



Forensic Accounting as a Tool for Fraud Detection and Prevention in Public Sector: Moderating on MDAs

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Abstract: The study examined the influence of forensic accounting as a tool of fraud prevention in Nigeria. It specifically examined the influence of forensic accounting on fraud prevention and fraud detection in MDAs in Nigeria. This study is predicated on the policeman theory, white collar theory and fraud diamond theory. Primary source of data was employed through the use of questionnaire which covered the period of 10 years spanning from 2010-2010. A cross sectional Survey design was adopted. Questionnaire was used in data collection from staff of Integrated Personnel Payroll Information System and Office of the Account General of Federation. Seventy-five questionnaire were used as sample size. The study adopts descriptive statistics which involves the use of mean and standard deviation while regression analysis was adopted to test the stated hypotheses. Findings revealed that forensic accounting have significant influence on fraud detection and prevention. It was also revealed forensic litigation has no significant positive effect on recovery of funds lost to fraud. The study recommends that forensic accounting system should be allowed as a procedure for internal control systems, so as to prevent or reduce the level of income leakages, mismanagement of funds and budget padding.

INTRODUCTION

The high level of corruption through financial misappropriation, income leakages, budget padding and money laundering which is all component of fraud and other corrupt practices in business governance and government parastatals has necessitated the application and practice of forensic or investigative accounting.

Forensic or investigative accounting is the branch of accounting that reports any fraudulent activity, money laundering and any other related fraudulent actions that may occur in an institution. Once, there is any suspicious fraud or fraud is perceived or detected, a professional set of people-the forensic accountants are called upon to help discover the fraud and provide management with enough evidence to be submitted in the court of jurisprudence

when pursuing the suspects involved in the hoax. The term forensic which refers to evidence or documents to be used in court has been incorporated into accounting and finance due to the high level of financial crimes. Mazunder also noted that security forces in recent years have become more aware of financial crimes but lack the expertise and training to stem such crimes.

Zysman states that forensic accounting includes accounting, auditing and investigative skills. Enyi also asserted that it requires an accountant to catch a corrupt of fraudulent accountant as humanity is expected to recognize the magic of a monkey in order to capture it. Strict ethical behaviours must be implemented by an auditor in order to successfully perform forensic accounting. An auditor must be completely independent and aware of the tricks that management personnel and employees use to commit fraud in an organization.

The growing demand for forensic accounting is a familiar feature of most businesses around the world. Forensic accounting is based on the effect and cause of fraud and technical error committed by humans. Forensic accounting is fairly new in Nigeria as companies have realized that the service of a forensic accountant is needed as cases of fraud have greatly increased in number. Forensic accounting is the application of financial expertise and investigative mentality to unresolved issues, conducted within the context of the rules of evidence^[1].

It has been mentioned that "Government spending has always been a big concern but it has become so massive today that the public through its legislators is demanding to recognize whether the huge outlays of money are being spent wisely or whether they should be spent at all". Public servants and employees who manage public sector activities are expected to be adequately accountable to the public for their activities. The incidence of fraud continues to increase a public sector system and across nations through budget padding, financial misappropriation, income leakages in all tiers of government, money laundering by the top government officials to their foreign accounts eastward. Fraud is a universal problem as no nations are immune, although, developing countries and their various states suffer the most pain because this money supposed to be used to increase their standard of living in order to improve their well being.

Forensic accounting considerably improves the quality of fraud detection and prevention. This study therefore aims at investigating forensic accounting as a fraud detection and prevention tool among the selected ministries and MDA in the countries for the period 2010-2020 (10 years).

Literature review

Conceptual framework

Concept of forensic accounting: According to Manning^[2] defined forensic accounting as the diligence of financial accounting and investigative skills at a standard accepted by the tribunals, to address issues in dispute in the context of civil and criminal litigation. Coenen described forensic accounting as involving the application of accounting concepts and techniques to legal issues. It requires reporting when accountability for fraud is established and the report is considered evidence in court or administrative proceedings. It offers an accounting analysis that is suitable to the tribunal which will constitute the basis of discussion, debate and ultimately dispute resolution. This means that forensic accounting is a field of study of specialization that has to do with the provision of information that is meant to be utilized as evidence, especially, for audio purposes. The persons practicing in this field (i.e., forensic accountants) investigate and document financial fraud and white-collar crimes such as misappropriation of funds and investigate allegations of fraud, assess damages and assets and analyze complex financial transactions. These services are provided to corporations, prosecutors, criminal investigators and the government. The commitments of the forensic accountant are usually to determine where the money went how it came about and who was responsible for it.

This is the process of identifying, measuring and reporting economic information, so that, users can judge and make informed decisions.

Accounting fraud: Fraud is an act or course of deception, deliberately practiced to gain unlawful or unfair advantage such deception directed to the detriment of another. Agreeing to the Black's law Dictionary (1979) fraud (sometimes concerned to as fraudulent act) includes all the multifarious means human ingenuity can invent that are resorted to by one individual to obtain an advantage over another by false suggestions or suppression of the verity. It includes surprises, tricks, cunning or concealment and any unjust way through which another is cheated. Dandago, fraud is the wilful misrepresentation of financial information by one or more individuals within management, employees or third parties. This is using criminal deceit to gain an unfair or illegal advantage. This is deliberate deception for the purpose of obtaining an unfair advantage. Fraud differs from error which refers to "inaccuracies or involuntary omissions of amounts or information from an entity's accounting records or financial statements". Reporting fraud is an act of knowingly falsifying accounting records such as sales or cost records in order to promote the net

income or sales figures; accounting fraud is illegal and subjects the company and the administrators involved in civil lawsuits^[1].

Fraud, prevention and detection: Fraud is a worldwide problem that has existed for such a long time. Describing fraud as an act of using of dishonest methods to win something of value. There is no precise definition of fraud as it includes clever, surprising, cunning and prejudicial ways of deceiving a person. Nwankwo observed that fraud is an already designed act that inflicts psychological harm on an entity, often loss of monetary values. According to Howard and Sheetz^[3], fraud means intentional act or rather a determine misleading of fact, in order to trick or deceive people, group of people or an establishment. Moreover, financial fraud is a purposeful act by a vicious-minded people to mislead facts or figures with the so aim of making someone think something that is not true in order to find something for yourself or rather defrauding a company or an individual.

Fraud is an activity of unjustified or criminal deception that occurs in all walks of life and has a negative influence on the economy, businesses and personalities. It is an opportunistic infection that focuses on financial or personal gain. According to Black law Dictionary 1997 in Okoye and Gbengi^[4], define fraud as an intentional deceptive action designed to provide the perpetrator with an illicit gain or to benefit or to deny a right to a dupe. Fraud in public sector affects all the three levels of government and integrity of people in the helms of affairs in the regime of the state. It greatly affects government project because the finances that is met for infrastructural development and other social amenities to enhance their standard of living are being misappropriated by the political office holder which cut across all the MDAs. Issue of Fraud in public sector is no more a new thing, it is now a business of the day in the public sectors and this has created untold hardship to the general populace.

Detection is the act or process of identifying the presence of something hidden and also of finding or catching (a person) in the performance of certain acts. This means the action or process of detecting the presence of something concealed^[3]. Prevention also means saving something from what is going on or preventing someone from doing something. As described above, fraud is a legal term that refers to the intentional misrepresentation of the truth for the purpose of manipulating or misleading a business or individual. This means that the purpose of the fraud is to create an error in judgment or to maintain an existing error in judgment to entice someone to enter into a contract.

Fraud prevention is the implementation of a strategy aimed at detecting fraudulent transactions or banking transactions and preventing them from damaging the

reputation of the client or financial institution. It is an effort to prevent and discourage crime and criminals. Fraud prevention refers to the anticipation, recognition and assessment of a risk of crime and the implementation of measures to eliminate or reduce that risk^[1]. It is specifically applicable to the efforts of governments and other relevant authorities to reduce crime, enforce the law and maintain criminal justice.

Overview of public sector: The public sector is usually made up of agencies owned and operated by the government. This involves federal, state and local governments. Ibahulu described the public sector as that sector of the economy established and controlled by the government and its agencies distinguishable from the private sector and are coordinated on behalf of the whole citizens. Mathias explains that private sector accounting aim in theory is different from public sector accounting and argued that most government offices and municipalities need to track funds generated from taxation revenues and direct it towards their expenditures and other associated projects or appropriations. Moreover, countries may have to follow a set of standardised accounting principles different from private sector accounting rules. But with the establishment of international accounting standards, countries can follow similar rules and therefore prepare and submit similar financial statements.

Fraudulent financial report appears to weaken the country's complete economic condition. Importantly, the category of fraud perpetrated on these banks causes the highest quantity of losses which distort the financial truth in order to get certain advantages or hide the possible or negative performance to deceive the users of financial instruction. Therefore, if banks are to be efficient and effective and contribute in a meaningful way to the development of a national economy, the industry must be safe, stable and sound. Achieving these objectives requires forensic accountants who will provide a robust system of internal control, compliance with banking ethics and good corporate governance practices.

Nigerian public sector accounting is strategic in the maturation of the Nation through the public sector apparatus on one hand, it drives the business operations of the private sector to a large extent on the other hired man. The public sector accounting financial system in Nigeria is managed by the Ministry of Finance and the budget office at the Federal level while each of the thirty-six States of the Federation run their financial affairs through their individual Ministries of Finance and budget offices as each State is autonomous with separate budgets backed up by an appropriation law. furthermore, each of the nation's seven hundred and seventy-four local councils manage its affairs separately. The three tiers maintain

individual budgets that are run by separate appropriation laws preparation, approval, implementation of the government budgets. They are governed on an individual basis by distinct officials. They also continue to prepare public sector financial reports for individual verification and publication.

Nigeria as an emerging economy facing different challenges with dwindling in the growth and stability of its economy, in which speedy failure in the government as a result of high level of corruption is the major issue deterring the country from maintaining sustainable economic growth and stability which consequently slowing down the development of Nigerian. The Nigeria public sector is an inbuilt component of its economy for stable and sound development and plays a critical part in bringing prosperity in the lifetime of a citizen of the state.

Nigeria is one of the developing countries and the emerging economy most affected by the greatest challenges of effective resource allocation and economic stability. A flawless factor in the effective management of public funds and control of the government's treasury resources is achieved through a unified government banking structure. Such banking arrangements should be designed in a manner which minimizes the cost of government borrowing and maximizes the opportunity cost of cash resources. The system should assure that cash received is available for government expenditure programs and for making payments in a timely fashion.

Past governments in Nigeria at different times, operate different types of accounting systems in government ministries, departments and agencies are regularly engaged in the collection and allocation of income. Government bank accounts as a portion of its cash management arrangements, are an important component for effective management and control of government's cash resources. The later requires public finance managers to ensure all cash received is available for carrying out government expenditure plans and making payments in a timely fashion such that the price of government borrowing is minimized and the opportunity cost of cash resources maximized.

Theoretical framework: A contractual agreement between these parties typically requires that forensic accounting be universally accepted to facilitate fraud detection and prevention. A brief analysis of the theories advocating the need for forensic accounting giving rise to contractual arrangement under: Policeman Theory, White Collar Theory and Fraud Diamond Theory.

Policeman theory: This was the most common theory about audit and investigation up to the 1940s. The theory

is that forensic accountants act as police officers by focusing on arithmetic accuracy and fraud prevention and detection. However, due to its inability to explain the shift of forensic accountant to, prevention of fraud for fairness of the financial statements and detection of fraud' the theory seems to have lost much of its explanatory power.

White collar theory: The term white-collar crime dates back to 1939. Sutherland as cited in Michael was the first to coin the term and hypothesis white-collar criminals, attributed different characteristics and motives than typical street criminals. Sutherland originally presented his theory in an address to the American Sociological Society in attempt to study two field, crime and high society which had no previous empirical correlation. He defined his idea as "crime committed by a person respectability and high social status in the course of his occupation. Sutherland noted that in his time, <2% of the persons committed to prison in a year belong to the upper class." His goal was to prove a relation between money, social status and likelihood of going to jail for a white-collar crime, compared to more visible, typical crimes, although, the percentage is a bit higher today.

Fraud diamond theory: The diamond theory of fraud was introduced by Wolf and Hermanson, the diamond model of fraud where they provided another perspective on the factors of fraud. The theory adds the fourth variable "skills" to the three-factor theory of the fraud triangle. Wolf and Hermanson believed that many frauds would not have occurred without the right person who had the skills to implement the details of the fraud. Opportunity opens the door for fraud and inducement. Using the four-point fraud diamond, one fraudster thought that the process could take place as follows:

- Incentive: I want to, or have a need to commit fraud
- Opportunity: There is a weakness in the system that the right person could exploit fraud is possible
- Rationalization: I have convinced myself that this fraudulent behavior is worth the risks
- Capability: I have the necessary traits and abilities to be the right person to pull it off. I have recognized this particular fraud opportunity and can turn it into reality

Empirical review: Going through the existing literature, it is crystal clear that forensic accounting is universally accepted to enhance the detection and prevention of fraud. In Brazil, Imoniana, Antunes and Formigoni studied the features of Forensic Accounting services carried out by accounting firms; using an exploratory approach. The outcome of their findings revealed that knowledge of

forensic accounting techniques and expertise increased the productivity of auditors in fraud detection and prevention. At the same time, Bressler^[5] examined the perception of lawyers and judges in the court system about what might help to understand the role of forensic accountants in fraud investigations. In his conceptual analysis which revealed that forensic accountants need good training on evidentiary rules, financial data, accounting information system, software and communication skills.

In Bangladesh 2011, Islam examined the profession of forensic accountant and the reduction of corruption in the banking industry. The study was a descriptive search for a type of survey and a questionnaire was used to collect the required data which was then analyzed using a simple percentage and simple regression. The result confirmed that accountants used forensic accounting skills in the detection of fraud. In the same vein, Luke reviewed a study to determine whether applying forensic accounting could be used as a tool to increase trust in the auditor's report. In the analysis of data, descriptive statistics were employed in the field. He administered 400 questionnaires on audit, legal and information technology firms. It concluded that the application of forensic verification could make it possible to detect fraud using fingerprints and signatures in a meaningful manner. Clearly, these studies are similar to this study only because the previous study used only descriptive statistics while this study used inferential statistics from simple linear regression.

In the regional front, various works have been revealed on Forensic Accounting and detection and prevention of fraud. For example, Kasum^[6] studied the strength of forensic auditing in detecting and preventing bank fraud in Harare, Zimbabwe. This was a descriptive search of one type of survey and the data was collected through questionnaires and interviews with thirteen commercial banks, four audit firms and four construction companies. The analysis carried out through frequency and percentage revealed that forensic accounting is faced with many problems, hence, it has not been useful in the detection and prevention of fraud in Zimbabwe. This means that hiring forensic accountants without sufficient material resources would produce no desired outcome. This review is similar to the current review. However, some distinction was made because the current study used inferential statistics of simple linear regression whereas the previous study used descriptive statistics of frequency and percentage.

Enofe *et al.*^[7] initiated a study to look at the impact of forensic accounting on fraud detection. The overall objective was to determine the link between fraud detection and forensics. The study adopted a survey search design and a well-structured questionnaire was used to obtain the required data from the sample respondents. The data collected that was analyzed through descriptive statistics of frequency and percentage and

inferential statistics of simple linear regression and Chi-square revealed that both forensic accounting and fraud detection moved in the same direction indicating that the application Forensic Accounting affects the fraudulent activities. This article extends the study of Enofe, Okpako and Atube with the inclusion of fraud prevention. This study was designed to ascertain the impact of Forensic Accounting on fraud detection and prevention in commercial banks in Ekiti State.

With the purpose of studying the influence of Forensic Accounting in the management of fraud in banks, Okafor and Agbiogwu^[8] studied the effect of Forensic Accounting Skills on the management of bank fraud in Imo State. The study was a survey type and both secondary and primary data were gathered in a bid to know the effect of Forensic Accounting on the management of fraud in Nigeria. The data collected and analysed as part of the ANOVA showed that forensic accounting skills significantly reduce the number of frauds in the banking sector.

The study was confined to Imo State and other states in the federation were set aside. In order to generalize their conclusions that forensic accounting reduces financial fraud, it is important or necessary to conduct the same study in other states. This will invariably address the gaps in this study.

Similarly, Enofe *et al.*^[9] conducted research in forensic accounting and financial fraud. It was a descriptive search for a type of survey and the data needed for the study were obtained using a well-structured Likert-scale questionnaire; the data collected were analyzed using a nonparametric statistical technique. The most significant of their discoveries was that forensic accounting skills are essential to tackle financial crimes in the banking section in Nigeria. Rather than a nonparametric statistical technique, a simple linear regression is used in this study. Similarly, there was no theoretical basis for the previous study and the present study was based on the theory of diamond fraud.

Further evidence has shown that forensic accounting skills help reduce financial crime not only in the banking sector but also in the public sector in Nigeria. This study was conducted in a number of MDAs in Nigeria.

MATERIALS AND METHODS

Research design: The study adopted a cross-sectional survey design due to the use of primary data. For this purpose, a simple stratified random sampling technique was used. The study assumed the role of qualitative information which include coded (scale) data from copies of the questionnaire administered while ordinary least square regression and descriptive statistics were employed to examine the theories.

Target population: The population included in this study was all employees of the Integrated Personnel Pay Information System and the Federation's General Account Office.

Sampling size and sampling procedures: Simple-stratified-random sampling technique was taken to select sample respondents from Integrated Personnel Payroll Information System and Office of the Account General Federation as representative of the total population of all MDAs which serves as the panacea of all the funds disbursing to all the Ministry and MDAs. Hence, the sampling of the study includes twenty-five (37) members from each of the following two categories of Integrated Personnel Payroll Information System and Office of the Account General Federation (i.e., 25 times 3:75) copies of the survey in Likert format are distributed in the field.

Research instruments: Data was collected through questionnaires which were administered to Integrated Personnel Payroll Information System and Office of the Account General of Federation. Seventy-five questionnaire items were distributed for the study.

Data analyses techniques: The analyses of data in this study were done with the aid of undated Ordinary Least Square regression (OLS) technique while the data extracted from the copies of questionnaire was coded to suit the OLS.

Model specification: The following econometric model is formulated for the research study:

$$FA = f(FP, FD)$$

$$FA = \beta_0 + \beta_1 FP + \beta_2 FD + \Sigma$$

Where:

FA = Financial Accounting
 FP = Fraud Prevention
 FD = Fraud Detection
 Σ = Stochastic Error Term
 β_0 = Intercept
 $\beta_{1-3} > 0$ = The presumption signs of the parameters in the specifications

RESULTS AND DISCUSSION

The presentation starts with descriptive statistic with the description of the respondent's base on the variables of interest. The variables used in the model include Forensic Accounting (FA), Fraud Prevention (FP), Fraud Detection (FD). The sample used for the analysis was based on the questionnaire assigned to the respondents (i.e., Integrated Personnel Payroll Information System and Office of the Account General of Federation) (Table 1).

Table 1: Descriptive statistics

Variables	N	Minimum	Maximum	Mean	SD
FA	73	2	5	4.16	0.687
FP	73	2	5	3.90	0.785
FD	73	1	5	3.89	0.966

Author's computation in 2020: SPSS Version 20.0

Table 2: Computation of Ordinary Least Square (OLS) result

Variables	Coefficient	SE	T-statistic	Probabilities
Intercept	3.154	0.412	7.649	0.000
FP	-0.021	0.109	-0.193	0.847
FD	0.281	0.089	3.168	0.002

Author's computation in 2020: SPSS Version 20.0, Dependent Variable: Financial Accounting (FA); Method: Ordinary Least Square Included Observation: 73; $R^2 = 0.147$, $R^2 \text{ bar} = 0.123$, F-Stats (2.70) = 6.047, D.W-stats., 1.381

Interpretation of results: The test is aimed at determining whether the signs and sizes of the results are in line with what theoretical postulation of the study. Thus, theoretical postulation tells us that the coefficients are positively related to the dependent variable, if an increase in any of the explanatory variables leads to an increase in the dependent variable, vice visa (Table 2).

A-priori expectation criteria: The test is aimed at determining whether the signs and sizes of the results are in line with what theory postulates. Thus, theory tells us that the coefficients are positively related to the dependent variable, if an increase in any of the explanatory variables leads to an increase in the dependent variable.

Therefore, the variable under consideration and their parameter exhibition of *a-priori* signs have been summarized in Table 3. Table 3 will be guarded by these criteria:

- When $\beta > 0$, positive relationship
- When $\beta < 0$, negative relationship

$$FA = 3.154 - 0.021FP + 0.281FD + \epsilon \text{ t S.e}$$

$$(0.412) (0.109) (0.089) \text{ T-Stat}$$

$$\{7.649\} \{-0.193\} \{3.168\}$$

The intercept value shown was 3.154 which means, Forensic Accounting (FA) have 3.154 units when other variables are held constant, this showed that forensic accounting can be practiced without fraud detection, forensic accounting will continue to be positive despite all the independent variables influence. Fraud Prevention (FP) shows that 1 unit increases in brought 0.021 unit decrease in Forensic Accounting (FA) and it was not substantial enough to justify forensic Accounting and its effect on Prevention and Detection of Fraud (FA) in public sector in Nigeria because t-critical value is greater than t-calculated $1.667 > 0.193$, thus, it cannot be used for policy making by way of forensic accounting in order to boost fraud prevention. Fraud Detection (FD) shows that 1 unit increases in fraud detection 0.281 unit increase in

Table 3: A-priori expectation table

Variables	Expected sign	Estimate	Remarks
FP	(+)	$B_2 < 0$	Not conform
FD	(+)	$\beta_1 > 0$	Conform

Author's computation in 2020

Forensic Accounting (FA) and it is statistically significant using rule of thumb and t-test statistic, respectively, thus, Forensic Accounting (FA) prevents fraud and improves way of records dealing in government parastatals in Nigeria.

Statistical criteria {first order test} coefficient of multiple determinants $\{R^2\}$: The R^2 shows the explanatory power of the model which can be seen as 0.147 (14.7%), means, 14.7% of changes in Forensic Accounting (FA) can be explained by all explanatory/exogenous variables or are due to exogenous variables changed while the R^2 adjusted is the predictive power to show the predictive ability of the model and this can be seen as 0.123 (12.3%), means, 12.3% of change in Forensic Accounting (FA) can be predicted by explanatory variables in the model.

Lastly, the F-statistic shows the robustness of the model for goodness of fit by comparing F-calculated to F-critical in the table, in order to explain the impact of whole explanatory variables on dependent/explained variable and this was shown by looking at it from the angle of 0.01 and 0.05 levels of significance which are 4.79 and 3.07 and is < 6.047 (4.79 and $3.07 < 6.047$) calculated, respectively.

Econometrics criteria {second order test} test for auto-correlation: One of the underlying assumptions of the Ordinary Least Square (OLS) Regression Technique is that the succession values of the random variables are temporarily independent. In the context of the series analysis, this means that an error term $\{U_t\}$ is not correlated with one or more of previous errors $\{U_{t-1}\}$. The problem is usually dictated with Durbin-Watson $\{DW\}$ statistics.

The Durbin-Watson's test compares the empirical d^* and d_u in $d-u$ tables to their transforms $\{4-dL\}$ and $\{4-dU\}$.

Decision rule:

- If $d^* < dL$, then we reject the null hypothesis of no correlation and accept that there is positive autocorrelation of first order
- If $d^* > \{4-dL\}$, we reject the null hypothesis and accept that there is negative auto-correlation of the first order
- If $dU < d^* < \{4-dU\}$, we accept the null hypothesis of no auto-correlation

- If $dL < d^* < dU$ or if $\{4-dU\} < \{4-dL\}$, that test is inconclusive. Where: dL = Lower limit, dU = Upper limit, D^* = Durbin Watson

From our regression result, we have; $D^* = 1.381$, $dL = 1.338$, $dU = 1.659$, $4-dL = 2.662$, $4dU = 2.341$. Since, If $dL < d^* < dU$ or if $\{4-dU\} < \{4-dL\} = \{1.338\} < 1.381 < \{1.659\}$, then, our test is inconclusive.

Research question verification

Research question one: What are the effects of forensic accounting on fraud prevention? From the research question result above, it is cleared that forensic accounting affect fraud prevention and had positive effect on prevention of fraud in the public sector in Nigeria. Based on the analysis done above, forensic accounting has yielded much effect for the prevention of fraud in Nigeria as a result of highly-significance of the variable used to capture the analysis.

Research question two: What are the effects of forensic accounting on fraud detection?

From the research question above, it is cleared that there is significant relationship between forensic accounting and fraud detection. Based on the result of analysis done above, forensic accounting has significant effect on fraud prevention and detection in Integrated Personnel Payroll Information System and Office of the Account General of Federation and also any parastatal in Nigeria as a result of the analysis done above.

CONCLUSION

The study empirically examined the relationship between forensic accounting and fraud detection and prevention as well as other related factors. Using data from the Integrated Personnel Payroll Information System, Office of the Account General of Federation and also any parastatal in Nigeria. Forensic accounting was found to be positively and significantly related to prevention and detection of fraud. The positive relationship indicates that forensic accounting is dependent on fraud prevention, the higher the system fraud prevention, the more qualitative and reliable the forensic accounting will be. To this end, this study concluded that forensic accounting has positively and significantly influence on fraud detection and prevention. Fraud can never be totally eradicated but with the help of forensic accounting it can be reduce to the nearest minimal. This gives rise to the following recommendations: Adequate forensic accounting system should be allowed as a procedure for internal control systems so as to prevent or reduce the level of income leakages, mismanagement of funds and budget padding.

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