AN EMPIRICAL ANALYSIS OF FORENSIC ACCOUNTING AND FINANCIAL FRAUD IN NIGERIA

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ABSTRACT

The consequences and the effects of financial crimes in corporate organizations are very grave and it is against this background that forensic accounting emerged. It is a response to the growing sophistication and awareness of financial crimes. The objective of the study therefore is to examine the correlations of PFA (Presence of forensic accountant), NAFT (Number of accountants with forensic accounting skills) and EFAP (Extent of forensic accounting practices) with EET (Extent of employee theft) EFR (Extent of financial fraud) and ETMT (Extent of top management fraud). The survey research design is used in this study. The population of the study comprises of management staffs of selected financial institutions. The choice of financial institutions is because the sector amongst others has been bedeviled with cases of financial fraud. We adopted a sample of one hundred and five (105) respondents. The sampling was done using simple random sampling. Primary data was used in the study. The data was generated using well-structured likert scale questionnaire. In this study we employed the spearman rank correlation as the data analysis method. The method is the non-parametric component of the person correlation method and as such suitable for the analysis of primary data. We find evidence of significant negative correlations between PFA, NAFT and EFAP with EFR. We recommend that professional accounting bodies conduct forensic accounting training for accountants.

Keywords: Forensic Accounting, Extent Of Financial Fraud.

JEL Classifications: H83, M21, M41, M42, M48, M49.