APPLICABILITY OF FORENSIC ACCOUNTING SERVICES FOR FINANCIAL FRAUD DETECTION AND PREVENTION IN THE PUBLIC SECTOR OF NIGERIA

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ABSTRACT

The study examines the applicability of forensic accounting services to prevent and detect fraudulent financial practices in the Nigeria Public Sector. In conducting the study, a hypothesis was stated and questionnaire was drawn in line with the hypothesis for testing. The study utilized primary source of data collection. A total of 441 questionnaires were retrieved from public sector accountants and auditors, two anti-graft agencies, four professional accounting associations, the forensic section of the Nigeria Police Force and the Nigeria Bar Association using systematic sampling. Analysis was carried out using descriptive statistics, chi-square. The null hypotheses was rejected indicating an acceptance of government’s intention that forensic accounting can be applied for preventing and detecting fraudulent financial practices in the Nigerian public sector. It recommended that forensic accounting be made statutory in the public sector to assist in preventing and detecting fraudulent financial practices. The implication of the findings is that rules and regulations are not in place, and professional ethics of forensic not inexistence in the public sector. There is need to be adopt forensic accounting services in the public sector.

Keywords: Forensic Accounting, Nigeria, Public Sector, Fraud Prevention and Fraud Detection
Financial fraud is the act of presenting a false financial information with the aim of cheating or having an undue financial advantage or benefit over the other. Usually the victim suffers loss in form of money or assets that are quantifiable in monetary terms. It is devastating that its effect to the Economy of a nation can be paradigm either to Ebola or HIV. The damage done by it inevitably affects both the employer and the employee, which in turn affects the general performance of the economy. This is evident globally in the downfall of such private companies like the Enron and WorldCom in the beginning of the millennium (Crumbley & Apostolou 2002). Forensic Accounting is a profession that entails investigation into economic damages whether on tort or breach of contract, bankruptcy, insolvency, and reorganisation, securities fraud, tax fraud; money laundering; business valuation and computer forensic. Forensic accountants have skills and competencies to detect and prevent financial fraud (Wells, 2012). There are quantitative and qualitative knowledge and skills from Forensic Accountants. These skills are exhibited from either proactive investigation to prevent fraud or post to detect fraud (Hopwood, Leiner & Young, 2012, Brown, Aiken, & Visser, 2007). They are more interested in detecting and preventing fraud than the normal or statutory audit whose objective is to form “true and fair view” that is compliance with accounting standards and principles (Apostolou & Crumbley 2008; Christensen, Byington, & Blalock 2005). Forensic accountants can significantly prevent and detect fraud through techniques such as Benford’s law and data mining (Imam, 2014, Boritz, Kotchetova & Robinson, 2008).

Forensic accounting either as an academic discipline or profession is entirely a new science in field of management sciences in most of the nation’s globally, including Nigeria. Its usage therefore is low for the fact that knowledge and awareness is not adequate hence this service is not utilised properly in Nigeria (Imam, 2014). The dynamism in fraud in recent times is not captured by most studies carried out recently. There is the need to pay more attention because of the quantum and seriousness in fraudulent practices in the financial circles both in the private and public sector in Nigeria. It is because of the above facts that the study on the intention of the Nigeria public sector towards patronage of forensic accounting services in detecting and preventing fraud was carried out.

**Literature Review**

Forensic accounting is the integration of accounting, auditing and investigative skills (Zysman, 2004). Dhar and Sarkar (2010) define forensic accounting as the application of accounting concepts and techniques to legal problems. It demands reporting, where accountability of the fraud is established and the report is considered as evidence in the court of law or in administrative proceedings.

Degboro and Olofinsola (2007) noted that forensic investigation is about the determination and establishment of fact in support of a legal case. That is, to use forensic techniques to detect and investigate a crime is to expose all its attendant features and identify the culprits. In the view of Howard and Sheetz (2006), forensic accounting is the process of interpreting, summarizing and presenting complex financial issues clearly, succinctly and factually often in a court of law as an expert. It is concerned with the
use of accounting discipline to help determine issues of facts in business litigation (Okunbor and Obaretin, 2010).

Forensic accounting is a discipline that has its own models and methodologies of investigative procedures that search for assurance, attestation and advisory perspective to produce legal evidence. It is concerned with the evidentiary nature of accounting data, and is a practical field concerned with accounting fraud and forensic auditing; compliance, due diligence and risk assessment; detection of financial misrepresentation and financial statement fraud (Skousen and Wright, 2008); tax evasion; bankruptcy and valuation studies; violation of accounting regulation (Dhar and Sarkar, 2010).

Curtis (2008) argues that fraud can be subjected to forensic accounting, since fraud encompasses the acquisition of property or economic advantage by means of deception, through either a misrepresentation or concealment. Bhasin (2007) notes that the objectives of forensic accounting include: assessment of damages caused by an auditor’s negligence, fact finding to see whether an embezzlement has taken place, in what amount, and whether criminal proceedings are to be initiated; collection of evidence in criminal proceedings; and computation of asset values in a divorce proceedings.

Joshi (2003) stated that forensic accounting demands reporting, where the accountability of the fraud is established and the report is considered as evidence in the court of law or in the administrative proceeding. It provides an accounting analysis that is suitable to the court, which will form the basis of discussion, debate and ultimately dispute resolution (Zysman, 2004).

Empirical Study

Extensive studies have been conducted in many countries into forensic accounting, fraud prevention and detection. Most of their findings revealed that forensic accounting is a new field necessary for preventing and detecting fraud through its investigative accounting and litigation support.

Njanike et al (2009) in Zambia, sought to find out to what level forensic accountants are able to fulfil the mandate of preventing or detecting fraud and investigated problems that hinder forensic accountants to make progress in their operations in developing countries. It established the role of forensic accounting in banking operations. Questionnaires, personal interviews, and document review were the methods that were used to obtain data for this study. A sample of thirty forensic accountants was used from thirteen commercial banks, four building societies, and four audit firms in Zimbabwe. It was found that the forensic accounting departments suffer from multiple challenges, amongst them being the lack of material resources, technical knowhow, interference from management, and unclear recognition of the profession. Types of bank fraud were identified. The internationally recognized audit procedures used in detecting and investigating these frauds were discussed. The study however did not link up to the audit expectation gap and especially to the problem of fraudulent financial practices in the public sector which is the main scope of this study.

sector and the study by KPMG in 2012 Africa Fraud Barometer 2011 – Is fraud in Africa on the decrease? These are some of the studies carried out internationally on forensic accounting as a tool for fraud prevention and its subsequent detection.

Similar studies have also been carried out in Nigeria. However, almost all of them are on the private sector of the economy leaving out the public sector. Some of these studies are discussed in the coming paragraphs.

Adeyemi and olowookere (2011), in their study of audit expectation gap examined the level and nature of expectation gap (performance gap) between auditors and users of financial statements. They sought to establish whether or not there are differences between users of financial statements and auditors’ perception of management responsibility for the preparation of financial statements, its reliability and decision usefulness. Chi-square ($\chi^2$) was used to analyse the data obtained from the study. They obtained data through questionnaire. Two hundred and fifty (250) copies of the instrument were distributed using purposive sampling technique. In this study, a cross-sectional survey was conducted to capture the perceptions of users of financial statements in Nigeria. The tests of hypothesis were done using Statistical Package for Social Science (SPSS) version 14.0. Tests were carried out at a significant level of 5% and four degree of freedom. The findings of this study indicated that there is a wide expectation gap in the areas of auditors’ responsibility for fraud prevention and detection. There is no generally accepted description of the role of the auditor. Audit scandals have negative impact on auditor’s credibility. The users of financial statements should be enlightened more on the responsibilities of auditors on the financial statements. The role of the auditor should be clarified and quality control measures should be observed in audit firms. The study did not link fraud prevention and detection with forensic account and failed to recommend a way out of the audit expectation gap as to who is supposed to prevent and detect fraudulent financial practices.

In Oluwagbemiga (2010) study on role of auditors in fraud detection and prevention in Nigeria, the primary data used was obtained by the researchers through the administration of designed questionnaire to respondents. According to the researcher, the use of convenience sampling methodology was adopted; the respondents were bankers, managers, investors and accountants. 184 questionnaires were analysed using descriptive statistics that yielded a 92 per cent response rate. Furthermore, more than 90 per cent of the respondents claimed that they were aware of what auditors do. The high level of awareness combined with their accounting qualifications and audit experience added credibility to the findings of the research. The major finding of this study is that auditors are not responsible for preventing or detecting fraud. This study was also carried out in the private sector.

Mainoma And Adejola (2009), Forensic Accounting and Fraud Investigation in Nigeria, explained the fundamentals of Forensic Accounting and Fraud Investigations in Nigerian Economy, as well as investigated the role of forensic accounting/accountants and fraud examiners/investigators in financial crimes. The role of Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices and other related matters Commission (ICPC) were
examined. These bodies employ forensic accounting and fraud investigation skills as one of the tools used to investigate financial crimes. The study used primary data and chi-square as a statistical tool. The study found out that, there is a shortage of professional forensic accountants in the country and concentrated on the anti-graft agencies. The point of difference between their study and this study is that of scope and methodology. This study covered the anti-graft agencies, professional accountants and the public sector accountants. It also identified various types of fraudulent financial practices in the Nigerian public sector.

Okunbor and Obaretin (2010), examined whether the application of forensic accounting services by corporate organisations in Nigeria is effective in deterring fraudulent financial practices, and finding out the perception of the users of quality of forensic accounting services in Nigeria. The basic methodology employed to achieve the research objectives was a combination of structured interview and tailored questionnaires. From the population of companies quoted on the Nigerian Stock Exchange, a sample of ten companies was selected from the Banking, Insurance, Petroleum, Food and Beverages and Brewing sub-sectors of the economy using simple sampling techniques. The Simple Regression Model (SRM) was employed as the statistical tool for the testing of the hypothesis. The study showed amongst others that the application of forensic accounting services by corporate organisations in Nigeria is not effective in deterring fraudulent activities. Based on the findings of the study, the researchers made some recommendations; some of which are that; organisations should formulate good personnel and recruitment policies attracting high pay as the antidote for fraud scourge. It was also recommended that management should adopt an accounting system that is sound in principle and practice and that the various anti-corruption agencies in the country should be re-positioned by government for greater performance.

Adegbie and Fakile (2012) conducted an evaluation of forensic accounting as antidote to economic and financial crime in Nigeria. The paper was on empirical testing of Economic and Financial Crime in Nigeria: Forensic Accounting as Antidote. Questionnaires were administered to the sampled population. The statistical model applied was Chi-Square and Statistical Package for Social Statistics (SPSS) was applied to compute the data. The results show that Forensic Accounting is a financial strategy to curb and resolve economic and financial crimes in Nigerian economy. The alternate of the four hypotheses were accepted. They recommend among others that the government of Nigeria should enact a law that will make forensic accounting a practice in Nigeria so that economic and financial crimes can become history. The similarity between their study and this is that both used primary data collection method, and application of forensic accounting in Nigeria. The study is however restricted also to financial crimes within the jurisdiction EFCC unlike this study that covers the entire public sector.

Kasum (2007) studied “The Relevance of Forensic Accounting to Financial Crimes in Private and Public Sectors of Third World Economies with particular reference to Nigeria”. The work specifically evaluated the extent of financial crimes in developing countries and compared the private and public sector with a view to determining the sector
where the services of forensic accountants are more required. The results of their reviews are that fraud and corruption are fundamental problems of third world countries. Empirically, they found that investigative or forensic accountant has a role to play, generally, but more in the public sector. They then recommend the strengthening of forensic accounting institution and utilization of their services in public sector of developing nations’ economies.

Efiong (2012), in his study “Forensic Accounting Education: An Exploration of Level of Awareness in Developing Economies - Nigeria as a Case Study”, presented fresh and distinctive evidence on the awareness of forensic accounting among accounting undergraduates in a developing economic setting, using Nigeria as a case study. The researcher used the survey design and administered question to the target population. Data collected was analysed using percentage. He found that there is a very low level of awareness on forensic accounting among undergraduate students. He contended that adoption of forensic accounting into the universities accounting curriculum has a huge potential to enhance students skills and competencies and could be used as a veritable resources through which fraud could be mitigated. He concluded that the study has important policy implications.

Emma and Okaro (2011), in their research about the perception of Accounting Academics on the vexed issue of whether the injection of Forensic Accounting techniques, on a cost/benefit basis, in an audit is capable of increasing the ability of the auditor to discover fraud and thus help in bridging the audit expectation gap in Nigeria. A survey research design approach was adopted for this study. Questionnaire was administered on Accounting Academics of 8 tertiary institutions in the Eastern part of Nigeria. The study revealed, from the perception of Accounting Academics, that Forensic Accounting techniques injected in an audit and given cost/benefit considerations is capable of increasing the ability of the Auditor to detect fraud and thus help bridge the audit expectation gap in Nigeria. They concluded that their finding has implications for both accounting education and accounting practice.

Chi-Chi and Ebimobowei (2012) examined the effect of forensic accounting services on fraud detection in Nigerian banks. To achieve this objective, data was collected from primary and secondary sources. The primary data were collected with the help of a well-structured questionnaire of three sections administered to twenty four banks in Port Harcourt the capital of Rivers State and the data collected from the questionnaires were analysed with descriptive statistics, Augmented Dickey-fuller, ordinary least square and Granger Causality. The result revealed that the application of forensic accounting services affects the level of fraudulent activities of banks. On the basis of this finding, the paper concluded that forensic accounting services provide banks with the necessary tools to deter fraudulent activities. Therefore, the study suggested among others that banks should invest on human capital development of their personnel, government and regulatory authorities should ensure the provision of standards and guidelines to regulate forensic accounting activities and above all Nigerians should embrace integrity, objectivity, fairness and accountability in their day-to-day activities.

Owojori and Asaolu (2009) discussed the concept, need and role of
forensic accounting in solving the vexed problem of corporate world. The study was a theoretical analysis of the role of forensic accountant in solving the vexed problem of corporate world. It employed the secondary source of data collection by making use of available literature on forensic accounting and its application in modern corporate world.

Mbama (2009) traced the historical perspective of global action against money laundering and discussed what is money laundering and the stages of money laundering. It further discussed what forensic accounting is and who is a forensic accountant, who is an expert witness as well as the role of a forensic accountant as an expert witness. Finally it examined how the ‘Nigerian Factor’ affects the role of a forensic accountant as an expert witness.

Other resident researchers in the same vain were, Enweremadu (2010), anti-corruption policies in Nigeria which was an exploratory research, Adeyemi and Olowokere (2011) on stakeholders perception of audit and Keshinro’s on forensic account as invaluable tool in the fight against corruption are some useful studies undertaken in Nigeria.

**Methodology**

The survey design approach is adopted in this work as opinions of sample were elicited. This allowed for the collection of data in a more economical way .The standardized data in the questionnaire allowed for easy comparison. The approach was also basically cross-sectional as the opinions of the sample of Accountants in Nigerian public sector and some professionals in the field of Accounting and Law were elicited at one point in time. The population this study which is divided into two (core public sector and government agencies and the professionals) is made up of the Accountants and Auditors in the office of the Accountant-General of the federation and the Auditor-General for the federation, Economic and Financial Crimes Commission of Nigeria (EFCC), Independent Corrupt Practices Commission of Nigeria (ICPC) the Criminal Investigation Department of the Nigeria Police Force (NPF) who are in charge of either forensic investigation or fraud investigators (core public sector) and the members of the Institute of Forensic Accountants, Institute of Chartered Accountants of Nigeria, Association of National Accountants of Nigeria, The Institute of Treasury Managers and the Nigeria Bar Association (the professionals).

The study used sample from the population of Public Sector Accountants, other professional accountants and the Nigeria Bar Association. Since inferences were drawn from the sample and suitable sample frame exist, the use of probability sampling method was adopted for the study. To be specific systematic sampling method was used for the core public sector and government agencies. The population which consists of Accountants, Auditors, Forensic Accountants, Lawyers and Fraud Investigators was treated in two phases and broken down into core public sector and other professionals. This population is saddled with the responsibility of preparing accounting reports, auditing of accounting records and monitoring of proper internal control system and investigation of fraudulent financial practices and misappropriation—financial and otherwise. Hence, it is believed that they are experienced enough to know whether or not there exists fraud and ways and manners of either preventing or detecting it. Thus the sample frame is
office of the Accountant-General, Auditor-General, two government agencies, three professional institutes and an association. An actual sample size of 549 was obtained using the following formula by Saunders et al (2009);

\[ n^a = \frac{(n \times 100)}{re\%} \]

Where, \( n^a \) is the actual sample size required, 
\( n \) is the minimum (or adjusted minimum) sample size (given in table as 357 for population of 5,000 to 9999), and \( re\% \) is the estimated response rate expressed as percentage (it is expected that at least 65% will respond). Thus substituting:

\[ n^a = \frac{(357 \times 100)}{65} \]

=549

However, to have a fair representation, 10% respondents were drawn from the population of core public sector and government agencies (Accountant-General of the Federations office, Auditor-General for the Federations office, EFCC, ICPC and NPF).

Data Analysis

The objective is to assess whether the application of forensic accounting can effectively prevent and detect fraudulent financial practices in the Nigerian public sector. To achieve this objective ten questions were set and administered to accountants and members of the Nigerian Bar Association in which a total of 441 correctly completed questionnaires were retrieved from the respondents out of 567. The respondents include; Public Sector Accountants, Institute of Forensic Accountants of Nigeria, the Institute of Chartered Accountants of Nigeria, the Association of National Accountants of Nigeria, the Nigeria Bar Association, the Economic and Financial Crimes Commission, the Independent Corrupt Practices Commission, the Institute of Treasury Managers and the Forensic Department of the Nigeria Police Force and their opinion is presented in Tables 1 and 2.

Table 1 presents the first five questions of the objective which states ‘application of forensic accounting can effectively prevent and detect fraudulent financial practices in the Nigerian public sector’. There are 415 “Yes” responses and 26 “No” to the first question which states the net worth and expenditure method of investigating income and lifestyle expenses of employees and agents by forensic accountants is relevant in the prevention and detection of fraudulent financial practices. The responses represent 94.1% “Yes” and 5.9% “No” respectively, indicating that expenditure and lifestyle expenses investigation through the net worth method can lead to detection of fraudulent financial practices. Cash flow involves movement of cash from one point to the other in an organisation. It involves cash inflows and outflows. Thus investigating that cash movement will reveal the reason as to why that cash movement was made. Thus necessitating the second question of this objective which states tracing accounting is a forensic accounting technique which involves investigating funds flow from one source to another especially from bank to bank is adequate to detect fraudulent financial practices. The respondents believed that this method of investigation can prevent and detect fraudulent financial practices in cash movement. The 395 (89.6%) “Yes” responses are good indicator of this position contrary to the small number who disagreed and
responded “No” totalling to 46 representing 10.4% respectively.

Check spreads, cash spread and interview accounting record custodians are investigative techniques used by forensic accountants in detecting fraudulent financial practices. Questions 3 to 5 were set based on those three technics. The respondents believed that it is a good technique for detecting fraudulent financial practices. This is evidenced by the frequency (Yes, 309, 385 and 414) of the responses. These responses represent 70.1%, 87.3% and 93.9% contrary to those who disagree and said ‘No”, 132(29.9%), 56(12.7%) and 27(6.1%) respectively.

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>The net worth and expenditure method of investigating income and expenses of lifestyle agents by forensic accountants is relevant in the prevention and detection of fraudulent financial practices</td>
<td>YES</td>
<td>415</td>
<td>94.1</td>
</tr>
<tr>
<td></td>
<td>NO</td>
<td>26</td>
<td>5.9</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>441</td>
<td>100.0</td>
</tr>
<tr>
<td>Tracing accounting is a forensic accounting technique which involves investigating funds flow from one source to another especially from bank to bank is adequate to detect fraudulent financial practices</td>
<td>YES</td>
<td>395</td>
<td>89.6</td>
</tr>
<tr>
<td></td>
<td>NO</td>
<td>46</td>
<td>10.4</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>441</td>
<td>100.0</td>
</tr>
<tr>
<td>Check spreads is an investigative technique in which forensic accountants analyse the information available on disbursement to detect irregularities on checking account is relevant in preventing and detecting fraudulent financial practices</td>
<td>YES</td>
<td>309</td>
<td>70.1</td>
</tr>
<tr>
<td></td>
<td>NO</td>
<td>132</td>
<td>29.9</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>441</td>
<td>100.0</td>
</tr>
<tr>
<td>Deposit spread is an investigative technique employed by forensic accountants to analyse information on deposit into accounts in order to avert diversion of funds for fraudulent financial practices</td>
<td>YES</td>
<td>385</td>
<td>87.3</td>
</tr>
<tr>
<td></td>
<td>NO</td>
<td>56</td>
<td>12.7</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>441</td>
<td>100.0</td>
</tr>
<tr>
<td>The techniques by which forensic accountants interview accounting</td>
<td>YES</td>
<td>414</td>
<td>93.9</td>
</tr>
<tr>
<td></td>
<td>NO</td>
<td>27</td>
<td>6.1</td>
</tr>
</tbody>
</table>
record custodians of organisations which is known as witness list is important for preventing and detecting fraudulent financial practices | Total | 441 | 100.0 |

Source: Field survey 2015.

In Table 2, responses to questions 6 to 10 (Investigating telephone calls in the organisation to link up connected fraudulent persons within the organisation set up by forensic accountants is important technique of detecting associates of fraudsters and prevents fraudulent financial practices, flow charts which show organisational chain of command, chronology of events, relationship between entities and operations to examine internal control as an important mechanism for preventing and detecting fraudulent financial practices, the modification of generally accepted accounting principles to forensic accounting generally accepted accounting principles is a more sophisticated way of preventing and detecting fraudulent financial practices by forensic accountants, investigative accounting which allows forensic accountants to check accounting records retrospectively detects fraudulent financial practices and documenting fraud investigation findings assist forensic accountants in tendering evidence in the court of law, thus, serving as deterrent measure against fraudulent financial practices and preventing fraud) of the fourth objective is presented.

The “Yes” frequency for each of the question as presented are 359, 437, 408, 435 and 427 representing 81.4%, 99.1%, 92.5%, 98.6% and 96.8% respectively, indicating that fraudulent financial practices can be prevented and detected using the modern techniques of forensic accounting in the Nigerian public sector as against those that disagree whose frequency stood at 18.6%, 0.9%, 7.5%, 1.4% and 3.2% and cannot carry weight.

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investigating telephone calls in the organisation to link up connected fraudulent persons within the organisation set up by forensic accountants is important technique of detecting associates of fraudsters and prevents fraudulent financial practices.</td>
<td>YES</td>
<td>359</td>
<td>81.4</td>
</tr>
<tr>
<td></td>
<td>NO</td>
<td>82</td>
<td>18.6</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>441</td>
<td>100.0</td>
</tr>
<tr>
<td>Flow charts which show organisational chain of command, chronology of events, relationship between entities and operations to examine internal control as an important mechanic for preventing and detecting fraudulent financial practices.</td>
<td>YES</td>
<td>437</td>
<td>99.1</td>
</tr>
<tr>
<td></td>
<td>NO</td>
<td>4</td>
<td>.9</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>441</td>
<td>100.0</td>
</tr>
<tr>
<td>The modification of Generally Accepted Accounting Principles is more sophisticated way of preventing and detecting fraudulent financial practices by forensic accountants, investigative accounting which allows forensic accountants to check accounting records retrospectively detects fraudulent financial practices and documenting fraud investigation findings assist forensic accountants in tendering evidence in the court of law, thus, serving as deterrent measure against fraudulent financial practices and preventing fraud) of the fourth objective is presented.</td>
<td>YES</td>
<td>408</td>
<td>92.5</td>
</tr>
</tbody>
</table>
Accounting Principles to Forensic Accounting Generally Accepted
Accounting Principles is a more sophisticated way of preventing and detecting fraudulent financial practices by forensic accountants.

<table>
<thead>
<tr>
<th></th>
<th>NO</th>
<th>33</th>
<th>7.5</th>
</tr>
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<tbody>
<tr>
<td>Investigative accounting which allows forensic accountants to check accounting records retrospective detects fraudulent financial practices</td>
<td>YES</td>
<td>435</td>
<td>98.6</td>
</tr>
<tr>
<td></td>
<td>NO</td>
<td>6</td>
<td>1.4</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>441</td>
<td>100.0</td>
</tr>
</tbody>
</table>

|                          | YES | 427 | 96.8 |
| Documenting fraud investigation findings assist forensic accountants in tendering evidence in the court of law, thus, serving as deterrent measure against fraudulent financial practices and preventing fraud. | NO  | 14  | 3.2 |
|                          | Total| 441 | 100.0 |

Source: Field survey 2015.

Test of the hypothesis was carried out to discover whether there are differences in the opinion of professional accountants as to Feasibility of Applying Forensic Accounting in Public Sector. In doing that a set of 10 questions on whether the Application of Forensic Accounting is Feasible in Nigerian public sector was tested using analysis of variance.

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>806.622*</td>
<td>36</td>
<td>.000</td>
</tr>
</tbody>
</table>

Source: 2015 Field Survey.

From Table 3, the Pearson Chi-Square is 806.62 with degree of freedom (df) 36, asymptotic column 0.00 meaning P<0.05. It means that the test is significant in the opinion of the accountants.

Decision: Since the calculated value of P is less than 5% at $\chi^2 = 806.62$, we should not accept the null hypothesis but the alternative and conclude that Application of Forensic Accounting is Feasible in Nigerian public sector.

Findings

The following major findings are derived from the data presentation and analysis. In all, ten (10) questions divided into two sections were presented with descriptive statistics and a test of hypothesis and findings presented.

1. The chi square confirmed that it is feasible to apply forensic accounting in the Nigerian public sector. This in is line with Mainoma and Adejola (2009). However, they found that there are no sufficient professional accountants to cover the area of forensic accounting. Okunbor and Obaretin (2010) on the other hand found out that forensic accounting is effective in detecting fraud. Their study was carried in the
private sector, which may be the cause of the difference between their findings, that of Mainoma and Adejola and this study.

2. Thorough investigation and documentation of records through forensic accounting techniques can detect fraudulent financial practices. This in is line with KPMG’s assertion.

3. There is the need to check the life style that is the way and standard of living of public sector employees. Where employees’ life style is above his statutory income, it shall serve as whistle blower to the fraud examiner and the government.

4. Deposit and check spread is conducted. Interbank transfers deposits made into accounts shall be properly scrutinised for irregularities. This will aid in detecting irregular transfer of government funds.

5. It was agreed by all respondents that forensic accounting checking techniques if applied appropriately can prevent and detect fraud in the Nigeria Public Sector from the responses obtained. This is line with the objective as to why forensic accounting was conceived.

Conclusion

The Nigerian government will benefit a lot by introducing forensic accounting into the Nigeria Public Sector just like the routine audit but with different approach to that of internal audit. By implementing forensic accounting techniques and following the model in figure, at the same time making the reporting lines of the forensic auditors clear and availing the forensic accountants report to all at all times will assist the government in implementing forensic accounting strategies and prevent fraud in the public sector.

Recommendations

In line with the findings, government should adopt the techniques of forensic accounting in the preparation of accounting records and at the same time allow professional forensic accountants to check and review all the financial reports of the public sector. This report be made public by publishing at the appropriate website of the government.

The records of high profile government agencies be subjected to forensic checking constantly so that revenue accruable to government is not diverted to personal use by managers of these organisations’. Record of those who are found guilty of fraudulent financial practices be kept by gazetting and send them to all government offices and such individuals be banned from holding any public office even if they are pardoned.

The implication of the findings is that rules and regulations are not in place, and professional ethics of forensic not inexistence in the public sector. There is need to be adopt forensic accounting services in the Nigeria public sector.

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