



# Forensic Accounting and Economic Development in Nigeria

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## **Authors' contributions**

*This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.*

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## **ABSTRACT**

The need to upend the abysmal level of economic development in Nigeria and reverse the ugly indices of economic development has been of great interest to the government of Nigeria. In the descriptive nature of our study, we explored the role of forensic accounting in promoting economic development in Nigeria. The population of our research includes accountants and senior staff of Ministries, Departments and Agencies (MDAs). A sample size of 360 was estimated using the Yamane formula, but 349 copies of questionnaire were usable. In this study, we used frequencies and percentages in our descriptive analysis and our proposed hypotheses were tested using the Pearson correlation method. From our analysis, we observed forensic accounting as an important factor in promoting economic development. Forensic accounting in the three dimensions used facilitate employment generation and standard of living, while there is reduction in poverty on account of adopting forensic accounting. These impressive discoveries led us to recommend that, government should regulate the activities of the forensic accounting profession to ensure members conduct themselves properly, enhance competency and standard and ensure members of the public are protected from being misled.

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## 1. INTRODUCTION

By the turn of the 21<sup>st</sup> Century, Nigeria and other economies around the world intensified efforts to fasten their level of economic development. The urgency to speed up economic development was necessitated by the need to reduce poverty which has climbed to unprecedented high, improve the standard of living, empower women, improve health and education, and enhance environmental sustainability [1].

Nigeria since return to civil rule in 1999 has lagged behind her early development peers such as China, India, Singapore, Malaysia, among others, as these countries have accelerated their pace of economic development. Economic development in Nigeria have decelerated quite tremendously and where there appears to be improvement, the pace of development has been at a declining rate [2,3,4]. Unemployment in Nigeria has reached alarming heights with the economy creating fewer jobs, with incidence of unavailable job opportunities steadily increasing. In the fourth quarter of 2017, unemployment level stood at 20.4% and has since increased to 33.3% in the fourth quarter of 2020. In 2023, the methodology of unemployment computation was revised by the National Bureau of Statistics, which led to a sharp fall in unemployment level in three months. In a new report, unemployment rate declined from 5.3% in the fourth quarter of 2022 to 4.1% in the first quarter of 2023, increasing slightly to 4.2% in the second quarter of 2023 (NBS, 2023). Inflation level over the years have continued to soar, creating macroeconomic uncertainty, erode investors' confidence, and pushed more Nigerians into poverty. According to the World Bank Report of 2023, rising inflation level pushed more 4 million Nigerians into poverty, adding to the existing 133 million living in poverty. Inflation level has remained elevated, with price level increasing from 9.3% in November 2015 to 28.2% in November 2023 (NBS, 2023). The deteriorating pace of economic development in Nigeria presents a paradox, given its abundance of natural and human resources, in the form of crude oil and natural gas, gold, iron ore, and a population of over 200 million.

In the literature, economic development is believed to depend on a number of factors, namely, the quality and quantity of the country's resources, level of technology, and how resources are utilized in the production and

consumption process [1]. It is incumbent on resource-rich developing countries to ensure that benefits of such abundant resources trickle down to the lower class. Despite the resources accruing to Nigeria, the country is still confronted by mounting development problems such as multidimensional poverty, income inequality, unemployment, decaying and huge infrastructural deficits. The incidence of these problems which has reached frantic heights have resulted from reoccurrence of fraud, which is sweeping across all sectors of the Nigerian economy and is now part of the culture of Nigeria. Fraud and corruption results in huge revenue loss and diversion of resources from developmental purposes, further worsening the development situation in Nigeria. Empirically, studies have shown that forensic accounting plays significant role in the detection and prevention of fraud and/or corruption [5,6,7,8].

By detecting waste, fraud, money laundering, embezzlement, among others, forensic accounting can matter for economic development. Its potentials in improving economic development in Nigeria can be seen in three ways. First, forensic accounting can reduce the frequency of occurrence of financial fraud, that hitherto poses challenge to economic development, as resources meant for developmental projects are diverted. The incidence of this financial fraud can weaken investors' confidence in the Nigerian economy. By ensuring such frauds are detected and prevented, forensic accounting can rekindle confidence in the Nigerian financial system, fostering investment and development. Second, it has the potential of improving the efficiency of the Nigerian financial system. Through the process of detecting and preventing fraud, weak links in the financial system and public sector exploited to perpetrate such heinous acts can be identified and plug, improving the efficiency of the financial system. Third, the detection and prevention of fraud promotes accountability, probity, and good governance, which help builds stronger institutions. This can accelerate economic development as good institutions reduces corruption.

Based on the foregoing, this study examines the relationship between forensic accounting and economic development. This entire empirical work is structured in five sections. The next section, Section 2, considers theories and empirical works related to the study. The

methodology is detailed in Section 3. Section 4 presents the result and the conclusion and recommendation are made in Section 5.

## 1.2 Objectives of the Study

We aim to investigate the nexus between forensic accounting and economic development in Nigeria. On a specific front, our objectives are to:

- i. Examine the effect of forensic accounting competency on employment generation in Nigeria.
- ii. Investigate the effect of forensic accounting techniques on employment generation in Nigeria.
- iii. Analyse the effect of proactive fraud audit on employment generation in Nigeria.
- iv. Determine the effect of forensic accounting competency on poverty in Nigeria.
- v. Examine the effect of forensic accounting techniques on poverty in Nigeria.
- vi. Determine the effect of proactive fraud audit on poverty in Nigeria.
- vii. Investigate the effect of forensic accounting competency on standard of living in Nigeria.
- viii. Examine the effect of forensic accounting techniques on standard of living in Nigeria.
- ix. Analyse the effect of proactive fraud audit on standard of living in Nigeria.

## 1.3 Research Hypotheses

We proposed the following hypotheses for this study:

H<sub>01</sub>: Forensic accounting competency do not significantly influence employment generation in Nigeria.

H<sub>02</sub>: There is no significant relationship between forensic accounting techniques and employment generation in Nigeria.

H<sub>03</sub>: Proactive fraud audit do not significantly improve employment generation in Nigeria.

H<sub>04</sub>: Forensic accounting competency will not significantly reduce poverty in Nigeria.

H<sub>05</sub>: Forensic accounting techniques insignificantly reduce poverty in Nigeria.

H<sub>06</sub>: Proactive fraud audit do not significantly affect poverty in Nigeria.

H<sub>07</sub>: The relationship between forensic accounting competency and standard of living is insignificant.

H<sub>08</sub>: Forensic accounting techniques do not significantly influence standard of living in Nigeria.

H<sub>09</sub>: Proactive fraud audit do not significantly affect standard of living in Nigeria.

## 2. LITERATURE REVIEW

### 2.1 Conceptual Issues

**Forensic Accounting:** As noted by Gbegi & Habila [9], forensic accounting integrates auditing, accounting and investigative skills. For Dhar & Sarkar (2010), it involves the use of accounting techniques and concept to solve legal problems. According to Gbegi & Habila [9], as accountability requires, it is expected that report of fraud, where it is established, be considered during litigation or any administrative proceedings as evidence. This suggest that, forensic accounting techniques can be employed in detecting and investigating crime. Gray (2008) suggested that those who should be involved in forensic investigation must be forensic accountants, combined with private investigators and auditors. It is necessary that they have knowledge of the law, finance, accounting, quantitative methods, and investigative skills. This is because the jobs dictate, they analyse, complex financial documents and business issues, interpret them, summarize their discoveries and present them in a simple manner to the public.

**Economic Development:** In some quarters, economic development has been taken to mean economic growth, suggesting that it is the rate at which goods and services produced in a country by nationals and non-nationals change in a year. Economic development is more complex that just a measure of change in final output of goods and services, as plethora of definition has been suggested by different school of thought. The definition of economic development has evolved from the narrow conceptualization of rise in per capita income to one that is broader [10]. Okowa [11] defines economic development as the process whereby a society changes in all ramification and in a direction where the lives of greater majority are transformed positively. Jacob & Umoh [12] noted that economic development is more than increasing per capita income, as it includes sustainable improvement in the welfare of the society, guaranteed through employment opportunities, in addition to the availability of economic and social infrastructure. Schumpeter [13] noted that economic development is not static, rather continuous where society improve on the capacity to manipulate and control forces of nature in order to enhance their welfare.

## 2.2 Theoretical Framework

**Fraud Triangle Theory:** This theory propounded by Cressey (1971) is one of the theoretical foundations for this study. The underlining of this theory is three critical factors are what necessitates a crime to be perpetrated and has increased the prevalence of crime. These factors are mainly, rationalization, opportunity, and pressure. The theory asserts that, it is only when these factors are available that crime can be perpetrated or take place.

Cressey (1971) thesis on fraud and criminology led him to conclude that, amongst the many activities that a person engages in, for whatever reason, included among those activities is fraud, concluding that the act of defrauding someone is done for a particular reason or motivated by a reason. Regarding pressure, the position of the theory is that individuals are propelled or pushed by certain factors to engage in fraud. Mukoro, Yamusa & Faboyede [14] noted that the source of this pressure could be internal or external, or even from being employed. Next is opportunity, and this manifest in the form of being presented with the chance of perpetrating such fraud or being in the position to do so. Opportunities for fraud comes in the form of weak internal control, autonomy or lack of segregation of duties. According to Huber [15], the incidence of crime will increase when it is less likely that the person will be caught.

Last is rationalization, and this involves colluding with others to provide justification for committing such economic crime. This involves rationalizing the act of committing a crime, and most times blamed on the fact that other individuals are committing such crime.

**Inspired Confidence Theory:** This theory, developed by the Dutch Professor Theodore Limperg in the 1920s also provide a theoretical basis for this work. The theory examines the demand for and supply of audit services, creating an equilibrium level for audit services. Limperg [16] held that, the demand for audit services is derived in nature, and is consequent on the participation of third parties, that is stakeholders, in the company. Due to the need for accountability, probity and ensuring transparency for their investment from the management board and the need to ensure returns on their capital investment, there is need to get outside help in the form of an audit, to valid the information provided by the management of the

company, as there is tendency that the information may be bias [17]. According to Gbegi, Kutus & Ojile [18], this theory relates the community's need for financial information of the company to be reliable to the ability of audit techniques to see to these needs been met. Furthermore, it emphasizes the development of the community's needs and the auditing techniques through time.

## 2.3 Empirical Literature

Ogundajo & Alao [19] recognizing the importance of forensic accounting extended the study to the shadow economy, as they beamed their research on the public sector in South-West, Nigeria. Their major drive was assessing whether forensic accounting matters for the shadow economy in the area which was their focus. Basically, they were able to randomly sample 254 staff of ministries, departments and agencies and those from the anti-graft agencies from a staff population of 395. The data collecting instrument which they used was questionnaire, as they designed the instrument to reflect the Likert 5-point scale, which they ensured it was valid and reliable. In experimenting their hypotheses, the regression method was employed and it was shown that forensic accounting, particularly investigative accounting, expert witness, and data mining, affect underground activities positively. These results, they found, is unaffected or has no bearing on the audit quality and/or quality of governance, as they both played no moderating role.

Austin & Akpotor [20] used four forensic accounting indicators to assess its relationship with bank performance. The theme of their study was understanding if the adoption or practice of forensic accounting by banks can boost their profit or performance level. This hypothesis was experimented using Nigerian banks as they chose, through random sampling, ten (10) banks from the twenty-one (21) whose shares are traded on the Nigerian Exchange Group. They settled for return on asset as performance index and made it dependent on point of sales, money laundering, ATM, and money transfer fraud controls. The relationship was studied in linear form and within the period from 2012 through 2020, using the correlation and regression methods. The main discovery made by them is that, banks will receive lower returns on their assets as forensic accounting is adopted as all indicators of forensic accounting showed negative correlation with the performance index.

Okoye, Adeniyi & James [6] sampled one hundred and ninety (190) employees that are accountants from four manufacturing firms residing in Aba of Abia State, Nigeria, to probe the incidence of fraud and whether engaging in forensic accounting can be an effective tool which the firms can deploy in preventing occurrence of fraud. The 190 accountants were randomly selected and responses which formed data were obtained using questionnaire. This data got from a four-scaled Likert designed questionnaire were analysed using estimation methods namely mean, standard deviation and regression methods. The result obtained when analysis was performed revealed forensic accounting to be an effective tool in detecting and preventing fraud. However, their finding was against forensic litigation been a mechanism in recovering lost funds.

Olaoye & Olanipekun [21] who gathered data using questionnaire x-rayed the connection between forensic accounting, investigation and corporate governance. Their survey which they carried out in Ekiti State seek to assess whether corporate governance in Ekiti State can be enthroned through forensic accounting and investigation. The logistic regression method was used to experiment this, as they employed the method to analyse responses from 92 forensic practitioners and accountants that were randomly selected from 120 of such population categories. The outcome of their estimation produced promising results as it showed in clear terms that, corporate governance can be enhanced by adopting forensic accounting and investigation. Also, they advocated for stronger internal control system and fraud detection as doing so will improve corporate governance level. With the logistic analysis, they were able to show that having quality financial report prepared increases the chance of enthroning corporate governance.

Oyebisi, Wisdom, Olusogo & Ifeoluwa [7] noticing that the banking system in Nigeria is plagued with high incidence of fraud, launched an empirical investigation into addressing this problem as they probed the role of forensic accounting in taming occurrence of fraud in the banking system. Four (4) banks, from the 21 licensed banks in Nigeria, were focused on and 100 employees, 25 employees from each of the 4 banks, were sampled randomly and opinions relating to the issues seek. To address the issue confronting their study, a multiple regression model was setup where fraud depended on forensic accounting indicators, namely, litigation

support, fraud investigation, and expert consultancy. This method was complemented by t-test and ANOVA methods. Through empirical analysis, their submission was that banks that wish to reduce fraud and prevent it from occurring will be required to practice forensic accounting, as doing so will tame fraud and its occurrence and ensure the banks grows.

Simeon [5] noticing the depth of crime in Nigeria in the form of economic and financial, examined the possibility of employing forensic accounting as a tool in reducing such crime. With the fast pace at which technology is evolving, the study extended to assessing if leveraging on technology can increase the effectiveness of forensic accounting in dissuading graft activities in Nigeria. The sample deployed for this work were one hundred and ten (110) accountants, to which questionnaire were sent to and responses from eighty-nine accountants were considered valid after screening. In the work, four hypotheses were experimented using the Pearson correlation procedure. It was stressed that engaging in forensic accounting will reduce economic financial crime due to negative correlation found to be present among them. Technology, the study conveyed, increases the effectiveness of forensic accounting in combating graft activities in Nigeria.

The relative importance of banks in facilitating productive activities has made their performance critical and a subject of inquiry. Ekechukwu, Chidubem & Mbah [22] launched into this as they were interested in x-raying the performance of two banks in Nigeria and if the use of forensic accounting undermines or boost their performance. The two banks were studied over twelve (12) years, from 2006 all through to 2017. To understand if adopting forensic accounting can translate into higher profit level, a multiple regression model was set up, with forensic audit used as forensic accounting indicator. The indexes of performance which they employed were retained earnings, net profit margin, and profit after tax. The estimation outcome highlighted the crucial need for forensic audit as evidence leaned towards it boosting retaining earnings, rising dividend level, and increasing the net profit margin of the banks studied.

Kolawole, Salman, Durodola, Babatunde & Igbekoyi [23] probed the factors that determines forensic accounting, while extending the focus of their survey to testing the potency of forensic accounting in reducing the practice of fraudulent activities. In investigating these two hypotheses,

they collected responses from employees of fifteen (15) Nigerian banks with branches in Lagos State. Questionnaire was relied up by the authors in gathering the data which testing their twin hypotheses required. They then used the ordered logit regression method to analyse the responses gathered and the found chances of forensic accounting increasing when auditors are independent, with information technology advancing; there are better banking policy; and training and development programmes for staff are initiated.

Bassey & Ahonkhai [24] examined the problem of fraud in the banking system in Nigeria, empirically focused on assessing the role of forensic accounting and litigation in addressing such institutional damaging trend. The purpose of their work was figuring out if adopting forensic accounting has any semblance of bearing on fraud in terms of reducing its high incidence. Two banks, namely, Zenith and Union Banks, located in Calabar province of Cross River were studied and sixty (60) from the one hundred and twenty (120) employees of these banks were actively involved in the survey. To experiment the degree to which forensic accounting is necessary for fraud reduction, opinions from the randomly sampled employees were needed and the author were able to obtain them from questionnaire issued. Once the responses came in, there were analysed using the ANOVA method, with the result establishing that the adoption of forensic accounting or its practice, in conjunction with litigation support, do not significantly affect incidence of fraud in the banks.

Gbegi & Habila [9] out of a population of 707 lawyers that reside in Jos, Plateau State, Nigeria, randomly selected 255 lawyers for their study which tried to explore if the practice of forensic accounting affects litigation services in the Nigerian judicial system. The Chi-square method, in conjunction with percentage and frequency, were employed by the researcher in analysing the questionnaire obtained data. Four forensic accounting evidence indicators, namely, physical, documentary, oral, and demonstrative evidence were probed and their effect on litigation services investigated. The made findings regarding the litigation services of the court being affected by forensic accounting and all four indicators, physical, documentary, oral, and demonstrative evidence, having significant impact on litigation services.

Henry & Ganiyu [25] focused on the Nigerian banking industry, seek to unravel the factor(s)

that can make for reduction in fraud in the banking industry. Their investigation looked to forensic accounting as they probe its ability to function as panacea and solution to reducing fraud. The methodology followed by the authors included sampling five A+ rated banks between 2015 and 2016 from the 22 banks accredited by the apex bank in Nigeria. Only employees of the banks that are in the internal control department were selected for their survey and numbered sixty (60). With the relationship modeled in linear form and estimated, they report the regressors (forex transaction, cash management, loans processing, treasury operations) except branch location enhanced forensic accounting, and that forensic accounting is a significant tool that can be employed in reducing fraud in the banks.

Joseph, Okike & Yoko [26] worried about the growth in fraud that has characterized the public sector in Nigeria, experimented with forensic accounting, investigating if its adoption can be a panacea to taming the high rising incidence of fraud in the sector. With the fraud triangle providing a theoretical foundation for their work, they drew 92 staff members in the public sector from the pool of 1,250 members. Those that participated in their survey were majorly practicing auditors and accountants and upon screening of the responses which they obtained from the use of questionnaire, 85 were deemed admissible and valid for analysis. The Ch-square tool was then employed for analysis and the discovery made was that the rising fraud level at the public sector can be reduced through the practice of effective forensic accounting. They mentioned that, increasing awareness of forensic accounting is an important medium to reducing fraudulent practices in the Nigerian public sector.

Ezejiofor, Nwakoby & Okoye [27] in their investigation considered forensic accounting and its effectiveness in reducing incidence of fraud in the banking system. Their study relied on information sourced from primary means as responses on the subject focused on were obtained using questionnaire. With the Nigerian banks their prime focus and adopting the survey method, they chose five (5) banks officials from the eleven (11) commercials in Awka metropolis to solicit responses. With the convenient sampling, they were able to get 55 officials to participate in their survey. The officials that provided opinions were cash, resident internal control, fund transfer officials and head of operations. The trifecta tools of mean, standard

deviation, and t-statistics were employed and they made findings relating to, among others, forensic accounting been effective in reducing the frequency of crime or fraud in banks.

### 3. METHODOLOGY

In this study, we strived to assess whether engaging or practicing forensic accounting matters for economic development in Nigeria. In testing this proposition, we adopted the descriptive design as our study involved collecting data which will enable us test certain hypothesized relationships. For this study, data were gathered using questionnaire from accountants and staff of several ministry, departments and agencies (MDAs) and three hundred and sixty (360) were sampled using convenience sampling method. We administered 360 copies of questionnaire to the participants in the study. Screening the questionnaires returned, 349 were usable and this represent a response rate of 96%. The predictor variables used were forensic accounting competency, forensic accounting techniques, and proactive audit fraud, and each consist of 3 items. Economic development consists of 9 items, three each for the indexes of employment generation, poverty, and standard of living. The participants in this study provided answers to questions on a range from 1 = strongly disagree to 5 = strongly agree. For the indexes of economic development, we estimated reliability coefficient of 0.83 and for forensic accounting indicators, we obtained the reliability coefficient of 0.87. In this study, descriptive and inferential methods were used. We first analysed the demographic variables using frequencies and percentages and after that, we tested the hypotheses using Pearson correlation method.

### 4. RESULTS AND DISCUSSION

In the first part of the analysis, we first explored the demographic features of the those that participated in the survey. The method used were frequency and percentages as we were concerned with numeric and proportions. In our survey of three hundred and forty-nine (349) accountants in the public sector, we had more male participants than female, though our survey was not gender bias. 53.3% of 349 participants were male and 47.1% of them are female. In terms of age, we noticed a youthful working sample as 67.7% of the 349 participants are between 18 and 35 years comprising of 18.1% of 18-25 years; 26.1% of 26 – 30 years and 23.5%

that are aged 31 – 35 years. 74 individuals indicated that an age range of 36 – 40 years and 11.2% said they are either 41 years or above. In terms of marital status, the highest rank is those that are married, as 58.2% indicated they have partners that they are legally married to. 35.8% identified as been single without legally joined to a partner. Those that are divorced and separated constituted 3.4% and 2.6% of the respondents, respectively.

In order to be certified an accountant and proceeding to becoming a forensic accountant, the first step to realizing this is to be educated. We looked into the educational background of those that actively participated in the survey and found that 16.3% out of the 349 respondents have SSCE/OND degree; 48.1% have bachelor's degree and 29.5% are master degree holders. 6.0% or 21 indicated that they have doctorate degree. The professional qualification of the respondents was also probed and 47.9% have ANAN certification, followed by those with ICAN certification, as they comprised 32.1% of those sampled. ACCA holders constitute 15.2%, while the rest have other professional certificate(s).

The descriptive analysis (Table 1) revealed that overwhelming majority of those surveyed (60.2%) have 5 – 15 years experience and 17.5% of the respondents have devoted 16 – 20 years in the public service. The rest had lesser experience (8.3% with less than 5 years' experience) and longer experience (14.0% with atleast 21 years' experience).

As a step to explore whether forensic accounting matters for economic development and test the validity of some of the theories relied upon for this survey, the study represented forensic accounting with certain variables, doing so for economic development, and testing the correlation between them. This method allows for the establishing of relationship between the hypothesized indicators of forensic accounting and the indexes we used to measure economic development.

Table 2 shows that employment generation seems to be affected by forensic accounting competency. When the responses provided by those surveyed were analysed for correlation, we were able to identify positive correlation existing between forensic accounting competency and economic development indexes. We observed the need for forensic accountant in the public space to be competent and discharge their jobs dutifully as doing so can translates into jobs been created and Nigerians gaining employment. This

we observed from the estimate ( $r = 0.805$ ) and the probability value ( $r = 0.638, p < 0.05$ ). We also observed that poverty is also affected by the level of competency of forensic accountants. Estimates from the correlation analysis indicates poverty level will significantly drop when accountants who engage in forensic accounting are competent. With competent forensic accountant, fraud perpetrated are quickly discovered and ethics of the job are upheld. Also, preventive and control measures can be

effectively put in place to forestall future occurrence, which enables government to go about the business of welfare improvement and poverty reduction. This was the result when we analysed how forensic accounting competency influences standard of living, as competency of the those engaged in forensic accounting improves standard of living ( $r = 0.638, p < 0.05$ ). These results agree with previous works such as Ogundajo & Alao [19] and Okoye, Adeniyi & James [6].

**Table 1. Demographic Statistics of Respondent**

Details	Classifications	Frequency	Percent
Gender	Male	186	53.3
	Female	163	47.1
Age	18-25 years	63	18.1
	26-30 years	91	26.1
	31-35 years	82	23.5
	36-40 years	74	21.2
	41 years and above	39	11.2
Marital Status	Single	125	35.8
	Married	203	58.2
	Divorced	12	3.4
	Separated	9	2.6
Education	SSCE/OND	57	16.3
	Bachelor's degree	168	48.1
	Master's degree	103	29.5
	PhD	21	6.0
Professional Qualification	ACCA	53	15.2
	ICAN	112	32.1
	ANAN	167	47.9
	Others	17	4.9
Work Experience	Less than 5 years	29	8.3
	5-10 years	119	34.1
	10-15 years	91	26.1
	16-20 years	61	17.5
	21 years and above	49	14.0

Source: Authors' compilation (2023)

**Table 2. Correlation Result**

		Employment Generation	Poverty	Standard of Living
Forensic Accounting Competency	Pearson Correlation	.746**	-.617**	.733**
	Sig. (2-tailed)	0.001	0.000	0.000
	N	349	349	349
Forensic Accounting Techniques	Pearson Correlation	.670**	-.691**	.892**
	Sig. (2-tailed)	0.000	0.000	0.001
	N	349	349	349
Proactive Fraud Audit	Pearson Correlation	.605**	-.658**	.822**
	Sig. (2-tailed)	0.000	0.001	0.000
	N	349	349	349

\*, & \*\* attest to significant correlation at 0.05 and 0.001 levels.

Source: Authors' compilation (2023)

From the correlation analysis, we observed that forensic accounting techniques plays significant and important role in accelerating economic development. By employing the right forensic accounting techniques, it is expected that more jobs will be created as corruption is deterred and governments projects are seen to their conclusion ( $r = 0.638, p < 0.05$ ). Further, we identified forensic accounting techniques as important for poverty reduction, as the increased use of such techniques is expected to significantly lift more Nigerians out of poverty. Standard of living is influence by forensic accounting techniques, conveying that, when the right techniques are utilized during engagement in forensic accounting, there is bound to be improvement in the standard of living of Nigerians. The result affirms the findings of Austin & Akpotor [20] and Oyebisi, Wisdom, Olusogo & Ifeoluwa [7].

The study tested the hypothesized relationship between proactive fraud audit and the indexes of economic development. The correlation result appears to suggest that engaging in proactive fraud audit by regularly probing payments by government to contractors at intervals will foster job creation ( $r = 0.638, p < 0.05$ ). According to the correlation result, proactive fraud audit exerted negative influence on poverty, and the influence is significant. This result highlights the importance of regularly probe of government programmes and scheme, as it has negative influence on poverty and reduce incidence of poverty in the country. The result also revealed that the direct influence of proactive fraud audit on standard of living was significant. This indicates that proactive fraud audit has critical implication for living condition in Nigeria, as being proactive to fraud and not waiting for fraud to occurrence appears to be a better strategy in improving standard of living. These results are in line with submissions made by Ekechukwu, Chidubem & Mbah [22] and Kolawole, Salman, Durodola, Babatunde & Igbekoyi [23].

## 5. CONCLUSION AND RECOMMENDATION

The main purpose of this research was to x-ray the relationship between forensic accounting and economic development. Moreso, we investigated how each indicator of forensic accounting influence economic development

measures. Our result from the correlation matrix reveal that the indexes of forensic accounting relate with the employment generation and standard of living indicators of economic development positively. As the government prioritize competency of the forensic accountants, ensure they use up-to-date techniques and conduct periodic audit of government financials, the study believes there will be reduction in poverty. We showed by these that, adopting forensic accounting can fundamentally improve the development standing of Nigeria. This study favour the regulation of activities of the forensic accounting profession to ensure members conduct themselves properly, enhance competency and standard and ensure members of the public are protected from being misled. Also, the government should spend on modern technology to equip forensic accountants with the modern knowledge and skills in curbing fraud.

## COMPETING INTERESTS

Authors have declared that no competing interests exist.

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