INTERNATIONAL REVIEW OF FINANCIAL STUDIES | IROFS
Vol 2, Issue 3; June, 2025 / visit: https://journals.unizik.edu.ng/irofs

FORENSIC AUDIT PRACTICE AND EFFECTIVE FRAUD DETECTION AMONG MINISTRIES, DEPARTMENTS AND AGENCIES: EVIDENCE FROM SOUTH EAST NIGERIA

Emmanuel Uchenna Okeke[1] Emmanuel Ikechukwu Okoye[2]
Ugochukwu John Nwoye[3]
[1,2&3]*Department of Accountancy, Nnamdi Azikiwe university, Awka, Anambra State, Nigeria.*
Email: *manolink84@gmail.com[1]; eik.okoye@unizik.edu.ng[2]; uj.nwoye@unizik.edu.ng[3]*
***All correspondence to**:* manolink84@gmail.com.

ABSTRACT

The study examined the vitality of Forensic Audit practice in the public sector of the South East Nigeria towards the effective detection cum deterrence of fraud in Ministries, Departments and Agencies in the region. To achieve the stated broad objectives, The study specifically ascertained the effect of forensic arbitration skills on fraud deterrence in Ministries, Departments and Agencies in South-East, Nigeria. Furthermore, it investigated the effect of forensic litigation skills on fraud deterrence in Ministries, Departments and Agencies in South-East, Nigeria. Deploying the survey research design, a total of 260 Respondents was determined using Yaro Yamanene formula and sampled in MDAs in the 5 States namely Anambra, Abia, Ebonyi, Enugu, and Imo States which constitute the South East region of Nigeria. A 5-point rating scale well articulated google form-based research e-questionnaire served as the channel for the harvest of opinion from the Respondents. The Multiple regression analytical technique was used to test the relevant hypotheses, and the study found that arbitration skills have a significant and positive effect on fraud deterrence in the public sector in South East Nigeria (coefficient 0.268; pivalue 0.0000). It was also discovered that forensic litigation skills significantly and positively affect fraud deterrence in MDAs (coefficient 0.257; p-value 0.0000). The study therefore concludes that Ministries, Departments, and Agencies (MDAs) equipped with forensic expertise are more capable of identifying irregularities, disrupting potential fraudulent schemes, and creating operational climates that discourage unethical financial practices. As result, it recommends that the Head of the Civil Service of the Federation need to develop and institutionalize a continuous professional development program focused on forensic arbitration for internal auditors and legal officers in MDAs. Also, the Attorney-General of the State need to establish specialized forensic litigation desks within all public sector legal departments to facilitate proactive legal responses to fraud, including case preparation, evidence preservation, and collaboration with forensic auditors for deterrent prosecution.

Key words: *Forensic Arbitration Skills,Forensic Audit Practice, Forensic Litigation Skills, Fraud Detection, Fraud Deterrence.*

CITE AS: Okeke, E.U., Okoye, E.I. & Nwoye. U.J. (2025). Forensic audit practice and effective fraud detection among Ministries, Departments and Agencies: Evidence from South East Nigeria, *International Review of Financial Studies*, 2(3), 100 - 130. Available: https://journals.unizik.edu.ng/irofs

INTRODUCTION

Fraud has emerged as a pervasive issue in many sectors worldwide, but its impact is particularly pronounced in developing countries like Nigeria (Tubotamuno-Ojas & Chika, 2025; Oranefo & Ufaroh, 2024). In 2023, Nigerian public officials allegedly received an estimated ₦721 billion in bribes, representing about 0.35% of the country's GDP (Aina, 2024). The complexity and sophistication of fraudulent activities have evolved significantly, fueled by technological advancements and the increasing integration of digital platforms into financial transactions (Ogbaini, Akpor, Oboh, Oputa & Marvis, 2024). The Nigerian public sector, in particular, has been heavily affected by various forms of fraud, which undermine governance, promotes waste of scarce public resources, and erode citizens' trust in government institutions. Nwoye, Okoye and Oraka (2013) noted that one of the most difficult issues facing the Auditing profession is that there are no auditing procedures that can provide absolute assurance in detecting all fraudulent financial reporting. This backdrop sets the stage for understanding the critical role of forensic audit practice in enhancing transparency and accountability within the public sector, through its potentials to mitigate the adverse effects of fraud.

Forensic audit practice encompasses a range of methodologies and techniques designed to uncover financial discrepancies and criminal activities (Agbata, Okafor, Igweze & Okonewa, 2022). In this practice, forensic auditors deploy investigative skills, litigation skills, arbitration, skills forensic analytical and forensic data mining skills to detect fraud (Ariyo-Edu & Woli-Jimoh, 2024). For clarity, fraud detection encompasses the process of identifying and uncovering fraudulent activities or irregularities within an organization's operations, records, or transactions (Ojo-Agbodu & Ndubusi, 2022). Moreover, forensic audits require a blend of technical accounting skills and legal expertise, as findings may ultimately be used in court proceedings. In addition to identifying fraudulent activities, forensic audit practice also aims to assess and enhance an organization's internal control systems, thereby preventing future occurrences of fraud. Given the rampant fraud that undermines governance and public trust, such as embezzlement of public funds, procurement scams, payroll padding, ghost workers, and inflated contracts (Adebayo, Adenle, Ojeleye & Ayeni, 2024; Natsa, 2024), the role of forensic audit practice has never been more critical. Okoye, Nwoye and Okeke-Okomkwo (2019) lamented that the growth in financial misappropriation cases indicate that a strong need exists for more research approaches that will better enable Auditors and Investigators to detect and prevent potential misappropriation.

The rationale for this study stems from the growing concern over corruption and financial mismanagement in Nigeria's public sector, particularly within Ministries, Departments, and Agencies (MDAs) in South-East, Nigeria. Fraudulent activities within these sectors have significantly hindered effective governance, impeding socio-economic development. The integration of forensic audit techniques, such as investigative skills, data mining, and analytical capabilities, presents a promising solution to uncover fraudulent activities and enhance financial transparency. By focusing on the role of forensic audit in fraud detection and deterrence, this study aims to provide hints into the effectiveness of these specialized skills in reducing the prevalence of fraud in Nigerian public institutions.

Objectives

The broad objective of this study is to examine the relevance of Forensic Audit practice in the public sector of the South East Nigeria towards the effective detection of fraud in Ministries, Departments and Agencies in the region. Specifically, the study intends to:

1. ascertain the effect of forensic arbitration skills on fraud deterrence in Ministries, Departments and Agencies in South-East, Nigeria.
2. investigate the effect of forensic litigation skills on fraud deterrence in Ministries, Departments and Agencies in South-East, Nigeria.

Research Questions

The study intends to provide answers to the following research questions:

a. What is the effect of forensic arbitration skills on fraud deterrence in Ministries, Departments and Agencies in South-East, Nigeria?
b. To what extent do forensic litigation skills affect on fraud deterrence in Ministries, Departments and Agencies in South-East, Nigeria?

LITERATURE REVIEW

Forensic Audit Practice

Forensic audit practice involves the application of accounting, auditing, and investigative skills to examine financial statements and identify potential fraud (Olaiya & Adekola, 2022). Forensic audit practice is a branch of accounting that uses specialized skills and knowledge to assist in litigation, expert determination, and the investigation of suspected fraudulent practices, irregularities, or impropriety disputes (Eko, 2022). This discipline employs investigative tools and an investigative mindset, making it an effective means to combat financial statement fraud and economic crimes, including those conducted through cyberspace. The term "forensic" denotes suitability for use in a court of law (Oranefo &

Egbunike, 2022). Since its inception, forensic audit has been successfully applied across various contexts, aiding in the resolution of actual or anticipated disputes and litigations. It is a systematic process that involves identifying or examining trends, recording, comparing, sorting, and extracting relevant financial information to settle legal disputes or predict future fraud based on past financial data (Agbata et al., 2022). Forensic audit practice utilizes accounting, auditing, and investigative skills to uncover fraudulent incidents and produce evidence suitable for use in a court of law (Bako, Atayi, Usman & Sitdang, 2022). This field employs methods such as data mining techniques, computer-assisted audit techniques, and trend analysis.

The demand for forensic audit practice emerged due to the failure of traditional audit systems to detect fraud and other illicit activities within organizations (Chukwuma, Ugwu & Babalola, 2022). Experts note that intense economic pressures have driven many individuals to engage in fraudulent practices in various organizations. Forensic audit techniques combine financial expertise, fraud awareness, and a thorough understanding of business operations and the relevant legal framework of an organization or entity (Adebisi, Eko, Enang, Etim & Wilson, 2022). The primary objective of forensic audit practice is to disseminate critical information regarding governance and ethical policies to stakeholders both within and outside the organization, aiming to maintain the organization's positive image, ensure transparency, and foster effective communication (Akinbowale, Klingelhöfer & Zerihun, 2021). Forensic audit practice as a discipline integrates fraud knowledge, financial expertise, and a thorough understanding of business operations and the legal system (Unuigbokhai & Bagudu, 2022).

Forensic auditors need strong investigative and analytical skills to evaluate financial records, assess accounting data, and interview individuals involved in suspected fraud cases (Obafemi, 2021). They play a key role in providing independent assurance for various activities, such as offering advisory services to audit committees, conducting due diligence for mergers and acquisitions, supporting investment analysis, and managing enterprise risks (Onah, Okolie & Eneh, 2022). Using specialized forensic accounting tools and techniques, these investigators uncover irregular financial patterns or relationships that indicate potential misconduct. Fraud, which involves the intentional misappropriation of an organization's assets by employees, agents, or customers, often leaves detectable traces in financial documents (Chukwuma, Ugwu & Babalola, 2022). Investigative methods focus on identifying anomalies that deviate from expected financial behavior by examining specific accounts affected by suspicious activities. Tools such as data mining, trend analysis, financial ratios, and benchmarking allow

forensic auditors to efficiently detect unusual patterns, enabling them to identify errors, illegal transactions, or fraudulent behavior during their investigations.

Forensic Arbitration Skill

Forensic arbitration skill refers to the specialized capability of utilizing forensic techniques and methodologies in arbitration settings to resolve financial disputes (Agbata et al., 2022). It involves the integration of forensic knowledge, which is typically used to investigate and analyze financial irregularities, with arbitration processes to ensure that decisions are impartial, accurate, and evidence-based (Asaolu, Akinkoye & Akinadewo, 2020). Forensic arbitration goes beyond standard arbitration by requiring professionals to possess both investigative skills and a deep understanding of arbitration frameworks, focusing specifically on financial, commercial, or contractual disputes.

This skill requires mastery of forensic investigation principles, such as identifying inconsistencies in financial records, detecting signs of fraud, and interpreting complex financial statements, which are then presented in a legally acceptable manner. The aim is to uncover and verify evidence that will support the arbitration process, leading to fair and just outcomes. Individuals with forensic arbitration skills must have the ability to examine financial data, trace transactions, and identify patterns that may indicate misconduct or breach of contract. The conclusions drawn from these investigations are crucial to guiding the arbitration panel toward informed decision-making (Agbata et al., 2022).

H_{01}: *Forensic arbitration skills have no significant effect on fraud deterrence in Ministries, Departments and Agencies in South-East, Nigeria.*

Forensic Litigation Skills

Forensic litigation skills involve applying investigative and analytical expertise to address financial issues within the framework of legal proceedings (Agbata, Okafor, Igweze & Okonewa, 2022). This area combines principles of accounting and auditing with legal processes to ensure financial matters are resolved according to court standards (Emmanuel, Enyi & Olajide, 2018). Forensic accountants focus on cases related to ongoing or potential litigation, requiring precise reporting and accountability when fraud is detected. The reports they generate often serve as crucial evidence in court or administrative hearings (Obiora, Onuora & Amodu, 2022).

Forensic accounting in litigation has become a key tool in addressing fraud and economic crimes. Professionals in this field receive extensive training and practical experience, enabling them to support various stakeholders such as regulatory bodies, audit committees, law enforcement agencies, recovery teams, and financial auditors (Adegbie, Olajide, Kehinde & Trimisu, 2020). Their role goes beyond examining financial statements for irregularities—they gather, analyze, and present evidence that meets legal requirements for use in court. By integrating their expertise in accounting, finance, auditing, and quantitative analysis, forensic accountants conduct in-depth research, evaluate evidence, and effectively communicate their findings (Amin, Aminu & Zango, 2022).

H_{02}: *Forensic litigation skills do not significantly affect fraud deterrence in Ministries, Departments and Agencies in South-East, Nigeria.*

Fraud Detection

Fraud refers to an intentional act of deception aimed at gaining an unfair advantage, typically resulting in harm or financial loss for another party (Ojo-Agbodu & Ndubusi, 2022). It involves deliberate misrepresentation or concealment, often for personal gain, through deceitful means. The specific forms of fraudulent activity may vary according to the context or the role of the perpetrator within an organization. In the public sector, fraud commonly takes the form of bribery, mismanagement, misappropriation of funds, and budget padding (Asah & Obiora, 2022). More broadly, fraud includes both legal violations and unethical actions designed to acquire financial or non-financial benefits at the expense of others (Agboare, 2018). Fraudulent acts range from falsifying documents to exploiting individuals or organizations, causing considerable financial or reputational damage (Widnyana & Widyawati, 2022).

Occupational fraud, which is particularly prevalent in the public sector, involves the misuse of one's position to enrich oneself through unethical practices. It occurs when employees, managers, or other individuals exploit organizational resources for personal gain. This type of fraud often includes asset misappropriation, corruption, and the manipulation of financial statements (Akinbowale, Klingelhöfer & Zerihun, 2021). Asset misappropriation, for instance, is the most widespread form of occupational fraud globally, with employees diverting company assets for personal use (Oyedokun, 2015). The Association of Certified Fraud Examiners (ACFE) defines fraud as a deliberate action intended to obtain property, money, or other resources through deceptive means. In the context of financial audits, fraud

refers specifically to the intentional misstatement or omission of information in financial reports to mislead users (Nasiru et al., 2020). Fraud involves not just the act of lying but a range of tactics—such as theft, manipulation, or impersonation—aimed at unjustly benefiting from another party's resources.

Fraud Deterrence

Fraud deterrence refers to the strategies, actions, and measures implemented to prevent or reduce the occurrence of fraudulent activities (Anowu, Nyor, Agbi, Nelson and Saliu, 2021). Onodi, Okafor, & Onyali (2015) noted that it encompasses both proactive and reactive measures aimed at discouraging individuals from engaging in fraudulent conduct within an organization or system. In essence, fraud deterrence goes beyond detecting fraud after it occurs; it focuses on creating an environment that makes fraudulent activities less likely to happen in the first place (Onodi, Okafor & Onyali, 2015). It involves creating an atmosphere of accountability, transparency, and awareness, where the potential consequences of fraud are severe enough to dissuade individuals from attempting it. This often includes establishing strong internal controls, a culture of ethics and compliance, and a well-publicized commitment to pursuing fraud perpetrators to the fullest extent of the law.

Theoretical Review

Theory of Fraud Box Key Model

Fraud Box Key Model (FBKM) was developed by Okoye and Onodi in 2014 as an alternative to address the limitations found in both the Fraud Triangle Theory (FTT) and the Fraud Diamond Theory (FDT). Fraud Box Key builds on the framework of FDT by introducing corporate governance as a crucial fifth element. While the focus of FTT and FDT lies primarily on the motivations and tactics used by fraudsters, FBKM shifts the emphasis towards the role of corporate governance in fraud prevention. According to FBKM, even in situations where individuals face pressure, encounter opportunities, and rationalize their fraudulent actions, well-structured corporate governance mechanisms can act as a strong deterrent to fraudulent behavior, making it difficult for such intentions to materialize (Aigienohuwa, Okoye, & Uniamikogbo, 2017).

By integrating corporate governance, FBKM highlights the importance of organizational frameworks, policies, and ethical values in discouraging fraud. The model suggests that effective governance functions as a "key" to unlocking the fraudster's internal reasoning—addressing pressure, opportunity, attitude, and capability (Onodi, Okoye, and Egbunike,

2017). Fraud Box Key offers a practical tool for auditors to identify factors that signal fraud risk. When the "fraud box" opens—meaning pressure, opportunity, attitude, and capability align—it indicates a heightened likelihood of fraudulent activity. In response, implementing sound corporate governance becomes essential to closing this box and mitigating risks. Through the enforcement of governance policies, organizations, including the Central Bank of Nigeria (CBN), can significantly curb corporate fraud by aligning their practices with the code of corporate governance.

Fraud Box Key model takes a more comprehensive approach by considering both the internal and external factors that create vulnerability to fraud. Building on the principles established by FTT, FBKM provides more hints by incorporating multiple dimensions of risk. It enables organizations to identify key risk areas and implement proactive strategies to prevent fraud. These strategies may include strengthening internal control systems, providing employee education on fraud prevention, and promoting a culture of integrity (Onodi, Okoye & Egbunike, 2017). The Fraud Box Key Model is particularly useful for understanding how forensic audit practice can help fight fraud in Nigeria's public sector. Its structured framework supports the identification, prevention, and management of fraudulent activities.

The Fraud Box Key Model is highly relevant to the study on the effect of forensic audit practice on fraud detection in the Nigerian public sector, as it provides a structured approach to understanding and detecting fraudulent behavior. The model outlines four critical elements—opportunity, rationalization, pressure, and capability—that must be present for fraud to occur. Forensic audit practices, through systematic investigation and evidence-based procedures, directly address these elements by identifying vulnerabilities in financial systems, exposing rationalizations behind misconduct, and assessing organizational pressures and capabilities that enable fraud. By aligning forensic audits with the fraud box framework, the study underscores how these audits can proactively detect and deter fraudulent activities, ultimately enhancing accountability, transparency, and financial integrity within the Nigerian public sector.

Empirical Review

Tubotamuno-Ojas and Chika (2025) evaluated the impact of forensic accounting practices and fraud prevention in Rivers State Ministries. The methodology adopted in this study was a survey research design, with fraud triangle theory underpinning the study. The collected primary data came from 140 respondent staff from the selected ministries, of which 126

questionnaires were returned, and 121 were valid and used for analysis. The data were analyzed using descriptive statistics, Pearson's moment correlation coefficient, and regression techniques, supported by SPSS version 22.0. The results revealed a strong positive relationship between forensic accounting practices and fraud prevention in Rivers State Ministries. Furthermore, investigative accounting and litigation support services showed a significant positive relationship with payroll fraud. The study concluded that forensic accounting practices influence fraud prevention in Rivers State Ministries. It recommended that the government employ more forensic auditors in Rivers State Ministries to contribute to the statutory review report for the preparation of the Auditor General's report, helping to curtail fraudulent activities. Additionally, it was suggested that the government establish a functional whistle-blowing policy to ensure effective reporting of fraudulent acts, aiding litigation and discouraging fraudulent practices.

Offia and Ajuonu (2024) examined the effect of forensic accounting on financial fraud in Nigeria. The study aimed to assess the effectiveness of forensic accounting in fraud prevention and detection. A survey design was adopted, and questionnaires were distributed to accounting staff from various companies, including Onlinko Digital Marketing Agency, GNLD, Digital High-field Technologies, Mustard Seed Micro Investment Limited, and Barome Vienna Enterprise in Warri, Delta State, with a sample size of 198. Descriptive statistics, correlation coefficient, and t-tests were used to test the hypotheses. The findings revealed that forensic accounting significantly influences both fraud prevention and detection. The study recommended that companies in Nigeria strengthen their forensic accounting practices to deter fraud.

Esonwune and Ogiri (2024) examined the role of forensic accounting in fraud prevention in Nigerian banks, focusing on Ebonyi State. The study surveyed bank employees using pre-designed questions, and the data were analyzed using regression analysis to assess the connection between fraud prevention and forensic accounting methods, such as forensic investigation, expert consulting, and legal support. The results showed a strong negative correlation between fraud prevention and forensic investigation, as well as between fraud prevention and forensic litigation. However, expert consultation did not show a statistically significant relationship with fraud prevention. The study emphasized the critical role of forensic accounting in reducing financial crime in Nigerian institutions and recommended increasing support for forensic accounting services, providing training opportunities, and reducing the costs of forensic consulting to improve anti-fraud efforts in the banking sector.

Okorafor, Awa, Nkemdilim, and Ikechukwu (2024) investigated the influence of forensic accounting skills on fraud investigation in Nigerian electricity distribution firms, focusing on the Enugu Electricity Distribution Company (EEDC). A descriptive survey research approach was used, with the entire population of 52 accountants and internal audit personnel across 18 business districts and the corporate headquarters of EEDC surveyed. Multiple regression analysis was applied using SPSS Version 20.0 to test the hypotheses. The results showed that forensic accounting skills, including investigative flexibility, accounting and auditing expertise, analytical proficiency, and communication skills, had positive and significant impacts on fraud examination in EEDC. The study recommended that internal auditors and fraud examiners in Nigerian electricity distribution companies be encouraged to develop more interest in applying investigative flexibility for effective fraud examination.

Oranefo and Ufaroh (2024) examined the relationship between forensic accounting and fraudulent activities in Delta State corporate firms. The study aimed to examine how forensic accountants contribute to fraud prevention in corporate firms and determine the relationship between forensic accounting and fraud detection. Using a descriptive survey design, data were collected from a sample of 198 Accounting officers and Internal Auditors selected from a population of 393 in various ministries in the State, using Taro Yamane's formula. Surveys were conducted using questionnaires. Hypotheses were tested using Pearson correlation coefficient at a 0.05 level of significance with SPSS, version 20.0. The findings revealed a significant relationship between forensic accounting and both fraud prevention and detection in the selected firms in Delta State.

Ogbaini, Akpor, Oboh, Oputa, and Marvis (2024) investigated the role of forensic accounting in fraud detection and prevention within the Nigerian Public Sector, using the Lagos State Government as a case study. The study aimed to assess the impact of forensic accounting on fraud detection and prevention and to recommend strategies for fraud prevention in the public sector. A sample of 60 Certified Accountants was selected using purposive sampling techniques, and secondary data were gathered from past financial statements. The findings, analyzed using frequency distribution tables, simple percentages, and chi-square statistical formula, revealed minimal use of forensic accounting by the Lagos State Government, with no dedicated forensic accounting department or management training on forensic fraud prevention. The study recommends that the government should go beyond periodic audits and employ forensic accountants to regularly review major financial transactions.

Alao, Adegbie, and Ogundajo (2023) explored the effect of forensic accounting techniques on corruption in the public sector of South-West Nigeria. The study used a survey research design, with a population comprising 395 staff from Anti-graft agencies and ministry and departmental agencies. A sample of 254 respondents was determined using the Krejcie and Morgan formula. The adapted questionnaire's reliability and validity were confirmed with Cronbach's alpha greater than 0.70 and AVE greater than 0.5. The study used both descriptive and inferential statistics to analyze the data. The results showed that forensic accounting techniques significantly affect corruption (Adj R2= 0.07, F (5, 220)= 4.77, p< 0.05). Audit quality and governance quality significantly moderated this effect (Adj R2= 0.07, F (7, 218)= 3.42; p< 0.05). The study concluded that integrating forensic accounting techniques into the processes of Anti-graft agencies and other departments is essential for achieving transparency and accountability in public fund management. It recommended the establishment of forensic accounting units staffed by trained experts with attractive remuneration to ensure effective investigation and prosecution of corruption cases.

Okenwa and Abiola (2023) examined the connection between forensic accounting techniques and fraud management in brewery firms in South East Nigeria. The study used a field survey research design, with a population of 796 staff from three brewery companies. Using Taro Yamane's formula, the sample size was determined to be 266, and 242 valid responses were collected. The study tested hypotheses using descriptive statistics, Cronbach Alpha, Spearman's Correlation, and Paired Sample T-Test with SPSS version 23. The findings showed significant relationships between data mining techniques, ratio analysis, and computer-assisted auditing techniques with enterprise resource planning in brewery firms. The study concluded that forensic accounting techniques have a significant and positive relationship with fraud management in brewery firms in South East Nigeria. The study recommended that companies enhance forensic accounting techniques to analyze financial position, liquidity, profitability, risk, solvency, efficiency, operations effectiveness, and proper fund utilization.

Abdullahi, Mamuda, and Kauji (2023) examined the feasibility of implementing forensic accounting in fraud detection and prevention in the public sector in Borno State. The study used primary data obtained through a structured questionnaire and secondary data from the Borno State Ministry of Finance. A total of 250 samples were analyzed, representing Borno State public accountants, auditors, members of the Institute of Chartered Accountants of Nigeria (ICAN), the Association of National Accountants of Nigeria (ANAN), accounting

academicians, and members of the Nigerian Bar Association (NBA). Descriptive statistics, Analysis of Variance, and Kendall's W were used to test the hypotheses. The study found that accountants in the state civil service were knowledgeable about forensic accounting. It also found that conventional auditing is insufficient for detecting fraudulent practices. The research recommended adopting forensic accounting in Borno State and providing proper training and retraining for accountants in forensic accounting.

Unuigbokhai and Bagudu (2022) examined the impact of forensic accounting and fraud detection control in Nigeria. The specific objectives were to; examine the effectiveness of forensic accounting in financial fraud control, the effectiveness of forensic accounting in improving financial reporting quality and to ascertain the relationship between forensic accounting and internal controls. A sample size of one hundred (100) respondents was selected using a random selection of five (5) experts from each ministry which comprises auditors and accountants from the ten (10) ministries selected from FCT Abuja. Pearson Product Moment Correlation statistical tool was adopted in this study. It was revealed that there was a significant relationship between forensic accounting and financial fraud detection, there was a significant relationship between forensic accounting and financial reporting quality and there was a significant relationship between forensic accounting and internal control.

Ochuka, Nwoye and Okoye (2022) conducted a study to examine whether professional opinions on the relationship between the deployment of Forensic investigative skills and the secure of economic efficiency in Nigeria significantly differ. A total of 380 professional members of ICAN and ANAN were purposively sampled and data responses obtained were duly analysesd using One Sample T-test analytical technique. Findings obtained showed that a strong and positive relationship exist between the deployment of Forensic investigative skills and the secure of economic efficiency in Nigeria though significant difference persist in this Professional opinion.

Oranefo and Egbunike (2022) explored the viability of forensic accounting techniques in combating financial statement fraud in Nigerian organizations. The study specifically examined the relationship between forensic accounting techniques and fraud deterrence; and, the viability of forensic accounting techniques to enforce corporate policies and procedures. The study adopted the survey research design. The sampling frame comprised 50 accounting lecturers and chartered accountants in two geographical locations of Anambra State. The

primary data were analysed using Pearson correlation analysis which showed a positive association between forensic accounting techniques (FAT) and fraud deterrence. Secondly, there is a positive association between forensic accounting techniques and the enforcement of corporate policies.

Anowu, Nyor, Agbi, Nelson, and Saliu (2021) examined the impact of financial forensics on fraud deterrence in listed deposit money banks in Nigeria. The study focused on 619 top management personnel from the anti-fraud department, internal control, compliance units, and internal audit departments of banks listed on the Nigerian Stock Exchange as of December 31, 2020. The researchers used multiple regression analysis to assess the cumulative impact of independent variables on the dependent variable. The results indicated that financial forensic variables, including investigative accounting services, litigation support services, and expert witness services, accounted for 51% of the variation in fraud deterrence in these banks, with an F-statistic chi-squared value of 76.80 and a P-value of 0.000. The study recommended that listed deposit money banks engage in financial forensics to ensure unbiased investigations and interventions in cases of fraud, regardless of the magnitude or individuals involved.

Nwoye and Ogbodo (2021) carried out a study to determine whether the application of forensic digital techniques effectively predicts tendencies of material misstatement in pre and post IFRS financial regimes in Nigeria. Being a secondary data wholly sourced research, a total of 50 manufacturing companies in Nigeria were purposively sampled with pre and post IFRS annual reports for the years 2006 – 2016 assessed using digital forensic technique such as Probit Model e-enabled spreadsheet. Relevant hypotheses were tested using Multiple Regression Analytical tool and the Mann Whitney U test. Result of the analyses showed that appropriate application of digital forensic technique deployed effectively predicts tendencies of material misstatement in the pre and post IFRS Financial Statements of selected manufacturing companies sampled in Nigeria.

Obafemi (2021) examined the effect of forensic accounting on financial fraud management in Nigeria public sector. The objectives of the study is to find the effectiveness of forensic accounting in fraud prevention and to assess the positive effect of forensic litigation on recovery of funds lost to fraud. The study employed primary data which was collected using a well-structured questionnaire administered to two hundred and fifty (250) respondents from EFFC, ICPC, Office of the Accountant General, Office of the Auditor General and other practicing accountants in the country. The data gathered through the questionnaire were

analyzed using descriptive statistics and regression analysis. The findings of the study showed that there is positive relationship between forensic accounting practices and fraud management. The study concludes that forensic accounting has significantly influence on fraud detection and prevention and that forensic litigation has significant positive effect on recovery of funds lost to fraud.

Mbasiti, Gyang and Ojaide (2021) examined the extent at which Forensic Accounting Techniques serves as a panacea for preventing Revenue Leakages in Federal Universities in Nigeria. Primary data were used in this study and collected with the aid of research questionnaire, and the sample size was 238. This study applied the Regression analysis. Regression analysis described and evaluated the relationships between Forensic accounting techniques and revenue leakages. In using the analytical tool, important assumptions for a valid regression was elaborated and tested and this ensured that the final regression model was not flawed. From the analysis, it showed that forensic data analysis technique can help in uncovering leakages of revenue in Nigerian Federal Universities.

Mbugua (2020) investigated the impact of forensic accounting practices on fraud detection and prevention among deposit-taking SACCOs in Nairobi County. The study focused on forensic accounting practices such as litigation support, fraud investigation, and dispute resolution, guided by the Fraud Triangle theory, Rational Choice Theory, and Routine Activity Theory. A cross-sectional survey and descriptive research design were used to describe the current situation. The study population consisted of 42 deposit-taking SACCOs operating in Nairobi County as of December 2018. Using a census technique, data was collected from 37 SACCOs. The study used both inferential and descriptive statistics, with multiple linear regression analysis to assess the relationship between forensic accounting practices and fraud detection and prevention. The study found a moderate and positive impact of forensic accounting practices on fraud detection and prevention, with litigation support showing a statistically significant relationship. The study recommended that SACCOs leverage litigation support to enhance fraud detection and prevention and suggested further research on the influence of factors like internal controls, fraud risk assessment, organizational culture, and technology adoption.

Haruna, Oyedokun, and Mainoma (2020) assessed forensic accounting techniques, accounting numbers, and fraud prevention in listed insurance companies in Nigeria. The study surveyed professional accountants and auditors from listed insurance companies, with a sample of 257 determined using Cochran's formula. The study used a survey research method,

with data analyzed using the Statistical Package for the Social Sciences (SPSS V.21). The study found that investigative skills positively influenced the integrity of financial statements in listed insurance companies in Nigeria. The findings showed that about 74% of the variation in the integrity of financial statements could be attributed to forensic accounting techniques. The study recommended that listed insurance companies in Nigeria establish forensic accounting units within their internal control departments to enhance the integrity of financial statements.

Olaoye (2020) examined the impact of forensic accounting techniques in combating financial crimes in Nigeria's public sector. The study employed a survey research design with purposive sampling to select 86 accountants and auditors from three ministries in Osun State, Nigeria. Primary data were collected through structured questionnaires and analyzed using descriptive and inferential statistical tools. The study found that applying forensic accounting techniques could effectively combat financial crimes in Nigeria's public sector, with a p-value of 0.00 indicating statistical significance. The study recommended that the Nigerian government facilitate the growth of forensic accounting by providing legal backing for investigating financial crimes. It also recommended that all government ministries, agencies, and parastatals establish forensic accounting units to strengthen internal controls and investigate financial crimes.

Agbo and Ezuwore (2020) examined the relationship between forensic accounting, fraud control, and corporate governance in Nigerian banks. The study aimed to determine whether there is a significant relationship between forensic accounting awareness and fraud control, and between forensic accounting and corporate governance. Using a survey research design, the study sampled 150 staff members from Zenith Bank, Nigeria. Data were analyzed using Analysis of Variance (ANOVA) and regression techniques through SPSS software. The findings showed that forensic accounting awareness significantly relates to fraud control and corporate governance in Nigerian banks. The study recommended that Nigerian banks establish forensic accounting units to ensure efficient internal controls and corporate governance.

Okoye, Nwoye, Akuchi and Onyema (2020) examined the effect of Forensic investigation techniques in detecting Occupational fraud in the Public sector of Anambra State. A sample of 250 Respondents comprising professional Investigators, Prosecutors, staff of Finance, Accounts and Audit units, the Economic and Financial crimes commission (EFCC),

Independent Corrupt Practices Commission (ICPC), Code of Conduct Bureau (CCB), Federal Bureau of Investigation (FBI), Police Special Fraud Unit (PSFU) of the criminal Investigation Department of the Nigerian Police Force and Ministry of Finance, Anambra State, were surveyed. Data generated and consequently analysed using Kruskal Wallis test showed that there are no generally acceptable forensic investigation techniques in place for detecting fraud in the public even as there is a significant positive relationship between Forensic investigation Techniques and fraud detection in the Public sector of Anambra State.

Nasiru, Modibbo, and Abdulhadi (2020) assessed forensic accounting and firm performance using return on assets, return on equity, and net profit margin as performance indicators. The study adopted a survey approach, with the population consisting of administration staff from Cement Company of Northern Nigeria. Thirty-four respondents were selected using purposive sampling, and primary data were collected via structured questionnaires. Multiple regression analysis was conducted using SPSS to determine the relationship between forensic accounting and firm performance. The study found a significant positive relationship between forensic accounting and return on asset, return on equity, and net profit margin. The findings indicated that more than 79% of the variation in firm performance could be explained by forensic accounting practices.

Okoye, Adeniyi, and James (2019) assessed the effect of forensic accounting on fraud management, specifically focusing on the effectiveness of forensic accounting in fraud prevention and the impact of forensic litigation on the recovery of funds lost to fraud. The study employed a survey design, collecting data through questionnaires from accounting staff at Nigeria Breweries Plc, Cadbury Nigeria Plc, Nigeria Bottling Company, and Dupril Forma Nigeria Ltd, all located in Aba, Abia State. A sample size of 190 was used. Descriptive statistics, including means and standard deviations, were used to analyze the data, while regression analysis was used to test the hypotheses. The findings revealed that forensic accounting significantly influences fraud detection and prevention. However, forensic litigation did not show a significant positive effect on the recovery of funds lost to fraud.

Eze and Okoye (2019) investigated the effects of forensic accounting on fraud prevention in the Nigerian public sector, with Imo State as a case study. The study employed a descriptive survey research design and collected data using structured questionnaires, after validating and testing reliability, with hypothesis testing conducted using a z-test. The results indicated a significant relationship between forensic accounting and fraud detection and prevention in the public sector. The study recommended strengthening the use of forensic accounting in the

public sector, with commitment from top-level management, and suggested that anti-graft agencies such as the EFCC and ICPC adopt forensic accounting techniques.

Uniamikogbo, Adeusi, and Amu (2019) examined the impact of forensic audit on fraud detection and prevention in Nigeria's banking sector. The study surveyed all 16 Deposit Money Banks (DMBs) listed on the Nigerian Stock Exchange (NSE) as of 2016, using secondary data from the Nigerian Deposit Insurance Corporation (NDIC) annual reports for 2013 and 2016. Data spanning the years 2012-2016 were analyzed using charts, graphs, tables, and regression analysis. The findings revealed that forensic audit has a significant negative impact on the number of fraud cases, the number of staff involved in fraud, and the actual amount of losses due to fraud in Nigerian banks. However, forensic auditing did not significantly impact expected losses from fraud activities. The study recommended that Nigerian banks intensify the application of forensic auditing to combat fraud and focus on detecting fraud incidents and staff involvement. Additionally, the study emphasized the importance of staff welfare and remuneration in preventing fraud.

Akinadewo and Akinkoye (2019) analyzed the challenges of forensic accounting practice in Nigeria, focusing on the perception of DMBs' staff regarding the impact of fraud on the banking industry and the effect of forensic accounting on fraud detection in DMBs. The study used primary data collected via structured questionnaires from 40 forensic accountants and 40 staff members from 10 banks. Descriptive and regression analyses were employed, with SPSS version 23 used to analyze the relationship between forensic accounting and fraud detection. The findings revealed that fear of bad publicity during fraud litigations is a significant challenge in forensic accounting practice in Nigeria. The study also found that fraud could erode investor confidence and lead to job losses. Multiple regression analysis showed a positive relationship between forensic accounting and fraud detection in DMBs. The study recommended establishing forensic accounting units in DMBs for timely fraud detection and prevention.

MATERIALS AND METHOD

This study adopted a descriptive survey research design to examine the influence of forensic audit on fraud detection in the Nigerian public sector. By employing this design, the study sought to provide a comprehensive analysis of how forensic auditors' skills through professional practice help detect fraudulent activities within the public sector without manipulating any variables. As a result, the research was conducted in the Nigerian public

sector, specifically focusing on government Ministries, Departments, and Agencies (MDAs) in South East Nigeria comprising Enugu, Imo, Ebonyi, Anambra and Abia States. A total of 742 individuals drawn from top and middle management personnel as well as Forensic Auditors, Accountants, and Auditors working in government Ministries, Departments, and Agencies (MDAs) in South East Nigeria constituted the population of the study. Table 1 presents a more concise break down of this:

Table 1 Population

States	Top level Mgt	Middle level Mgt	Audit/Accountants	Total
Ebonyi	42	41	38	121
Anambra	62	43	57	162
Imo	65	47	44	156
Enugu	59	55	43	157
Abia	51	52	43	146
Total	**279**	**238**	**225**	**742**

Source: Survey Findings (2025)

However, adopting the snowball sampling technique, a sample size of 260 Respondents was determined using the Yaro Yamene's formula for determining the sample size of a finite population. And to enhance reach and convenience, data were collected using an online questionnaire administered through a Google Survey Form. The 5-point Likert rating scale based e-questionnaire was designed to capture respondents' views and experiences regarding the effect of forensic audit practice on fraud detection within the public sector. The use of e-questionnaire allowed for the efficient gathering of first-hand, detailed information from the relevant stakeholders.

This study adapted the model developed by Okorafor, Awa, Nkemdilim, and Ikechukwu (2024) while investigating the influence of forensic accounting skills on fraud investigation in Nigerian electricity distribution. The original model by the aforementioned authors is:

$FEEDC = a0 + \beta 1IVFL + \beta 2AAEP + \beta 3ANPR + \beta 4CMSK + et$ ..... Eqn 1

Where;

FE = Fraud Examination of Electricity Distribution Companies;

a = constant term;

β_1 β_2 β_3 β_4= slopes of the coefficients;

IVFL = Investigative Flexibility;

AAEP = Accounting and Auditing Expertise;

ANPR = Analytical Proficiency;

CMSK = Communication Skill;

et = Error term

The above model is modified to suit the specific objectives of the present study as follows:

$FDTER_i = \beta_0 + \beta_1 FARBS_i + \beta_2 FLITS_i + \varepsilon_i$ _____ Eqn 2.

Where,

FDTER = Fraud Deterrence

FARBS = Forensic Arbitration Skills

FLITS = Forensic Litigation Skills

i = Cross-sectional entity

β_0 = Constant

β_1-3 = Coefficients of Predictors

ε_i = Error Term

Both descriptive and inferential statistics were employed to analyse the data. Descriptive analysis was conducted using means and frequencies to summarize the data and identify general trends. In addition to the above, multiple regression was used to test hypotheses, since the essence of the hypotheses is to establish effect. The predictor variables in theses hypotheses were multiple, thereby requiring a multiple regression analytical technique.

The decision rule for this study was based on the significance level (p-value) of 0.05. If the p-value were less than 0.05, the null hypothesis would be rejected, and the alternative hypothesis would be accepted, indicating that a significant influence of forensic audit practice on fraud detection in the Nigerian public sector. Conversely, if the p-value were greater than 0.05, the null hypothesis would be retained.

ANALYSES AND RESULTS DISCUSSION

Research Questions Analyses

The research questionnaire was structured using 5-point Likert scale system, with the following ranks: Strongly Agree (SA); Agree (A); Undecided (U); Disagree (D); and Strongly Disagree (SD). The point ratings are: Strongly Agree = 5; Agree = 4; Undecided = 3; Disagree = 2; Strongly Disagree = 1. Analysis of the responses is done in this section as follows:

Research Question One

Table 2 Analysis of Research Question One

S/N	Forensic Arbitration Skills	SA	A	U	D	SD	Mean
i.	Forensic arbitration skills are crucial in resolving financial disputes and fraud-related issues in MDAs.	17	33	27	76	104	3.84
ii.	The ability to use forensic arbitration in fraud-related matters helps avoid lengthy court processes.	10	39	21	85	102	3.89
iii.	Forensic arbitration skills improve the resolution time of fraud cases in the public sector.	20	39	22	75	101	3.77
iv.	Arbitration conducted with forensic expertise results in more effective resolutions of fraud cases.	10	38	26	79	104	3.89

Source: Survey Findings (2025)

Table 2 shows the responses to Forensic Arbitration Skills. The first item on forensic arbitration skills in resolving financial disputes and fraud-related issues in MDAs shows a mean of 3.84, with 17 strongly agreeing, 33 agreeing, 27 undecided, 76 disagreeing, and 104 strongly disagreeing. The mean reflects moderate agreement, but the relatively high number of disagreements points to uncertainty about the role of forensic arbitration skills in resolving fraud-related disputes effectively. The second item, which addresses the ability to use forensic arbitration in fraud-related matters to avoid lengthy court processes, shows a mean of 3.89, with 10 strongly agreeing, 39 agreeing, 21 undecided, 85 disagreeing, and 102 strongly disagreeing. The slightly higher mean compared to the previous item suggests a bit more support for forensic arbitration's potential to expedite fraud resolution, though many respondents still disagree or strongly disagree with this view.

The third item on whether forensic arbitration skills improve the resolution time of fraud cases in the public sector has a mean of 3.77, with 20 strongly agreeing, 39 agreeing, 22 undecided, 75 disagreeing, and 101 strongly disagreeing. Despite some positive responses, the relatively low mean and the number of disagreements indicate that there is not widespread confidence in the ability of forensic arbitration skills to improve resolution times. The fourth item discusses whether arbitration conducted with forensic expertise results in more effective resolutions of fraud cases. The mean score of 3.89, with a similar distribution of responses, indicates a slightly more favorable view, but still reflects mixed perceptions on the effectiveness of forensic arbitration in fraud resolution.

Research Question Two

Table 3 Analysis of Research Question Two

S/N	Forensic Litigation Skills	SA	A	U	D	SD	Mean
i.	Forensic litigation skills play a vital role in prosecuting fraud cases in the Nigerian public sector.	12	27	24	71	123	4.04
ii.	The presence of forensic litigation expertise within MDAs enhances the chances of a successful fraud prosecution.	11	30	25	77	114	3.98
iii.	Forensic litigation skills contribute significantly to the deterrence of fraud within government organizations.	11	33	26	73	114	3.96
iv.	Public sector institutions are more likely to effectively handle fraud cases with the support of forensic litigation professionals.	10	32	30	74	111	3.95

Source: Survey Findings (2025)

Table 3 shows the responses to Forensic Litigation Skills. The first item in this section shows that 12 respondents strongly agreed, 27 agreed, 24 were undecided, 71 disagreed, and 123 strongly disagreed that forensic litigation skills play a vital role in prosecuting fraud cases in the Nigerian public sector. The mean score for this item is 4.04, indicating a generally positive perception, but a considerable proportion disagrees. This suggests that while some believe in the importance of forensic litigation skills, a larger group disagrees, reflecting potential challenges or skepticism about their role in fraud prosecution.

The second item presents a similar pattern, with 11 strongly agreeing, 30 agreeing, 25 undecided, 77 disagreeing, and 114 strongly disagreeing regarding the presence of forensic litigation expertise enhancing successful fraud prosecutions. The mean is 3.98, again showing a positive lean but also a significant number of respondents who disagree, indicating mixed feelings about the impact of such expertise on fraud prosecution success. The third item, focused on the contribution of forensic litigation skills to fraud deterrence within government organizations, shows a mean score of 3.96, with 11 strongly agreeing, 33 agreeing, 26 undecided, 73 disagreeing, and 114 strongly disagreeing. While the mean suggests moderate agreement, the high number of respondents disagreeing points to skepticism regarding the effectiveness of forensic litigation skills in deterring fraud.

The fourth item discusses whether public sector institutions are more likely to handle fraud cases effectively with forensic litigation professionals. Here, the mean score is 3.95, with 10 strongly agreeing, 32 agreeing, 30 undecided, 74 disagreeing, and 111 strongly disagreeing. Again, the mixed responses suggest that while there is some recognition of the benefits of

having forensic litigation professionals, there is considerable doubt about their actual effectiveness in improving fraud handling.

Table 4 Analysis of Dependent Variable- Fraud Deterrence

S/N	Fraud Deterrence	SA	A	U	D	SD	Mean
i	The implementation of forensic audit practices significantly deters fraudulent activities in MDAs.	13	34	32	83	95	3.83
ii	The threat of forensic audits helps reduce the occurrence of fraud within public sector organizations.	10	40	27	78	102	3.86
iii	Employees in MDAs are less likely to engage in fraudulent activities due to the presence of forensic audits.	10	35	28	80	104	3.91
iv	Fraud deterrence in MDAs improves with the consistent use of forensic audit techniques.	11	36	27	80	103	3.89

Source: Survey Findings (2025)

Table 4 shows the responses to Fraud Deterrence. The first item states that the implementation of forensic audit practices significantly deters fraudulent activities in MDAs, with a mean score of 3.83. While the response is generally positive, the relatively large number of respondents disagreeing indicates that forensic audits might not be perceived as highly effective deterrents for fraud. The second item, which discusses how the threat of forensic audits helps reduce the occurrence of fraud, has a mean score of 3.86. While it shows a slightly more favorable perception of forensic audits as a deterrent, there is still skepticism as indicated by the significant number of respondents disagreeing.

The third item on whether employees in MDAs are less likely to engage in fraudulent activities due to the presence of forensic audits shows a mean of 3.91. Despite the higher mean, a large proportion of respondents disagree, suggesting that the presence of forensic audits is not seen as a major factor in discouraging fraudulent activities. The fourth item discusses whether fraud deterrence improves with the consistent use of forensic audit techniques, and the mean score of 3.89 reflects a moderately positive view. However, the significant number of respondents disagreeing points to doubts about the long-term effectiveness of these audits in deterring fraud.

Test of Hypotheses

In other to examine the impact relationships between the dependent variable debt and the independent variables (FSIZ, AGE, LEV and EVD) and to also test our formulated hypotheses, we used a pooled multiple regression analysis since the data had both time series (2012-2022) and cross sectional properties (Nigerian healthcare firms). The pooled interaction based multiple regression results are as presented:

Table 4 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.879[a]	.774	.771	1.970

a. Predictors: (Constant), Forensic Arbitration Skills, Forensic Litigation Skills

Table 5 ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3354.087	2	1118.029	288.012	.000[b]
	Residual	982.116	253	3.882		
	Total	4336.202	256			

a. Dependent Variable: Fraud Deterrence

b. Predictors: (Constant), Forensic Arbitration Skills, Forensic Litigation Skills

Source: Survey Findings (2025)

Table 6 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.255	.500		2.509	.013
	Forensic Arbitration Skills	.268	.064	.269	4.157	.000
	Forensic Litigation Skills	.257	.065	.263	3.933	.000

a. Dependent Variable: Fraud Deterrence

Table 4 provides the summary of the regression model assessing the effect of forensic audit skills (namely forensic arbitration skills and forensic litigation skills,) on fraud deterrence in Ministries, Departments, and Agencies (MDAs) in South East Nigeria. The Adjusted R Square value of 0.771 indicates that approximately 77.1% of the variance in fraud deterrence can be explained by the combined influence of the two predictor variables. This is a strong indication of model adequacy and shows that the model provides a very good fit to the data. Furthermore, the ANOVA result in Table 5 reports a probability value (p-value) of 0.000, which is less than the 0.05 threshold for statistical significance. This implies that the overall model is statistically significant, confirming that at least one of the predictors has a

statistically significant effect on the dependent variable—fraud deterrence. In other words, the model as a whole is valid for making inferences about how forensic skills affect fraud deterrence in the Nigerian public sector. The intercept (constant) in Table 6 is 1.255, with a p-value of 0.013, which is significant at the 5% level. This suggests that when all the independent variables (forensic arbitration skills and litigation skills) are held at zero, the baseline level of fraud deterrence in the absence of forensic auditing input would be 1.255 units on the scale used in the study.

Hypotheses One

H_o: Forensic arbitration skills have no significant effect on fraud deterrence in Ministries, Departments and Agencies in South-East, Nigeria.

H_i: Forensic arbitration skills have significant effect on fraud deterrence in Ministries, Departments and Agencies in South-East, Nigeria.

As shown in Table 6, the coefficient for Forensic Arbitration Skills is 0.268, with a p-value of 0.000, which is statistically significant at the 5% level. This means that for every one-unit increase in forensic arbitration skills, fraud deterrence increases by 0.268 units, assuming all other variables remain constant. This is the marginal effect—a direct and positive shift in deterrence due to improvement in arbitration proficiency. Therefore, the alternate hypothesis is accepted, indicating that forensic arbitration skills have a significant and positive effect on fraud deterrence in the public sector in South East Nigeria.

This implies that the use of arbitration techniques—such as negotiation, conflict resolution, and expert dispute handling—can meaningfully deter fraudulent acts in public institutions. This may be because the presence of skilled arbitrators signals a higher likelihood of fraud disputes being investigated and resolved swiftly, thereby discouraging potential offenders. Arbitration reduces the adversarial nature of fraud resolution and facilitates quick settlements, which may act as a deterrent to fraud initiation in MDAs. This result is consistent with the work of Anowu et al. (2021), who emphasized that arbitration and dispute resolution significantly deter fraud in listed banks. Similarly, Kaunda (2021) found that forensic arbitration significantly reduces fraudulent practices in Kenyan banks. Franca et al. (2023) also highlighted how conflict resolution mechanisms in the public sector help reduce procurement and payroll fraud. Agbo and Ezuwore (2020) support this with findings that arbitration helps strengthen fraud control and corporate governance. In contrast, Esonwune and Ogiri (2024) presented a divergent view, finding a negative correlation between forensic

investigation (broadly defined, potentially including arbitration) and fraud prevention in Ebonyi State.

Hypotheses Two

H_o: Forensic litigation skills do not significantly affect fraud deterrence in Ministries, Departments and Agencies in South-East, Nigeria.

H_i: Forensic litigation skills do significantly affect fraud deterrence in Ministries, Departments and Agencies in South-East, Nigeria.

In Table 6, the coefficient for Forensic Litigation Skills is 0.257, also with a p-value of 0.000, which is well below the 0.05 threshold. This means that a one-unit increase in litigation skills is associated with a 0.257-unit increase in fraud deterrence, all else being equal. The effect is both positive and statistically significant, meaning the presence and application of litigation expertise contribute meaningfully to discouraging fraudulent activity. Therefore, the alternate hypothesis is accepted, and we conclude that forensic litigation skills significantly and positively affect fraud deterrence in MDAs.

This suggests that the ability to gather, preserve, and present fraud-related evidence in court discourages fraudulent behavior. When employees understand that effective legal follow-through is in place and that fraudsters are prosecuted, it increases the perceived risk of engaging in fraudulent activities, thus enhancing deterrence. This finding aligns with Obafemi (2021), who found that litigation support helped recover stolen funds and reduce fraud in the Nigerian public sector. Okorafor et al. (2024) also affirmed that litigation-based forensic skills are instrumental in detecting and deterring fraud. Amin et al. (2022) supported this by showing that litigation support improves financial reporting and fraud control in banks. Anowu et al. (2021) demonstrated that litigation support significantly contributes to fraud deterrence. However, Okoye et al. (2019) found that litigation had no significant effect on recovering fraud-related losses, which somewhat contrasts the general consensus.

CONCLUSION AND RECOMMENDATIONS

The findings of this study highlight the practical relevance of forensic audit practices in strengthening institutional responses to fraud within the Nigerian public sector, particularly in the South-East region. These outcomes suggest that forensic audit competencies are not peripheral but rather central to shaping an environment where fraudulent activities are more likely to be uncovered and less likely to thrive. The findings imply that Ministries,

Departments, and Agencies (MDAs) equipped with forensic expertise are more capable of identifying irregularities, disrupting potential fraudulent schemes, and creating operational climates that discourage unethical financial practices.

Based on the findings, the following recommendations were made;

1. The Head of the Civil Service of the Federation need to develop and institutionalize a continuous professional development program focused on forensic arbitration for internal auditors and legal officers in MDAs. This will equip them with conflict resolution and investigative negotiation skills necessary to deter fraud before it escalates into litigation or disciplinary crises.
2. The Attorney-General of the Federation need to establish specialized forensic litigation desks within all public sector legal departments to facilitate proactive legal responses to fraud, including case preparation, evidence preservation, and collaboration with forensic auditors for deterrent prosecution.

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