

CHAPTER ONE

1.1 BACKGROUND TO THE STUDY

The increase in the number of cases of financial fraud due to failure of statutory audit to detect and prevent fraudulent activities has given rise for the service of forensic accountant. This research work highlights how forensic auditors can be employed to solve this challenge. This study was a theoretical research which considered one role of forensic auditors in combating fraudulent activities, the differences between a forensic auditor and statutory auditor, features of forensic auditor and the impact of forensic auditors in detecting and preventing fraud from one research. It was found out among others that their services will assist audit committee members in carrying out their oversight functions by providing assurance on internal and report. Some of the recommendation preferred is for Nigeria money deposits banks to ameliorate one cost of hiring and to treat culprits to equally without any favoritism.

Fraud is said to be all the act of deception carried out for the purpose of in fair, under served and lawful gain or advantage. It is an intentional act to usually originates from human hearts and it can cause without its eradication or control, an activities of the business remain fruitless source of embarrassment for the country as evident in the increasing effect of the law enforcement agencies to arrest the situation and bring the culprits to book.

Forensic accounting is rapidly growing field of accounting that described one engagement that result from a actual or anticipated dispute or litigation.

Forensic means “suitable for use in a court of law” and it is to that standard and potential outcomes that forensic accountants are also referred to as “forensic Auditors” or Investigative auditors, forensic accounting is an investigation style of accounting used to determine whether an individual or an organization has engaged in any illegal financial activities. Professional forensic accountant may work for government or public accounting firm although, forensic accountant has been in existence for several decades. It has evolved overtime to include several types, the use of accounting, auditing and investigation skills to assist legal matters. It consists of two major components, litigation services that recognized the role of an accountant as an expert consultant and investigative service that uses an accountant's skills and may require possible courtroom testimony. It also involves quantitative skill to collect, analyze and evaluate financial evidence, as well as the ability to interpret and communicate findings.

Fraud includes all the multifarious, means human genuinely can devise that are required to, by individual to get an advantage over another by false suggestions or suppression of the truth. It includes tricks, cunning or dissembling and any unfair way by which another is cheated. (BLACK'S law dictionary, 1979).

Forensic accounting can be seen as an aspect of accounting that is suitable for legal review and offering the highest level of assurance (Apostolic Hassel and Webber, 2000) the unrelenting series of embarrassment and failure over the last 52 years was prompted a paradigm shift in accounting. Forensic

accounting is seen as encapsulating all other investigation of related to areas and fraud. The increasing sophistication of financial and fraud requires that forensic accounting be added to the tools necessary to bring about the successful investigation and presentation of those individuals involved in criminal activities (Moduga and Anyiadud, 2013) the general expectation is that forensic accounting may offer some respect to the seemingly vulnerability of conventional accounting and audit system to financial fraud.

1.2 STATEMENT OF THE PROBLEM

Despite the facts that the banking sector happened to be one of the most monitored, controlled and regulates sector in Nigeria fraud has continue to rear its ugly head in one sector. It has eaten up deep in to every unit and department in the sector. In the year 2009, Nigeria commercial banks witnessed one sacking of the management of five banks namely: Intercontinental bank, Oceanic bank, Union bank, Africa and First Inland bank overall edged fraudulent practice which banks and to some extent created doubts about the audit function being performed in those banks by the concerned audit firms.

Fraud constitutes a problem to banks in their operations and their role in the economy at large (Zaxhariah, Masaya Earnest and Hebraic 2014).

In recent times, series of fraud have been committed both in one public and private sector of the economy, most especially in Nigeria money

deposit banks. There is no doubt are perpetrated under the organization, it suffices to say that the independent of the Internal auditor is not guaranteed because he work as an employee of the government organization. Then come the idea of external auditors do not have the required training to be able to tackle modern frauds while collar crimes such as security fraud, embezzlement, bankruptcy, contract dispute and possible criminal financial transaction, including money laundering by organized criminals, also is the ability of the forensic accountant/auditor to provide litigation support and investigative accounting profession.

1.3 RESEARCH QUESTIONS

- i. Does analysis of financial transaction have any influence money laundering in the Nigeria money deposit banks?
- ii. To what extent does public document review and background investigator has effect on money laundering in the Nigeria money deposit banks.?
- iii. Does the impact of cultural and organizational factors on the success of forensic audit investigations in diverse businesses environment?

1.4 OBJECTIVES OF THE STUDY

The main objectives of this study is to ascertain the effect of forensic audit on financial performance of Nigeria money deposit banks. Hence from the study's main objectives the following specific objectives were addressed:

- To ascertain whether analysis of financial transaction influence money

laundering in Nigerian money deposit banks.

- To know the extent in which public document review and background investigator has effect on money laundering in the Nigeria money deposit banks.
- To systematically examine financial records, transactions and evidence to uncover and investigate fraudulent activities, irregularities, or potential misconduct within an organization.

1.5 RESEARCH HYPOTHESIS

Ho₁ :

Analysis of financial transaction does not influence money laundering significantly in Nigeria money deposit banks.

Ho₂ :

Public document review and background investigation has no significant effect on money laundering in Nigeria money deposit banks.

Ho₃:

Public document review and background investigation has increase the detection of financial fraud within organization compared to regular audits

1.6 JUSTIFICATION (SIGNIFICANCE OF THE STUDY)

This study is unique at it touches every field where there search topic will be relevant. The justification of this study goes to three different area which

Government, Organization and Academic field are. This study will be of great importance to the government if they are make a provision or the appointment of forensic auditors in all government parastatals and in all government or public organizations in ceit will help to determine one actual income of every companies and banks so as to pay one exact tax. It will reduce the number of tax evasion and tax avoidance; government should make one appointment of forensic auditors a mandatory to all public organization so as to fight against the corruption in the country.

The study will also gave the government of our country (Nigeria) the positive in sight on how to fight this evil menace called “Fraud” in all field in the country.

It will also be of great benefit to the corporation world as the effective work of forensic auditors will help to prevent, reduce and detect fraud and other corporate crimes in an organization. It will help the investors and depositors to know the financial position of the financial institution they are investing if it going to be a profit venture or not, and also academic field (Schools and Student) it will serve as are ference point for future searchers who will want to research more on the topic"Forensic Auditor and Fraud detection and prevention in Nigeria Banks).

1.7 SCOPE OF THE STUDY

This study was designed to examine one fraud and forensic auditor, the researcher focuses on the "Fraud detection and prevention in Nigeria

money deposit banks, using as specific bank, at bank, Ilorin G.R.A branch. This case was chosen by the researcher because of the recent sacking of one staff of this bank due to one fraud perpetrated by them. Due to the researchers finding, it was discovered that within the year 2016–2017, quite members of this bank was sacked for the allegation of fraud and this is there as on why the researcher chose one case study as it will really help. It is research works all the long run, the researchers will therefore be restricted to the selected bank in Ilorin, Kwara State (GTBank Ilorin G.R.A)

18 LIMITATION OF THE STUDY

This research work was divided into five chapters. The chapter one comprises of one–eight content which include one introduction/Background to the study, Statement of the problem, the research questions, objectives of the study, r research hypothesis, significance/justification of the study, scope of the study and finally and the plan of the study which was emphasized thoroughly.

The chapter two comprises of three content which are “Conceptual review, theoretical Review and empirical review. Followed by chapter three which includes research design, population of the study, sampling size and sampling techniques, source of data, research instrument, method of data analysis and model specification. Chapter four is data presentation and data analysis which includes demographic characteristics of the respondents, statistical result, test of hypothesis and discussion of findings

and lastly, Chapter five comprises of summary, conclusion and recommendations as well as reference.

All the above mentioned was critically discussed and emphasized as chapter is introduction, chapter is introduction, chapter two is literature review, chapter three is research methodology, chapter four is data presentation and data analysis and chapter five is summary, conclusion and recommendation with references.

1.9 DEFINITION OF TERMS

FRAUD

This is one of irregularity. The word fraud is used to refer to irregularities involving one use of criminal deception to obtain unjust or illegal advantages.

FRAUD AUDITOR

Fraud auditor is an expert who by this specific and technical training, exposure and experience, knows more and more about less and less of fraud.

FRAUD AUDITING

Fraud auditing may be defined as creating an environment that encourages the detection and prevention of fraud in government, public, commercial and even private establishments.

INTERNAL AUDIT

Internal audit is the monitor and one of the most important aspects of the internal control system.

INTERNAL CONTROL SYSTEM

It is a managerial control which functions are measuring and evaluating one effectiveness of banks.

CHAPTER TWO: LITERATURE REVIEW

2.1 PREAMBLE

CONCEPTUAL REVIEW

A conceptual review of forensic audit involves exploring the fundamental principles, scope and objectives of the specialized form of auditing. Here are the key aspect to consider

1. Definitions and purpose: Forensic audit is a specialized examination that involves investigating financial records, transactions and other relevant information to detect and prevent fraud financial mismanagement or other irregularities.
2. Scope and focus: Forensic audit go beyond routine financial audit by focusing on specific areas of concern or suspected fraudulent activities.
3. Legal considerations: Forensic audit often work in collaboration with legal professionals. The findings from a forensic audit may be used as evidence in court, making it crucial to forensic auditors to adhere to legal standard and maintain the integrity of the investigation process.

4. Methodologies and Techniques: Forensic auditors employ a variety of methodologies and techniques to uncover financial irregularities. This may include data analysis involves, document, examination and forensic accounting techniques.

5. Timeline and Resources: Forensic audit can be resource intensive and time consuming due to the thorough examination required. The timeline May vary depending on the complexity of the case and availability of information.

2.2 CONCEPT OF FORENSIC AUDITING

Forensic audit is the audit suitable for legal review, offering the highest level of assurance and including the new generally accepted connotation of having been arrived act in a scientific fashion. That is, forensic auditing is sufficiently through hand complete so that an accountant in his or her is considered in dependent professional judgment can deliver a finding as to accounts, inventories or the presentation of records of an accounting.

Forensic auditing focused upon both the evidence of economic transaction and reporting as contained within an accountant system and the legal framework. Forensic auditors are specialized in those engagement such as transaction reconstruction and measurement, falsification and manipulation of accounts and identification and valuation of assets within the statutory audit and other environment.

In the last decade, two things have impacted the auditors' role (1) The rapid evolving I.T environment and (2) E-commerce and computerization in all works of life. This rapidly changing I.T environment have become more challenging. This consequently comes the need for forensic audit. Auditing were all revisited to make auditors address the issue of fraud.

Fraud as an intentional act usually originated from human heart and it can be described as the first enemy of any business around the world because without its eradication or control, all activities of business remain fruitless. According to Adeniyi (2016) from the international journal of innovative finance and economic research. The term fraud can be referred to as an intentional act by one or more individuals among management, employees or third party—which is capable of resulting in a misrepresentation of financial statement, fraud may involve: manipulation, falsification or alteration of records or documents: misappropriation of assets, suppression or omission of the effects of transaction from records of document, recording of transaction without substance and misappropriation of accounting policies (Adeniyi2016).

Nwankwo (1991) stated that no business or entity is immune from fraud. Okafor (2004) argued that fraud is a common phenomenon and compasses various means that human ingenuity can develop which resulted in an individual criteria under advantage over another in a false presentation.

Anyanwu (1993) describes fraud as an act or course of

decapitation that is practiced deliberately in order to gain unlawful

advantage. The various cases of fraudulent practice in an organization most expected Nigeria money deposit bank can be identified thus:

- 1) Engagement of temporary staff in lieu of permanent staff for major activities.
- (2) Weak and inadequate internal control system
- (3) Poor security arrangement for security documents
- (4) Chaotic accounting system and irregular balancing of accounts.
- (5) Allowing staff to stay too long on a job or task and failure to proceed on annual leave.
- (6) Management attitude to audit quires and follow up audit recommendation
- (7) Policies factor: Slow investigation system, outright corruption and delay in the prosecution of fraudsters
- (8) Judicial factors: incessant adjournment in fraud cases until the complaint loses interest, misappropriation or disproportion penalty for fraud and congestion of court

2.2.1 IMPORTANCE OF FORENSIC AUDITING SERVICES TO OPERATE ORGANIZATION

- i. Objectivity and ability: this is the debt that an external party would be for more independent and objective than an internal auditor who ultimately report, to management on his findings.
- ii. According expertise and industry knowledge, an external forensic auditor would add to the organization's investigation team with breadth and depth of experience and deep industry experience in handling frauds of the nature encountered by the organization
- iii. Provision of valuable manpower resources an organization in the midst of re-organization and restructuring following a major fraud would hardly have the full-time resources to handle a broad based exhaustive investigation.
- iv. Enhanced effectiveness and efficiency: this arises from the additional dimension and depth which experienced individuals fraud investigation bring with them to focus on the issues at hand.

2.2.2 CHALLENGES OF FORENSIC AUDITING SERVICE TO COOPERATE ORGANIZATION.

- i. Confidentiality issue: Since the securing of a company's financial records is done by an external forensic auditor, the chances of leakage are always there.
- ii. Increased chances of threats and negative publicity: If the analysis of a company's financial statements points out the unachievement of a particular person in fraudulent activities, there is a significant chance

that the person will try to threaten the company to safeguard himself from the trial.

- iii. Cost a lot of money: forensic auditing can be an expensive affair because the procedure which auditors use involve high and accounting software.
- iv. Losing employee trust: It is rather obvious for employees to all offend when they ensure to know that their job is under scrutiny by a third person.

2.2.3 CONCEPT OF FINANCIAL FRAUD

Financial fraud has been variously described in literature but no one description suffices, Wikipedia dictionary describes fraud as crimes against property, involving the unlawful commission of property belonging to another to one's own Williams (2005) incorporates corruptions to his description of financial crimes.

CONCEPTUAL MODEL OF THE STUDY

Based on the objectives of this study, a conceptual model for the relationship between the independent variable (forensic auditing) and the dependent variable (financial fraud control) in Nigerian DMBS was developed thus,.

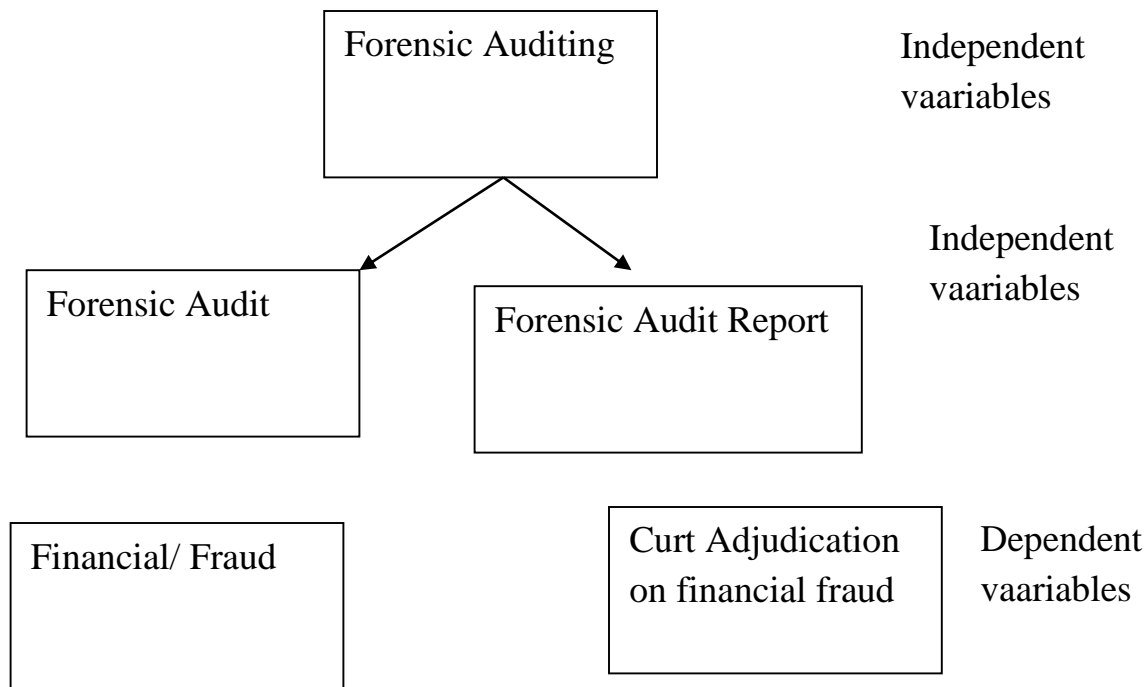


Figure 1: Conceptual model

Sources: Researcher conceptual model 2024

2.3 THEORETICAL FRAMEWORK

The study adopted the following for its work. Fraud triangle theory, Fraud scale theory; fraud diamond theory and white collar crime theory. The purpose of adopting the aforementioned theories for this study is that all captured the essence of the work.

2.3.1 FRAUD TRIANGLE THEORY

According to Dorminey, Fleming, Kranourchas and Riley(2010), the origin of the theory dates to the work Switzerland, who coincide the term white collar crime and Cressey one of the Switzerland's former students. The fraud triangle theory consists of three elements that are necessary for theft or fraud to occur perceived pressure, perceived opportunity and rationalization

- **Perceived Pressure:** Financial pressure are the most important when it comes to committing fraud. The fact that someone has already been honest

appears to be little to no significance when several financial pressure exist as a result of greediness.

- **Perceived opportunity:** Obtaining money fraudulently causing loss by deception, obtaining by deception and theft through a legal way. E.g. A woman using a two years old cancer victims to obtain money fraudulently.
- **Rationalization:** A process of concealing the true motivation or individual of something that is wrong and ensures that no opportunity to steal and getaway with it.

2.3.2 FRAUD SCALE THEORY

The fraud scale theory was developed by Albrecht, Howe and Rooney (1984) as an alternative to the fraud triangle model, the model is similar to the fraud triangle; however, the fraud scale uses an element called "Personal Integrity" instead of rationalization.

This personal integrity element is associated with each individual's personal code of ethical behaviors. Albrechtal. (1984) also argue that unlike rational is min the fraud triangle theory. Personal integrity van be observed in both an individual's decision-making process which can help in assess in integrity and determining the likelihood that an individual will commit fraud.

2.3.3 WHITE COLLAR CRIME THEORY

Sutherland (1949) as acted in Michael (2004) happened to be the first to formulate the term. Accorland to Sutherland, white collar crime can be described

as a crime committed by some one that is respectable and of high status in his place of work. White collars criminals are intelligent

Opportunist, affluent and educated individual who believed that they can take advantage of circumstances to accumulated financial gain. Also, they are individuals who are qualified to get a give them the opportunity of unmonitored access to large sum of money, Hence, because of the position and capabilities of those who engaged in the above atrocities. The service of a trained and experienced investigator like forensic auditor is required to forestall the occurrence of such fraud.

2.4 EMPIRICAL REVIEW

Burin (2009) used economic to analyze the impact of corruption on bank profitability in Nigeria. The study use a panel data set comprising 385 observations of 48 unique banks over the year1996–2006 time periods through step wise regression result revealed that corruption has a significantly thriving form and may also be complicit in the high rate of corruption in the country.

Okunbor and Oberatin (2010) examined the effectiveness of the application of forensic accounting services in Nigeria corporate organization in a sample often companies quoted in the Nigerian stock exchange by employing simple regression model for the test of hypothesis. The study revealed that the application of forensic accounting service by corporate organization in Nigeria is not effective in determine fraudulent activities.

Adebie and facile (2012) employed Chi-Square and statistical package for social science to empirically evaluate forensic accounting as antidote to economic and financial crime in Nigeria, they tested four hypothesis. They study revealed

that forensic accounting is a financial strategy to curb and resolve economic and financial crimes in Nigeria economy.

Okoye and Gbegi (2013) employed simple mean and standard deviation to investigate forensic accountants to planning management fraud risk detection procedure. They also used multi variate analysis of variance and analysis of variance. ANOVA to compare their study with that of Wright (2004). The authors found that forensic accountants effectively modify the extent and nature of audit test when the risk of management fraud is high.

Onvorah and Ebimobowei (2011) employed survey design to examine the effect of forensic accounting service in fraud detection in Nigeria banks by the use of Augmented Dickey–fuller, ordinary least square and Granger causality test. Forensic accounting service affects the fraudulent activities of the bank.

Okioye and Dada(2014) investigate analysis of frauds in banks: Nigerians experience the study review that misplaced value judgement and prevailing harsh economic environment, by time fraud are on the increase and banks are losing amount running in to millions of naira to fraudster almost every day.

The study found that the staff be properly screened before they were employed and satisfaction references must always be obtained. It on the effectiveness of forensic accounting in fraud control, financial reporting and internal control to quality.

CHAPTER THREE

3.1 PREAMBLE

RESEARCH METHODOLOGY

Studying the effects of forensic audit involves a structured research methodology. Here's a basic outline:

1. Define Research Objectives: Clearly outline what you aim to achieve through the study.

This could include understanding the impact of forensic audits on fraud detection, legal proceedings, organizational reputation, etc.

2. Literature Review: Examine existing research on forensic audits, their methodologies, findings, and gaps in the literature. This helps in framing your research questions and methodology.

3. Research Design: Decide on the type of study - qualitative, quantitative, or mixed methods. Consider factors like sample size, selection criteria, and data collection methods.

4. Data Collection: Gather data through various means such as surveys, interviews, case studies, or archival research. Ensure data validity and reliability.

5. Data Analysis: Analyze the collected data using appropriate statistical or qualitative analysis techniques. This could involve regression analysis, content analysis, thematic coding, etc.

6. Interpretation of Findings: Interpret the results in light of your research objectives and existing literature.

3.2 RESEARCH DESIGN

In this research work, survey design was used, which relate to collecting data from the population for intensive study and analysis in course of this study. The researcher in an attempt to gather useful land reliable information utilized two (2) sources of data collection. Questionnaire and interview are the instruments employed to collect data. Which are primary and secondary sources of data collection, they are special form of correspondence developed to procure authoritative information from a number of persons through the medium of well directed question and interactions.

3.3 POPULATION OF THE STUDY

The population of the study of this research comprises of five(5) department in Ilorin G.R.A branch GTbank. The department and various populations are therefore tabulated below:

S/NO	Department/Units	Population
1	Transaction service group ((T.S.G)	29
2	Adventism banking group(A.B.G)	10
3	Commercial banking group (C.B.G)	10
4	Customer information service (C.I.S)	6
5	Administrative department	35
	Total	90

Sources: Field Survey, 2024

The above table therefore shows the S department units, have a total number of workforce.

3.3 SAMPLE SIZE AND SAMPLING TECHNIQUES

The sample size is usually compromise between what is desirable and what is feasible for the purpose of this study the researcher used a non- probability sampling (Purposive Sampling) to select the five (5) department/units used as population for the study.

The use of purposive sampling was based on the fact that GTBank Ilorin G.R.A branch has a total of ten (10) department/units which the Population were selected, also that the nature of fraud committed in all department seen and appears to be the same and therefore may serve a good representative of the whole departments. Hence the researchers used random sampling on the staff population in the (s) selected departments, the use of sample size "n" with 5% level of significance (Adefila;2008).

N

$$n = \frac{N}{Hn(e)}$$

Where n=Sample size

N=Population size

e= Level of significance

90

$$n = \frac{90}{1+90(0.05^2)}$$

$$90$$

$$-1+90(0.0025)$$

$$90$$

$$-1+0.225$$

$$\frac{90}{1225}$$

$$=74$$

The sample size of 74 selected from the S department were tabulated below.

S/NO	Department/Units	Population (In person)
1	Transaction service group ((T.S.G)	15
2	Adventism banking group(A.B.G)	15
3	Commercial banking group (C.B.G)	15
4	Customer information service (C.I.S)	15
5	Administrative department	15
	Total	90

Sources: Field Survey, 2024

3.4 SOURCES OF DATA

The data used in this study were both primary and secondary data the primary were obtained from field survey which include questionnaire personal observation and interviews.

The secondary data were obtained from the bank Journal reports text books, newspaper, library and seminar reports etc.

35 RESEARCH INSTRUMENT

The research made use of tables, percentage and ANOV A–statistical techniques in the presentation and analysis of the data collected at the significant level of 95% that is at 5% ever limit.

3.6 METHOD OF DATA ANALYSIS

Tables and percentage were used in the analysis of data collected from respondents the statistical tool used for testing of hypothesis one and two

analysis of various (ANOVAS) the level\ of significant of data 95 % that is 5% error limit.

3.7 MODEL SPECIFICATION

$$\text{Fraud} = F(\text{FA}) \dots\dots\dots (1)$$

$$\text{Fraud} = F(\text{AFT}, \text{PDRBI})$$

$$\text{Money laundering} = F(\text{AFT}, \text{PDRBI}) \dots\dots\dots (2)$$

$$\text{ML} = B_0 + B_1 \text{AFT} + B_2 \text{PDRBI} + o$$

Where:

FA=Forensic Auditing

AFT=Analysis of financial Transaction

PDRBI=: Public Document Review and Background Investigation

ML=Money Laundering

B_0 =is constant

B_1 and B are the co-efficient of the regression while

D=is the error term.

CHAPTER FOUR

4.1 PREAMBLE

DATA PRESENTATION AND ANALYSIS

Forensic audits are crucial for uncovering financial discrepancies, fraud, or other irregularities within an organization. They provide a thorough examination of financial records, transactions, and processes to identify any signs of wrongdoing. The effects of a forensic audit can be significant:

1. ***Identification of Fraudulent Activities:*** Forensic audits can uncover instances of embezzlement, bribery, or other forms of financial misconduct, helping to safeguard the organization's assets.
2. ***Legal Implications:*** Discoveries from a forensic audit may lead to legal action against individuals or entities involved in fraudulent activities. This could result in criminal charges, civil lawsuits, or regulatory penalties.
3. ***Recovery of Assets:*** By identifying misappropriated funds or assets, forensic audits can aid in the recovery process, potentially recouping losses for the organization.

4. *Enhanced Transparency and Accountability: * Conducting a forensic audit demonstrates a commitment to transparency and accountability, which can enhance stakeholder confidence in the organization's financial integrity.

5. *Operational Improvements: * Insights gained from a forensic audit can highlight weaknesses in internal controls or operational processes, prompting improvements to prevent future instances of fraud or misconduct.

6. *Reputation Management: * While the revelation of fraud may initially damage the organization's reputation, addressing issues promptly and transparently through a forensic audit can mitigate long-term damage and rebuild trust with stakeholders.

7. *Costs and Resources: * Forensic audits can be resource-intensive and costly, particularly for complex cases. However, the potential savings from uncovering fraud or preventing future losses often outweigh these expenses.

8. *Regulatory Compliance: * In some industries, regulatory bodies may require or recommend forensic audits to ensure compliance with relevant laws and regulations, such as those related to financial reporting or anti-money laundering.

In summary, the effect of a forensic audit extends beyond financial recovery to encompass legal, operational, and reputational implications, making it a powerful tool for detecting and addressing financial misconduct.

4.2 DEMOGRAPHIC CHARACTERISTICS OF RESPONDENT

This chapter represents the data collected in response to 74 questionnaire distributed to staff of the S selected department/units in Ilorin G.R.A branch, GTB on theory view about the forensic auditing and fraud detection and prevention in Nigeria Money Deposit Banks by which 63 questionnaires were field and returned.

4.3 STATISTICAL RESULT

Questions on hypothesis one (1)

Question one: Forensic auditing were known in Nigeria money deposit banks.

Table 4.3.1

Responses	Number or respondents	Percentage
Strongly Agree	16	26%
Agree	13	53%
Neutral	6	10%
Strongly Disagree	3	5%
Disagree	4	6%
Total	62	100%

Sources: Filed Survey:2024

Table 4.3.1 Indicates that 49 of the respondents which were majority drawn from the top managements and Senior staff, more of degree /HND/ other higher

qualification and very few from A level/ Diploma are aware and know of forensic auditing while of the respondents are not aware of Forensic Auditing.

Question two: The service of Forensic Auditing are required in niger.

Table 4.3.2

Responses	Number or respondents	Percentage
Strongly Agree	15	24%
Agree	45	73%
Neutral	2	3%
Strongly Disagree	-	-
Disagree	-	-
Total	60	100%

Sources: Filed Survey, 2024

Table 4.3.2 reveals that 15 respondents of the total respondents strongly agree, 45 agree, 12 respondents are neutral while non respondents neither strongly disagree nor disagree that the services of forensic auditors are required in Nigeria.

Table 4.3.3

Responses	Number or respondents	Percentage
Strongly Agree	18	29%
Agree	30	48%
Neutral	9	15%
Strongly Disagree	3	5%
Disagree	2	3%
Total	62	100%

Sources: Filed Survey, 2024

Table 4.3.3 Shows that the services of forensic auditor are needed more in Nigeria money deposit banks, 30 respondents representing 48% also agree while of one respondents representing 3% disagree. This implies that the services of forensic auditors are needed more in Nigeria money deposit banks.

Question four (4): Forensic auditor has ability of detecting fraud through the use of analysis of financial transaction.

Table 4.3.4

Responses	Number or respondents	Percentage
Strongly Agree	24	39%
Agree	32	52%
Neutral	2	3%
Strongly Disagree	2	3%
Disagree	2	3%
Total	62	100%

Sources: Filed Survey, 2024

Table 4.3.4. indicates that 24 of the respondents representing 39% strongly agree that forensic auditor has ability of detecting fraud through the use of analysis of financial transaction 32 respondents representing 52% agree respondents representing 3% are neutral while 2 respondents representing 3% strongly disagree and 2 respondents representing also disagree. This implies truly forensic auditor has ability of detecting fraud through the use of analysis financial transaction.

QUESTION FIVE (5): Forensic auditing can help in detecting and preventing fraud in Nigeria money deposit banks.

Table 4.3.5

Responses	Number or respondents	Percentage
Strongly Agree	9	15%
Agree	42	68%
Neutral	3	5%
Strongly Disagree	2	2%
Disagree	6	9%
Total	62	100%

Sources: Filed Survey, 2024.

Table 4.3.5 reveals that 49 of the respondents strongly agree that forensic auditors specialized in fraud detection, particularly in litigation and regulatory environment (Banks), 42 respondents representing 68% agree, 6 respondent representing 9% are neutral, 3 respondents representing 5% strongly disagree while 2 respondent representing 3% disagree. This implies that forensic auditors are specialized in fraud detection, particularly in litigation and regulatory environment (Banks).

QUESTION SEVEN (7): the practice of Forensic auditing helps to mitigate the financial fraud through the use of public document review and background investigation.

Table 4.3.6

Responses	Number or respondents	Percentage
Strongly Agree	15	24%
Agree	49	63%
Neutral	3	5%
Strongly Disagree	3	5%
Disagree	2	3%
Total	62	100%

Sources: Filed Survey, 2024.

Table 4.3.6 shows that 5 respondents representing 24% strongly agree that the practice of forensic auditing helps to mitigate the financial investigation. 39% respondents representing 63% agree, 3 respondents representing 5% are neutral, 3 respondents representing 5% strongly disagree while 2 respondents representing 3% disagree. This implies that the practice of forensic auditing helps to mitigate the financial fraud through the use of public document review and background investigation.

QUESTION EIGHT (8): Forensic auditor assiste reduces the occurrence of fraud uses in banking sector (Nigeria Money Deposit Banks).

Table 4.3.7

Responses	Number or respondents	Percentage
Strongly Agree	18	29%
Agree	27	44%
Neutral	9	15%
Strongly Disagree	3	5%
Disagree	5	7%
Total	62	100%

Sources: Filed Survey, 2024.

Table 4.3.7 indicates that 18 respondents out of the total 62 respondents which is representing 29% strongly agree that forensic auditors assist to reduce the occurrence of fraud causes in the banking sector (Nigeria Money Deposit Banks), 27 respondents representing 44% agree, 9 respondents representing 15% are neutral, 3 respondents representing 5% disagree. This implies that forensic auditing assist reduces the occurrences of fraud in the banking sector (Nigeria Money Deposit Banks).

QUESTION NINE (9): Forensic auditor, being an expert in financial fraud matters with special skills in scientific knowledge and legal matters have helped to improve good corporate governance.

Table 4.3.8

Responses	Number or respondents	Percentage
Strongly Agree	15	24%
Agree	36	58%
Neutral	6	10%
Strongly Disagree	2	3%
Disagree	3	5%
Total	62	100%

Sources: Filed Survey, 2024.

Table 4.3.8 reveals that 15 respondents representing 24% strongly agree that forensic auditor being an expecting financial fraud matters with special skill in specific knowledge and legal matters have helped to improve well cooperate government.

QUESTION TEN (10): With the application of forensic auditor management or organization are said to be solely responsible for maintaining adequate proper financial record.

Table 4.3.9

Responses	Number or respondents	Percentage
Strongly Agree	15	24%
Agree	30	48%
Neutral	13	21%
Strongly Disagree	3	5%
Disagree	1	2%
Total	62	100%

Sources: Filed Survey, 2024.

Table 4.3.9 shows that is out of the total respondents representing 24% strongly agree that with the application of forensic auditor management of organization are said to be boldly responsible for maintaining adequate proper financial records. 30 respondents representing 40% agree, 13 respondents representing 21% are neutral, 3 respondents representing 5% strongly disagree while 3 respondents representing 5% strongly disagree, 1 respondents representing 2% disagree. This implies that with the application of forensic auditor's management of organization are said to be safely responsible for maintaining adequate proper financial record.

4.4 TEST OF HYPOTHESIS

$$Z = \frac{X - N}{\alpha \sqrt{n}}$$

Where

X = Sample Mena

N = Population means of control group

$\frac{\alpha}{\sqrt{n}}$ =Standard error

N = Sample size

The researcher used question 1 to 5 to test hypothesis one while question 6 to 10 for hypothesis two.

TEST OF HYPOTHESIS ONE

H0: Public document review and background investigation has no significant effect on money laundering in Nigeria Money Deposit Banks.

Variables	Question 1	Question 2	Question 3	Question4	Question 5
Strongly Agree	16	15	18	34	21
Agree	33	45	30	32	31
Neutral	6	2	9	2	6
Strongly Disagree	3	0	3	2	2
Disagree	4	0	2	2	2
Total	62	62	62	62	62

Sources: Field Survey, 2024.

$$Z = \frac{X - N}{\frac{\alpha}{\sqrt{n}}}$$

$$Z = \frac{4.06 - 4.3}{\frac{0.6}{\sqrt{310}}}$$

$$Z = - \frac{0.07}{0.04}$$

$$Z = -1.75$$

Critical value at 5% level of significance unit Z tab is -1.96

Decision Rule

Since the calculated value of -1.75 is greater than critical value of -1.96 the alternate hypothesis (H_1) is accepted and the Null Hypothesis (H_0) is rejected. Therefore we can conclude that public document review and background investigation has significant effect on money laundering in Nigeria Money Deposit Banks.

HYPOTHESIS TWO

H_0 : Analysis of financial transaction does not affect money laundering significantly in Nigeria Money Deposit Banks.

Variables	Question 1	Question 2	Question 3	Question 4	Question 5	Total
Strongly Agree	9	15	18	15	15	72
Agree	42	39	27	36	30	174
Neutral	6	3	9	6	6	30
Strongly Disagree	3	3	3	2	3	14
Disagree	2	2	5	3	1	13
Total	62	62	62	62	62	303

Sources: Field Survey, 2024.

$$Z = \frac{X - N}{\alpha \sqrt{n}}$$

$$Z = \frac{3.90 - 4.13}{0.63}$$

$$\frac{0.23}{\sqrt{310}}$$

$$Z = \frac{0.23}{0.04}$$

$$Z = - 5.75$$

Critically value of 5% level of significant with Z tab of Decision rule Since the calculated value of -5.75 is greater than the critical value of – 6.2, the alternate hypothesis (H1) is accepted and Null Hypothesis (H0) is rejected. Therefore we can conclude that analysis of financial transaction affected the money laundering significantly in Nigeria Money Deposit Banks.

4.5 DISCUSSION OF FINDINGS

Based on the 2- test used for the first and second hypothesis, the findings are state below;

The conclusion of The first hypothesis is reveals that public document review and background investigation has significant effect on money laundering in Nigeria Money Deposit Banks. Hence, the service of forensic auditor is required in Nigeria Money Deposit Banks.

The second hypothesis equally reveals that the analysis of financial transaction of effect money laundering significantly in Nigeria Money Deposit Banks. In this view, the services of forensic auditor is therefore required in Nigeria Money Deposit Banks to detect and prevent fraud.

Moreso, oral interview conducted shows that, most of the people know that forensic auditor and all our Nigeria Money Deposit Banks do not use the service

of forensic auditors. It can equally be deducted from the two hypothesis analyzed that one services of forensic auditors will definitely be required in Nigeria Money deposit Banks, since services are provided by the external auditors cannot curb the fraud, because despite the presence of these external auditors, yet fraud are still being perpetrated in our Nigeria Money Deposit banks.

CHAPTER FIVE

5.0 SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 SUMMARY OF THE STUDY

The summary of findings for this research is based on the analysis of data collected through questionnaire and testing of hypothesis. They are itemized as follows:

- That a service of forensic auditors is required in Nigeria Money Deposit Banks
- That Forensic auditor has the ability of detecting fraud through the use of analysis of financial transaction.
- That one practice of forensic auditing helps to mitigate the financial fraud through the of public document review and background investigation
- That the service of forensic auditors are needed here in Nigeria money Deposit Banks.
- Majority of the respondents are aware of forensic auditing which were mainly drawn from the top management and senior staff and very few from the middle and lower cadre.
- Based on Oral Interview, 67B does not use the services of professional forensic auditors and therefore, required such services
- That with the application of forensic auditors, management of organizations are said to be solely responsible for maintaining adequate proper financial record.
- That forensic auditor, being an expert in financial fraud matters with special skills in scientific knowledge and legal matters have helped to improved good corporate governance

- That forensic auditors assist to reduce the occurrence of fraud
- That forensic auditing can help in detecting fraud and preventing fraud in Nigeria money Deposit Banks.

5.2 CONCLUSION

In conclusion, this study has analyzed why attention has to be given to the question of fraud detection and fraud prevention GT Bank of Niger Money Deposit Banks with the said of forensic auditing. It has discussed the forensic auditing approach or procedure necessary for detection, prevention and the type of control to be established in order to control the incidence of fraud in Nigeria Money Deposit Banks. It should be emphasized that whether or within the business world or in the banking industry. The ultimate responsibility for discouraging and preventing fraud and corrupt practice rest with the management of such organization.

This study also appreciated some of the reasons why government staff and other employees engage themselves in fraudulent practice. Also the role of forensic auditors and the skills they need to possess to be able to contribute their question manfully in achieving the objectives of this study was extensively discussed.

Above all, the study revealed that forensic auditor using public document review and background investigation has significant effect on mone laundering in Nigeria Money Deposit Banks, this as a result of the tools and techniques applied in fraud detection and prevention.

5.3 RECOMMENDATIONS

Consequently upon several revelation from the research conducted there is need to make some recommendation which are stated below:

- **Action and Recovery:** Appropriate sections should be applied when fraud is detected. Where prosecution is considered to be the appropriate sanction, proper forensic procedures need to be followed during investigations and trained experts like the professional forensic auditors should conduct the investigation. Where there is evidence of fraud, appropriate disciplinary action in accordance with the provision of organization rules should be implemented criminal prosecution may also be constituted as well as action to recover any losses of the organization money or property. GT banks is hereby encouraged to learn from what others are doing on fraud preventing detecting and investigation using the technique called a “Forensic Auditing”
- **Training:** training and guidance is vital in maintaining the effectiveness of the strategy for the detection and prevention of fraud and corruption and its general credibility. The government need tio support induction and work related training, particularly for employees invoved in internal control system to ensure their responsibilities and duties are regularly highlighted and reinforced and the best practice is followed across organizations services. Significantly, forensic auditing or any anti- fraud and corruption strategy can only work if heads of department and senior managers are committed to it. The adequate structure and mechanism must be put in place in an organization

- **Standard:** For GT bank to properly embrace the practice of forensic auditing, the standard setting process should be modernized and streamlined to ensure that guidelines can be altered, created or eliminated in changing conditions accordingly the state should embrace the process or implementation of the Nigerian Accounting Standard Board (NASB) guideline. This should be strengthened for accounting the quality of settings towards broad principle aimed at evaluating the quality of financial report. This is done will enable one professional forensic auditor to operate nice independently and effectively.
- **Information Technology:** The management should take advantages of the modern accounting and auditing software to enhance efficient and smooth operation of forensic auditing.
- **Code of conduct:** A code of conduct should be estimated in every departments and staff should be made to declare their assets from time of time. More training of favorable environment like attributes of independence transparency, competence etc. should be created to enhance the printability, accountability, competence etc. should be created to enhance the printability, competence should be created to enhance the practice on operation of forensic auditing in GT bank.

Advance to the above recommendations will definitely bring about unlimited fraud detection and prevention and prevention in GT bank most especially. This jet-age when the level of development in all activities is increasing everyday in the face of information communication Technology (ICT).

Finally, the above all recommendation, since the tested hypothesis that use of analysis of financial transaction to significantly affect the money laundering in

Nigeria Money Deposit Bank, it therefore become is pertinent to recommend that it should be replaced with the Statutory External Auditor.

QUESTIONNAIRE

1. Do you think Forensic audit is well known in Nigeria Money Deposit Bank?
Yes () No ()
2. Do you thin the service of forensic auditor are require in Nigeria?
Yes () No ()
3. Is the service of forensic auditor more needed in Nigeria Money Deposit Bank? Yes () No ()
4. Does forensic auditor has the ability of detecting fraud through the use of analysis of financial transaction? Yes () No ()
5. Can forensic auditing help in detecting and preventing fraud in Nigeria Money Deposit Bank? Yes () No ()
6. Do you think the practice of forensic auditor helps to mitigate the financial fraud through the use of public document review and background investigation? Yes () No ()
7. To what extent does forensic auditor being an expert in financial fraud matters with special skills has helped to improve co-operate governance?
Yes () No ()
8. How does the application of forensic auditor and the management of an organization are said to be solely responsible for maintaining adequate proper financial record? Yes () No ()

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