lu; Hsu & Hsu, 2005, Egwenmic, 2012).

**Concept of Forensic Accounting**
Joshi (2003) described the origin of Forensic Accounting to Kutilya, the first economics to openly recognize the need for the Forensic Accountant. He said Forensic Accounting was coined by Peloubet in 1946; it is the application of accounting knowledge and investigative skills to identify and resolved legal issues. It is the science of using accounting as a tool to identify and develop proof of money (Huber, 2012; Eiyu & Olala, 2013). However, Tommie, el al (2006) noted that Forensic Accounting is one of the oldest professions and dated back to the Egyptians. The “eyes and ear” of the king was a person who basically served as a forensic accountant for Pharaoh, watchful over inventories of grains, gold, and other assets. The person has to be trustworthy, responsible and able to handle a position of influence.

Several definition and studies have been provided in literature. The word Forensic Accounting according to the Black’s Law dictionary means “used in or suitable to court of law for a public debate”. The Webster dictionary sees Forensic Accounting as an accounting analysis that is suitable to the court which will form the bases of discussion, debate and ultimately dispute resolution. The free dictionary gives the legal meaning of Forensic Accounting as “sometimes called Investigative Accounting that involves the application of accounting concepts and techniques to legal problems, its financial definition is a branch of accounting that uses investigative skills to determine the accuracy of a financial statement in a legal dispute. According to the ICAN Study Pack (2009), Forensic Accounting education aims at increasing awareness and knowledge of and the actual application of forensic accounting to the economic affairs of a nation with the aim of eliminating wastages and corruption in order to create an enabling atmosphere for economic transactions (Winograd; Gerson & Berlai, 2010). Following the definitions above Forensic Accounting uses accounting, auditing, and investigative skills to conduct an examination into the financial statement.

**Dimension of Forensic Accounting**
Forensic accounting comprises both litigation support and investigative accounting. According to Zysman (2001), litigation support provides assistance of all nature in a matter involving existing or pending litigation. It deals primarily with issues related with the quantification of economic damages, while Investigative Accounting is associated to the investigation of criminal matters.
Litigation Support
Owojoi et al (2009) states that litigation supports represent the factual presentation of economic issues to existing litigation. It provides assistance of all nature in a matter involving existing or pending litigation. In this capacity of forensic accounting professional quality damages sustained by parties involved in legal disputes even before they reach the courtroom, thus the forensic accountant may testify as an expert witness when a dispute reaches the courtroom.

Forensic accountant assist in the following ways under Litigation Support Services capacity:

1. Obtaining document necessary to support or refute a claim.
2. Reviewing of the relevant documentation to form an initial assessment of a case in an identified area of loss.
3. Examination for discovering, including the formulation of the act regarding the financial residence.
4. Attendance at the examination for discovery to review the testimony, assist with understanding the financial issues and to formulate additional questions to be asked (Owojori (2009).

Nweze,(2011) added the following services:
a. Reviewing or opposing expert damages report and reporting on both the strength and weakness of the position taken.
b. Assistance with settlement discussion and negotiations
c. Attendance at trials and to hear the testimony of the opposing expert and to provide assistance with cross examination.

Investigative Accounting
Investigative accounting involves auditing, quantitative methods and related skills to resultant financial records and determines if fraud and other illegal financial activities have occurred. It coordinates the works of other experts such as private investigators, forensic documents examiners and consulting engineers.

Forensic accountants are sometimes called fraud auditors or fraud examiners; they assist in the following ways:
1. Review factual situation and provide suggestions regarding possible courses of action.
2. Assist with the protection and recovery of assets.
3. Coordinate other experts (Zysman 2012; Williams, 2005; Ranesway 2011).

Need For Forensic Accounting
Forensic accounting needs arouse as a result of the failure of audit system to address the expectations of the financial statement users mainly investors. Asaolu et al (2009) assert the following as the reasons for the growth of forensic accounting:
1. Internal audit and audit committee could not throw light on the different fact and other hidden aspects of corporate and occupational fraud;
2. Rotations of statutory auditors form the problem. These auditors actually needs longer duration of time to enable them do a more thorough job;
3. The certificate of the auditors are hardly scrutinized carefully especially when the reports are unclear and qualified;
4. The internal auditor can surely detect what was happening but they are hardly in a position to initiate proper action in time.

Therefore the emergence of forensic accounting was seen to cover for the lapses of the above mentioned.

**Role of Forensic Accounting**

A Forensic Accountant is usually involved in the investigative analysis of financial evidence, development of computerized application to assist in the analysis and presentation of financial evidence, communicating their findings in the form of reports, exhibits and collection of documents and assisting legal proceedings including testifying in the court as eye witness and preparing visual aids to support trial evidence (Ezugwu 2010).

Owojori et al (2009) proposes the following ways by which a forensic accountant can be of assistant to the society.

1. Giving preliminary advice as an initial appraisal of the pleading and evidence available at the start of the proceedings.
2. Identifying the key documents which should be made available as evidence. This is important when the forensic accountant is acting for the defense and lawyer for the client.
4. Reviewing expert accounting report submitted by the other party which may have impacted on the quantum of evidence and advising lawyers in these regards.
5. Briefing legal councils on financial and accounting aspects of the cases during pre-trial preparation.
6. The forensic accountant can initiate measures for introduction of environmental accounting to highlight the damage done on the environment by the purported fraud.

**Concept and Meaning of Fraud**

Fraud is not an abstract concept but an idea that exist in real –life and identifiable. The definition of fraud varies from one profession to the other and from one organization to the other.

Fraud encompasses a wide range of illicit practices and illegal acts involving intentional deception or misrepresentation. The Institute of Internal Auditors’ *International Professional Practices Framework* (IPPF) defines fraud as:
“... any illegal act characterized by deceit, concealment, or violation of trust. These acts are not dependent upon the threat of violence or physical force. Frauds are perpetrated by parties and organizations to obtain money, property, or services; to avoid payment or loss of services; or to secure personal or business advantage.”

Fraud impacts organizations in several areas including financial, operational, and psychological. While the monetary loss owing to fraud is significant, the full impact of fraud on an organization can be staggering. The losses to reputation, goodwill, and customer relations can be devastating. As fraud can be perpetrated by any employee within an organization or by those from the outside, it is important to have an effective fraud management program in place to safeguard organization’s assets and reputation.

However, Aremu (2010) sees fraud as “material false statement made intentionally for the purpose of deceiving; which is relied upon by a victim to his detriment.” The ICAN study pack (2009) assert that fraud consist of both the use of deception to obtain unjust or illegal financial advantage and intentional misrepresentation affecting financial statement by one or more individuals among management, employees or third parties. From the above definition, fraud is a deceptive act that results in damaging the victim.

Types of Fraud
There are different ways of which authorities have classified fraud depending on their perspectives and the criteria used. Some classified them into management and employees’ fraud; others on the other hand, classified them on the nature and the perpetrator. Cases of fraud according to perpetrators as mentioned above is then divided into two categories – whether the fraudster is one of the entire staff or involve outsiders; and whether the staff fraudsters are in top management position or non-management position. The former is now divided into, internal fraud, External fraud and Mixed fraud. While the later according to Nwankwo (1991) gives rise to Management fraud and Employee fraud.

Internal Fraud
Internal frauds are fraud committed among the member staff of the organisation. Frauds are not only the most frequent occurring, but by far the highest in terms of number than the type involving both staff and outsiders (NDIC, 2005). The following methods according to Jenfa, (1991) are categorized as the internal fraud, e.g. unofficial borrowing, Over invoicing, Unauthorized stamps, Fictitious transactions, Committing, Fraudulent use of document, Cash on hand converted to personal use, Premature writing off of assets, Ghost workers and Figures falsification.

External Fraud
There are three types of fraud committed wholly by persons and organization external to the organization that is, people and organizations other than or without the involvement of the organization’s staff, persons such as these could be company’s customers or those who do not do business with these entity such as;
1. **Over invoicing:** Over invoicing of services rendered to company are done by dubious suppliers and other contractors either, through inflation of normal rates over actual value of services rendered or through remittance with company’s employees to get pay for services they already have been paid for (Omachonu, & Ndulor 1998; Idowu, 2009).

2. **Advance fee fraud:** This may involve an agent who approaches a bank with an offer to access large funds at below market interest rates often for long term. The purported source of such funds is not specifically identified as the only way to have access to it. It is also known as the way by which the agent disappears as the facilities engaged in never come through (Omachonu, & Ndulor 1998). Generally, advance fee fraud is perpetrated through Schemes ostensibly for the disbursement of money for mills, Contract frauds, Purchase of real estates and Transfer of funds.

3. **Loan fraud:** Loan and other form of credit extensions to business and individuals customers constitute traditional functions of financial institutions. In the process of credit extensions, fraud may occur at any stage, from the first interaction between the customer and the bank to the final payment of the loan. Loan fraud occurs when credit extended to non-borrowing customers or to a borrowing customer who has exceeded his credit ceiling. The fraudulent aspect of this class is that there is an intention to conceal it from the inspectorate staff on routine check to deceive them with plausible but falsified statements and documents. On some instances loans are granted on false collaterals that do not exist, over-valued, stolen or counterfeited. Improper loans may also be granted to insider, relatives and friends of corrupt bank officials who collect kickbacks for such transactions (Omachonu, & Ndulor, 1998).

**Mixed Fraud**

This is evident in the sessions of the Failed Bank Tribunals nationwide; in the Ibadan zone of the tribunal, a case revealed that four (4) staff of Universal Trust Bank conspired with customers to defraud the bank through unauthorized loans, overdrafts, fraudulent and false accounting procedures to the tune of N84.27 million (Ogbu, 1998). Also, it was revealed that a total number of 152 bank staffs were involved in frauds and forgeries in the year 2001 and that operation staff such as supervisors, officers, accountants, clerks and cashier account for about 95.4% of the total number of fraudsters (NDIC, 2005). Quite often signature of customers are forged by non-customers with the active connivance of staff who in most cases provide the specimen signature cards, where forgeries are not perfected, arrangements are made with staff to beat the signature verification process (Nwaze, 2008; Ogundele, 2013; Okoye & Jugu, 2013).

**Management Fraud**

This type of fraud essentially refers to frauds committed by employees in top echelon that is, top management level staffs that are aimed largely at deceiving the shareholders and to a considerable extent, auditors and the regulatory authorities through deliberate presentation of
false financial statement – the key device of perpetration (Jat, 1992). Management frauds often take these two forms:
1. Concealing inadequate business operation performances
2. Concealing prohibited business activities.

Why is Fraud Committed
According to Tommie (2006), fraud or intentional deception is a strategy to achieve a personal or organizational goal or to satisfy a human need. However, a goal can be achieved through an honest means or dishonest means. So what motivates one to select dishonest means rather than honest means to achieve goal or need? Generally speaking, competitive survival can be a motive for dishonest or honest behavior. A threat to survive may cause one to choose either dishonest or honest means. When competition is keen and predatory, dishonesty can be rationalized quickly. Deceit, therefore can be a weapon any contest for survive. Stated differently, the struggle to survive (economically, socially or politically) often generates deceitful behavior. The same is true of fraud in business.

Fraud Triangle
Of the traditional fraud research, Donald Cressey’s research in the early 1950s provides the most valuable insight into the question why fraud is committed. The result of this research is most commonly and succinctly, presented as the fraud triangle. Cressey decided to interview fraudsters who were convicted of embezzlement. He interviewed 200 embezzlers in prison. One of the major conclusions of his effort was that every fraud had three things in common: Pressure, Rationalization and opportunity to commit the crimes. These three points are the corners of the fraud triangle.

Pressure is also known as incentives or motivation refers to something that has happened in the fraudster personal life that creates a stressful need for fund and thus motivates him to steal. Usually that motivation centers on some financial strain, but could be the symptom of other type of pressure.

Rationalization: most fraudsters do not have a criminal record in the past. White-collar criminals usually have a personal code of ethics. They simply justify their crime under their circumstances.

Opportunity: fraudsters always have had the knowledge and opportunity to commit the fraud. Employees and managers who have been around for years know quite well where the
weaknesses are in the internal controls and have gained sufficient knowledge of how to commit the crime successfully.

**Fraud Detection Process and Performance**

Tommie et al noted that the first step in investigating fraud is the initialization of the investigation. Prediction is necessary to initiate the fraud investigation. Prediction is a set of circumstances that would lead the prudent, reasonable and professionally trained individual to believe that a fraud has occurred, or will occur. In litigation support, prediction is a call from the lawyer.

If the specific fraud is not known, or if there is limited information on the fraud, then the next step would be the fraud theory approach. In this approach, the forensic accountant, probably in a brainstorming setting, would proposed the most likely fraud scheme, and the manner in which that fraud scheme could have been perpetrated on the victim organization. Obviously, the forensic accountant needs to be familiar with fraud schemes and red flags associated with each. The theory then serves as the basis for developing a fraud investigation plan.

Using the theory, the forensic accountant develops a plan to gather sufficient and competent evidence. This step is where the auditor is particularly applicable. In this step, an examination is made of accounting records, transactions, document and data to obtain sufficient evidence to prove or disprove that the fraud identified earlier has occurred. Issues of importance include custody of evidence and other legal matters. After gathering accounting evidence, the forensic accountant will attempt to gather evidence from eyewitnesses, using interviews. This process goes from people the greatest distance from the fraud to an ever-narrowing circle of people close to the fraud to the last step of interviewing the suspect. Finally, the forensic accountant writes up the findings in a report to the party. If the case goes to court, this report or a similar one may be necessary during the trial. But regardless if the case goes to trial, the forensic accountant’s work will have to be presented in an effective manner to the judge or jury.
Figure 1: Operational (Conceptual) framework of Forensic Accounting relevance and fraud detection process in Nigeria.

**Empirical Review**
Forensic Accounting has now become a great area of interest in the field of Accounting. A lot of theoretical and empirical works have been carried out in this subject as result of its relevance in the overall performance of the organizational goals. To summarize the research argument on this subject, Webometric Analysis will be adopted as stated by Nwaiwu, 2015 to convey some work done by other researchers.
<table>
<thead>
<tr>
<th>Authors</th>
<th>Country</th>
<th>Topic</th>
<th>Methodology</th>
<th>Results</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kennedy and Anyaduba</td>
<td>Nigeria</td>
<td>Forensic Accounting and Financial fraud in Nigeria: an empirical approach</td>
<td>Survey Design Method</td>
<td>There is no significant agreement amongst stakeholders on the effectiveness of forensic accounting</td>
<td>In line with the findings, ICAN, ANAN &amp; NUC should encourage formation and specialization in the field of forensic accounting.</td>
</tr>
<tr>
<td>Onuorah and Appah</td>
<td>Nigeria</td>
<td>Fraudulent activity and forensic accounting services of banks in PH, Nigeria.</td>
<td>Descriptive statistics.</td>
<td>The application forensic services affect the level of fraudulent activities of banks.</td>
<td>Forensic accounting services provide banks with the necessary tools to deter fraudulent activities. Banks should invest on human capital development of their personnel; government should ensure the provision of standard and guidelines to regulate forensic activities.</td>
</tr>
<tr>
<td>Dada, Owolabi and Okwu</td>
<td>Nigeria</td>
<td>Forensic accounting a Panacea to Alleviation of Fraudulent Practices in Nigeria</td>
<td>Multiple Regression Technique</td>
<td>Fraud detection is significantly and positively related to fraud investigation and detection through Forensic Accounting</td>
<td>It was recommended that forensic accounting unit be established by the anticorruption commission and expert should be employed to ensure proper investigation of cases of fraud to assist the court in effective prosecution of persons accused of fraudulent practices.</td>
</tr>
</tbody>
</table>
Mary, Adediran and Akpeti

Nigeria

Evaluation of the role of Auditors in the fraud detection and investigation in Nigerian Industries.

Chi-square

Firms produced and published financial statement as well as engage the services of Auditors and that detection of fraud and error are inevitable.

Management should always engage the services of qualified and experienced external Auditors which will not only put in place an effective internal control system which will enhance fraud control.

Owolabi

Nigeria

Fraud and Fraudulent Practices in Nigerian Banking Industries

Tables and percentages for elusive description

Mixed results

Recommendations targeting at reducing fraud and fraudulent practices in the Nigerian Banking Industries.

Research Hypotheses

The foregoing empirical and theoretical discussion of professionals provides the context for three important hypotheses that underpins the relationship between forensic accounting relevance and fraud. Detection process and financial performance in Nigeria, formulated in the null form to wit:

$$H_{O1} \quad \text{There is no significant relationship between Litigation Support and Fraud Motives in Nigeria.}$$

$$H_{O2} \quad \text{There is no significant relationship between Litigation Support and Fraud Opportunity in Nigeria.}$$

$$H_{O3} \quad \text{There is no significant relationship between Litigation Support and Fraud Justification in Nigeria.}$$

Methods

This study adopted a Quasi Experimental Research Design because the research falls under a non-contrived study setting. Consequently, a cross sectional survey was carried in other to have wide range knowledge on Forensic Accounting Relevance on Fraud Detection Process and Performance of Listed Companies in Nigeria. This method will enable the researcher generalize the findings of the study.
The researcher randomly selected five listed companies, two from the banking industry and three from manufacturing company based on convenience and the time frame given for the completion of the work. The selected companies include First Bank of Nigeria Plc, UBA Plc, Guinness Nigeria Plc, Nigerian Bottling Company Plc and Unilever Plc. Primary data was used in the course of this study. The data was generated using structured likert scale questionnaire.

**Empirical results and Discussion:**

This section presents our empirical results that examines and access the relationship between presence accounting relevance and fraud detection process and financial performance in Nigeria.

**HO₁** There is no significant relationship between Litigation Support and Fraud Motives.

**Table 1.** Shows the relationship between Litigation Support and Fraud Motive.

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
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<tbody>
<tr>
<td>LITIGATION</td>
<td>21.7200</td>
<td>1.54164</td>
<td>25</td>
</tr>
<tr>
<td>MOTIVES</td>
<td>20.3200</td>
<td>2.11581</td>
<td>25</td>
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<table>
<thead>
<tr>
<th></th>
<th>LITIGATION</th>
<th>MOTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>-.189</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.367</td>
</tr>
<tr>
<td>N</td>
<td>25</td>
<td>25</td>
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<td></td>
</tr>
<tr>
<td>N</td>
<td>25</td>
<td>25</td>
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</tbody>
</table>

Table 1 gives an SPSS outcome of the descriptive statistics of the mean and standard deviation of each variable. The table further reveals that the mean value of responses on Litigation Support is 21.7200 and it has a standard deviation of 1.54164. Fraud Motives has a mean value of 18.1600 and a standard deviation of 1.77200. The correlation of -0.189 indicates that there is a negative relationship between Litigation Support and Fraud Motives. This simply means that, as Litigation Support is increasing the motive to commit fraud is decreasing.

The significance value is 0.367 which is higher than the chosen Alpha Level of 0.05. This result leads to the rejection of the Null Hypothesis. Therefore the Alternate Hypothesis which states that “There is a significance relationship between Litigation Support and Fraud Motives” is accepted.

**HO₂** There is no significant relationship between Litigation Support and Fraud Opportunity.
Table 2. Shows the relationship between Litigation Support and Fraud Opportunity.

### Descriptive Statistics

<table>
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<th></th>
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<th>Std. Deviation</th>
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<tr>
<td>LITIGATION</td>
<td>21.7200</td>
<td>1.54164</td>
<td>25</td>
</tr>
<tr>
<td>OPPORTUNITY</td>
<td>21.9200</td>
<td>1.25565</td>
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</table>

### Correlations

<table>
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<th>LITIGATION</th>
<th>OPPORTUNITY</th>
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<tbody>
<tr>
<td>LITIGATION</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
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<tr>
<td></td>
<td>N</td>
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</tr>
<tr>
<td>OPPORTUNITY</td>
<td>Pearson Correlation</td>
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<td></td>
<td>Sig. (2-tailed)</td>
<td>.130</td>
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<td>N</td>
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</tbody>
</table>

Table 2 gives an SPSS outcome of the descriptive statistics of the mean and standard deviation of each variable. The table further reveals that the mean value of responses on Litigation Support is 21.7200 and it has a standard deviation of 1.54164. Fraud Opportunity has a mean value of 21.9200 and a standard deviation of 1.25565. The correlation of 0.311 indicates that there is a positive relationship between Litigation Support and Fraud Opportunity.

The significance value is 0.130 which is higher than the chosen Alpha Level of 0.05. This result leads to the rejection of the Null Hypothesis. Therefore the Alternate Hypothesis which states that “There is a significance relationship between Litigation Support and Fraud Opportunity” is accepted. This research’s finding is consistent with empirical results of previous studies conducted by Njanike; Dube & Mashanganye (2009), Okoye & Judu (2013) in Nigeria.

HO₃ There is no significant relationship between Litigation Support and Fraud Justification.
Table 3. Shows the relationship between Litigation Support and Fraud Justification.

### Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>LITIGATION</td>
<td>21.7200</td>
<td>1.54164</td>
<td>25</td>
</tr>
<tr>
<td>JUSTIFICATION</td>
<td>15.3200</td>
<td>2.73435</td>
<td>25</td>
</tr>
</tbody>
</table>

### Correlations

<table>
<thead>
<tr>
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<th>LITIGATI ON</th>
<th>JUSTIFICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>LITIGATION</td>
<td>Pearson Correlation 1</td>
<td>-.126</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.548</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>25</td>
</tr>
<tr>
<td>JUSTIFICATION</td>
<td>Pearson Correlation -.126</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.548</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>25</td>
</tr>
</tbody>
</table>

Table 3 gives an SPSS outcome of the descriptive statistics of the mean and standard deviation of each variable. The table further reveals that the mean value of responses on Litigation Support is 21.7200 and it has a standard deviation of 1.54164. Fraud Justification has a mean value of 15.3200 and a standard deviation of 2.73435. The correlation of -0.126 indicates that there is a negative relationship between Litigation Support and Fraud Justification. The significance value is 0548 which is higher than the chosen Alpha Level of 0.05. This result leads to the rejection of the Null Hypothesis. Therefore the Alternate Hypothesis which states that “There is a significance relationship between Litigation Support and Fraud Justification” is accepted. This result is against the back drop of empirical results finding of Lu; Haa & Hsu (2005), Lituak (2007), Mobolaji & Omoteso (2009), Mustafa & Youlouse (2010), Muslimat & Hemid (2012) who found a causal positive link between litigation and opportunity.

### Conclusion and Recommendations

Forensic Accounting is seen as a supplementary tool in fraud detection and prevention in an organization which in turn improve the overall performance of such organization. From the findings above, Litigation Support which as one of the proxies of Forensic Accounting has negative significant relationship with motives and justification to commit fraud. This indicates that as Litigation Support increases, the motives and justification to commit fraud decreases. While a positive significant relationship exists between the remaining variables. Forensic accounting experts from the professional accounting bodies should be employed to carry out litigation support services to serve as expert witness that will assist the court reach a conclusion on issues which the court itself may not have the knowledge to decide. Investigative Accounting measures should be put in place for fraud detection and prevention.
Management should ensure segregation of duties and supervisory at irregular intervals. Pro-active fraud prevention programs and a strong tone at the top should be put in place. Furthermore, Forensic Accounting should be included in accounting program of Nigerian universities and colleges to ensure proper training of professionals in order to create more awareness.
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ICAN Study Pack (2009). Advanced auditing and assurance, Professional examination I.Vi


