



Impact of Forensic Accounting Practices and Fraud Detection and Prevention in Listed Deposit Money Banks in Nigeria

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ABSTRACT

This study investigates the impact of forensic accounting practices on fraud detection and prevention in listed Deposit Money Banks (DMBs) in Nigeria, focusing on their influence on financial reporting quality (FRQ). Utilizing secondary data from 2015 to 2024, sourced from annual reports and financial statements of DMBs listed on the Nigerian Exchange Group (NGX), the study employs a quantitative ex post facto design and panel regression analysis. Key variables examined include Engagement of Forensic Accountants (EFA), Forensic Investigation Skills (FIS), and Forensic Detection and Prevention Techniques (FDPT). Findings reveal that FDPT has the most significant positive effect on FRQ ($\beta = 0.004$, $p = 0.003$), followed by EFA ($\beta = 0.003$, $p = 0.015$), while FIS shows a weaker, marginally significant impact ($\beta = 0.002$, $p = 0.072$). The model explains 78% of FRQ variation, underscoring the critical role of forensic accounting in enhancing report accuracy and mitigating fraud. The study addresses gaps in prior research by emphasizing secondary data to reduce self-reporting biases and highlighting the need for continuous training and digital forensic tools to combat emerging cyber fraud. Recommendations include integrating advanced forensic tools, mandatory training for audit staff, and fostering transparent internal controls to strengthen fraud prevention and financial integrity in Nigerian DMBs

INTRODUCTION

The increase in fraudulent financial activities poses formidable challenges to the Nigerian banking institutions, undermining investor confidence and trust. Money deposit banks (MDBs) in Nigeria are consistently faced with fraud cases and these threaten their integrity and public perceptions (Salawu and Salawu 2024). In Q2 2023, cases of fraudulent financial activities reported from the Q1 rose by 276.98%, from N2.58billion to N9.75billion even though the actual loss increased by 1,125% (Financial Institutions Training Centre, 2023). The complexity of financial transactions and technological advancements have created new avenues for financial crimes, such as system breach and falsified financial statements. Many financial institutions are now struggling to maintain confidence as fraudulent activities continue to undermine the confidentiality and credibility of corporate entities, leading to substantial financial losses (Ogunwole 2023). In Nigeria, many deposit money banks face persistent fraud cases, threatening their integrity and public confidence. First Bank of PLC suffered employee bank fraud of N40billion in 2024. Another case includes a massive N9.3billion system beach in which gave fraudsters unfettered access to the hack the bank's system. Forensic accounting, the combination of accounting skill, auditing skill and investigative skill to detect, prevent and deter fraudulent financial activities, has emerged as a viable and efficient tool to mitigate these issues (Oyedokun, 2024). The Association of Certified Fraud Examiners (ACFE) defines forensic accounting as the use of specialized skills to uncover fraud and support litigation. Oluwole (2020) said following the global financial crises and corporate scandals, the demand for transparency and accountability in Nigeria has intensified, underscoring forensic accounting relevance.

Statement of the Problem

The increasing cases of fraud in Nigeria Deposit Money Banks (DMBs) continuously reduce stakeholders and investors trust. It also weakens corporate integrity and compromise the financial reports quality (FRQ). High profile cases of fraud perpetuated under the supervision of internal auditors of the banks, such as N40b theft by First Bank PLC employee and another N11b breach of a Fintech highlights systemic vulnerability of Nigerian banks. Nigerian Deposit Insurance Corporation (NDIC) indicated a 498% surge in fraud cases between 2019 and 2023, with actual amount of financial losses rising from N2.97b to N17b, driven by insider collusion and cyber fraud. The traditional auditing approach was unable to prevent these sophisticated fraud schemes, exacerbated by weak internal controls and inadequate cyber security measures. Olowookere & Adeyemi, 2024 in their own submission said the traditional auditing method struggles to detect sophisticated fraud schemes, and this further exacerbates financial losses and regulatory challenges.

This study focuses on investigating the important role of forensic accounting practices (FAPs) and specifically, how to optimize the Engagement of Forensic Expert (EFA), Forensic Investigation Skills (FIS), and Forensic Detection and Prevention Techniques (FDPT) in reducing banks fraud in Nigeria, where such concern remains persistent challenge. These variables have proven to improve contemporary fraud detection and prevention. Adeola

(2023) said by leveraging on specialised forensic expertise, there was a 291.1% increase in detection chance in banks. Uniamikogbo & Adeusi (2019) posited that, data analytic and financial statement analysis skills improved the skill deficiencies of auditors. Onodi, Okafor, and Onyali (2015) said if auditors possess forensic analytics and computer-assisted audit techniques, they would respond proactively enough to sophisticated fraud schemes.

Study Gap

While prior researches have explored forensic accounting roles in the detection and prevention of frauds in listed banks in Nigeria, there has been little or no focus on integrating engaging forensic accountants within internal audit frameworks, and development of continuous training to address skill deficiencies among bank staff. Modern studies emphasize the emerging complexity of cyber fraud, yet the adoption of digital forensic tools, such as AI-driven analytical and block-chain auditing, remains underemployed.

The intricacies of fraud schemes, such as advanced financial manipulations, demands continuous training and retraining of accountants so as to be able to combat emerging fraud. Cyber fraud, including and POS related cases was in excess of 19,000 in 2024, this was exploited by technological vulnerabilities (Salawu & Salawu, 2024). Training of accountants in AI driven analytics, block-chain auditing, and computer-assisted audit technique (CAATs) boost detection by 291.9% Adeola, 2023; Onyema et.al., 2024,

Most researches on the impact of forensic accounting on the quality of financial reporting in Nigeria and elsewhere relies on primary data collected through surveys and interviews. However, these self-reported methods could introduce biases and inaccuracies. This study addresses these issues by utilizing secondary data sources from the financial reports of listed money banks and other relevant sources. Oyedokun (2024) noted that, using primary data, such as questionnaires from surveys and interviews, could lead to self-reporting biases and inaccuracies.

Objectives

The aim of this study is to evaluate the effectiveness of forensic accounting in preventing and detecting fraud in selected listed deposit money banks in Nigeria. With more focus on its impact on fraud management and financial reporting quality. Specifically, the study aims to:

1. Investigate the effectiveness forensic accounting practices (FAP) on the reliability and accuracy of financial reports of listed DMBs in Nigeria.
2. Examine how forensic accounting practices detect and prevent fraud in banking industry.
3. Analyze the relationship between forensic accounting practices on Financial Reporting quality in listed DMBs.

LITERATURE REVIEW

Conceptual Framework

Edward (2021) defined forensic accounting as the combination of accounting principles with investigative techniques to detect any irregularities in financial statements. Forensic Accounting (FA) employs auditing, accounting, and investigative skills to assist in legal matters, which are essential for establishing accountability as well as financial reporting Oluboba, 2025. Mukoro, Faboyede & Eziamaka, (2014) said, it integrates accounting, auditing, and investigative skills to scrutinize financial records. Stanbury and Paley-Menzies (2010) define it as science of compiling and presenting evidences that are admissible in court against economic crimes. Dhar and Sarkar (2010) assert that its application to legal issues. Zadeh and Ramazani (2012) highlight its usefulness in areas like fraud investigations, damage claims, it is believed that forensic accountants offer services in accounting, auditing investigations, damage claims and asset tracing. Enofe, Agbonkpolor & Edebiri, (2015) reiterated its growing demand in banking due to the complexity and large volumes of data.

Need for Forensic Accounting

The need for forensic accounting in Nigerian deposit Money Banks (DMB) gained prevalence due to the weakness and limited scope of the traditional auditing. Edward (2021) said the traditional auditing struggles to detect and prevent sophisticated financial fraud schemes. Ewa (2022) posited that forensic accounting provides a more specialized skills e.g., a data analytic and forensic audits that could penetrate complex financial structures to detect fraudulent tendencies beyond what traditional auditing can do. Onyema et al., (2024) said that fraud cases in DMBs in Nigeria go undetected without the timely intervention of forensic accounting. Dada et al., (2023) said that forensic accounting would improve transparency of and financial performance in the Nigerian banking sector as series of forensic activities would correct the misstatements therein. Aduwo (2016) highlighted that the limitations of traditional auditing fuelled more demand for forensic accounting as it enable organizations to identify frauds and errors therein. All these positions are needed to boost the confidences of investors and regulatory compliance.

Responsibilities of Forensic Accountants in Detecting Fraud

Forensic accountants have several key responsibilities, which include:

1. Conducting Investigations; according to Owojori and Asaolu (2009), the shortcomings of statutory audits and the rise of complex financial fraud have created a demand for forensic audits. Forensic accountants possess specialized tools that enable them to investigate and prevent fraudulent activities, thus playing a crucial role in the fight against financial fraud. Bankole (2024) compare a Forensic Accountant as a fraud investigator, to a physician who must engage in extensive diagnostic and explanatory work to uncover the true nature of a financial situation. Therefore, it can be concluded that forensic accountants extend beyond traditional audits to reveal fraudulent activities by utilizing forensic software tools to examine transactions and events.

Cabole (2019) outlines the key responsibilities of a forensic accountant, which include;

1. detecting fraud, documenting findings, and presenting evidence in criminal trials for claims. They also calculate economic damages, trace income and assets, and often seek to uncover hidden assets or income. Additionally, they may reconstruct financial statements that have been destroyed or manipulated and serve as expert witnesses.
2. Analyzing Financial Transactions According to Cole (2019), forensic accountants must possess specialized skills to inspect documents for authenticity, alterations, forgery, or counterfeiting. With these skills, they can effectively identify errors, fraudulent activities, and omissions, thereby helping to prevent and reduce fraud. Zimbleman, Albrecht, Albrecht, and Albrecht (2012) emphasize that forensic accountants are tasked with analyzing and identifying potential fraud types and their indicators.
3. Reconstruction of Incomplete Accounting Records; In their role, forensic accountants often reconstruct incomplete accounting records to resolve issues such as insurance claims, overvalued inventory, or to demonstrate money laundering activities by reconstructing cash transactions (Owojori & Asaolu, 2009). The responsibilities highlighted above indicated that a forensic accountant must be highly knowledgeable in financial matters and possess a broad understanding of various areas to effectively detect fraudulent activities as they arise.

Fraud

Fraud in itself almost does not have a unique definition. It is however describe as any act that is intended to deceive an unsuspecting partner and for an unjust gain. When it is examined alongside social and management concepts, it really does not have a precise definition and it is often contextual. Various studies have indicated that identifying fraud can be quite challenging. Salawu (2024), said fraud encompasses any behavior that is intentionally deceitful to gain an unfair advantage in which that the perpetrator does not deserve. A fraudster deliberately misleads an unsuspecting person with the sole aim of obtaining unjust benefits. Kanu and Okorafor (2013) defined fraud as any action intended to mislead, either through direct falsehoods, silence, or even non-verbal prompts. Essentially, fraud is the motive to deceive, a fraudster relies on their dishonesty to carry out or conceal the fraudulent act. It is important to note that fraud is not the result of a mistake or error but a deliberate act (Tilton, 2006). Dike et. al (2016) said fraud is a deliberate misrepresentation of facts that involves insider collusion, electronic fraud and manipulation of the systems. Fraud is such a critical variable as it is conceptualized as an act of deceit to secure unjust benefits this often distorts the quality of financial report (Salawu, 2024). From these definitions, it is clear that, regardless of the terminology used, fraud can be seen as a means of cheating individuals out of their possessions.

Bank Fraud

Bank fraud in deposit money bank in Nigeria is a persistent and evolving challenge that has refused to let go. This has significant implications for

investors and other stakeholders. Bank fraud in listed deposit money banks in Nigeria is multifaceted, usually fuelled by technological, human and systemic factors. While these incidences have been on the increase in recent years, the fight to detect and prevent bank fraud remains a work in progress. Fraud in Nigerian banks takes different dimensions; electronic fraud (e-fraud) insider theft, unauthorized withdrawal, exploitation and falsification of bankers' identity. The electronic fraud has now become so prevalent that the Flutterwave's security breach in April, 2024 reflects the vulnerability in the digital banking systems (Teckpoint Africa, 2024). Oyedokun (2024) said there was a 65% increment, a whopping 19,007 cases in the POS-related fraud cases in 2024 these reveal misuse of this digital channels.

There are so multifaceted forms of financial frauds that manifest in DMBs in Nigeria. Ogunwole, (2022) said banks managers and other employees perpetrate insider fraud at banks. They frustrate internal control and make it unable to detect the fraud. A bank Manager at Abariba Branch of First Bank, perpetrated a fixed deposit fraud of N550m, he clearly misused his authority and unfettered access to the internal control of the bank. In second quarter of 2024, Oyedokun, (2025) said staff collusion fraud amounted to a whopping N42.6b of listed bank losses.

The incidences of bank fraud grew alongside the adoption of digital banking platforms, such as mobile apps and ATMs. In this case fraudulent activities could involve hacking, and the use of identities to swindle customers' accounts or bank services. Salawu & Salawu (2024) said in the second quarter of 2023, about 24 Nigerian banks reported fraudulent cases worth N9.75b though actual loss was N5.79b, this was about 1,123% increment from the preceding year of N472m. Ogunwole (2024) said the Nigerian Inter-Bank Settlement System (NIBSS), reported that within 2019 and 2023, there was a wholesome 498% increase in fraud related cases, from N2.96b in 2019 to N17.6b in 2023, citing a most prominent case of the First Bank employee allegedly stealing N40b in 2023.

The sudden shift to electronic banking in 2014 without corresponding cyber security measures in most banking system increased their vulnerability to hacking and malware attacks (Ashogbon, 2020). Salawu et. al., (2024) also said that the insider involvement, that is, staff and employee collusion is also another major driver of banking fraud. He noted that in the second quarter of 2023, cases of staff induced and orchestrated fraud rose by 22%, this were often as a results of low wages, poor job security and unrealistic target set. In other words of Alamza (2025), high poverty and economic pressure, unemployment pushed many individuals including bank staff towards illegal activities, this is ultimately as a result of weak internal controls, inadequate oversight, poor Know Your Customer (KYC) processes lead to fraudulent transactions go undetected (Salawu 2024).

Bank fraud diminishes and also erodes financial systems trust (Olawode, 2021). Alamza (2025) added that it reduces deposit mobilization, and increases banks operational cost as banks may have to reimburse affected customers and this would ultimately affect the profitability of banks.

Theoretical Review

Fraud Triangle

The Fraud Triangle theory was developed by Donald Cressey in 1953, with the aim to explain the impetus behind fraudulent behavior. Cressey identified three key elements and conditions that should be present before fraud could be successful:

1. *Pressure (Incentive)*: Employees, management and individuals or groups are often driven and motivated by a force to commit fraud. This force could usually be financial constraints and difficulties or financial pressure, for instance, poverty, debts, greed, or living beyond one's means, and in some none financial cases meeting unrealistic performance target set by superiors. All these can push bank staff to manipulate financial records. For instance employees facing low income amid rising living costs and feel compel to steal. EFCC 2021 in its report a First Bank staff allegedly siphoned N1.4 b was linked to financial strain.
2. *Opportunity*: fraudulent tendencies thrive when there are systemic gaps. Fraud can only occur when there are weaknesses and lax in internal control, lack of oversight, or poor enforcement, allowing fraud go on and undetected (Imagbe, Abiloro & Saheed 2019). The employees and often times the management of banks takes advantages of porous internal controls and creates opportunity for fraud. An employee or a manager in which has both access to loan approval and disbursement could influence the records for fraud.
3. *Rationalization*: This refers to psychological justification of fraudulent act. Fraudster justifies their action to themselves, by convincing themselves that their actions are armless, temporary and deserved. "I deserve this", "it is temporary" or everyone does it". Imagbe et al. (2019) found out that bank staff rationalizes fraud as a survival tactics in Nigeria's tough economy.

Cressey's fundamental insight was that fraud is likely to happen when these three factors are present. Forensic accounting however reduced the pressures, by detecting and analyzing behavioral red flags. Whenever an employee living beyond their means and also exhibiting financial distress. Forensic accountants use data analytics to flag unusual transactions (eg, irregular loan disbursements or inflated account balances). Forensic accountants could also conduct control assessment to identify vulnerabilities and to reconcile accounts. They could use techniques like surprise audits and transaction tracing to help uncover exploited opportunities. Fraudster's rationalization and convincing themselves that their actions are armless and deserved would be checked by instituting system to encourage early reporting of rationalized behaviors. Overall, implementing robust forensic accounting practices can enhance transparency and accountability.

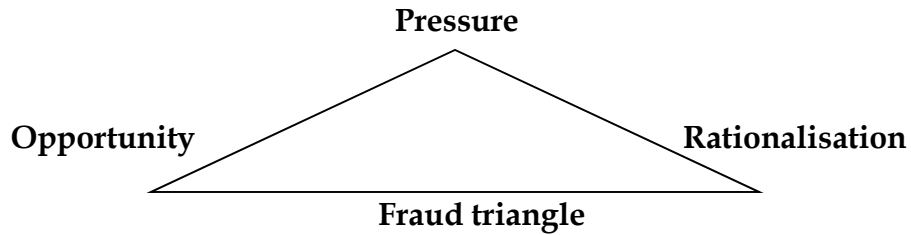


Figure 1. The Fraud Diamond Theory

The Fraud Diamond Theory

This theory was introduced by David T. Wolfe and Dana R. Hermanson in 2004. This theory built upon the Fraud Triangle Theory by adding a fourth element:

4. **Capability.** This addition emphasizes that, beyond the initial three elements, a fraudster must also possess the necessary capability and expertise to commit fraud (Imagbe et al., 2019). Capability is the personal ability and skill that enable the fraudster to commit fraud. These include intelligence, position, and knowledge and confidence. A good example is a senior manager with deep knowledge of the company's processes and authority to override control in more capable of executing and concealing fraud than a junior employee.

Imagbe et al. (2019) and Ehigbe et al. (2024) agree that Fraud diamond theory offers actionable insight for understanding and curbing fraud in Nigerian context.

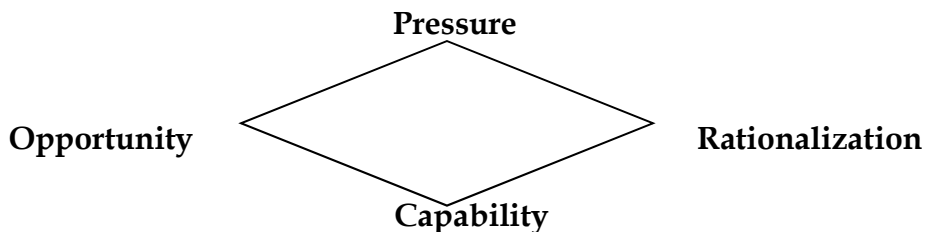


Figure 2. Fraud Diamond

METHODOLOGY

The study utilized a quantitative an ex post facto, to analyze secondary data from 2015 to 2024 for all listed DMBs Nigerian Exchange Group (NGX). Data were collected from annual reports, financial statements and administrative records, of trends in forensic accounting and fraud.

Model Specification

The study adopted a regression model to test the impact of variables of fraud detection and prevention:

$$FRQ = \beta_0 + \beta_1 (EFA) + \beta_2 (FIS) + \beta_3 (FDPT) + \beta_4 (Moderator) + e$$

Where:

- *FRQ*: Financial Reporting Quality for bank (i) at time (t)
- *EFA*: Engagement of Forensic Accountants for bank (i) at time (t).
- *FIS*: Forensic Investigative Skills for bank (i) at time (t).
- *FDPT*: Fraud Detection and Prevention Techniques for bank (i) at time (t).
- β_0 : Intercept.

- $\beta_1, \beta_2, \beta_3$: Coefficients representing the impact of each proxy.
- μ_{it} : Error term

Table 1. Variable Measurement Definitions

Variable	Description	Measurement	Source
Independent Variable			
Engagement of Forensic Accountants (EFA)	Forensic accountants employed or consulted by banks annually as reported in annual reports and governance disclosures	Forensic accountants reports in banks annual reports and governance disclosures	Banks annual reports
Forensic Accounting Investigative skill (FIS)	This is the frequency and scope of the forensic audit conducted	Number of forensic audits on fraud and fraud related cases by audit committees report and in their government disclosures.	Audit committees report
Fraud Detection Techniques (FDPT)	Adoption of viable tools e.g., ratio analysis and trend analysis as mentioned in the financial report and governance disclosures.	Tools mentioned in their financial reports	DMBs financial reports
Dependent Variable			
Financial Reporting Quality (FRQ)	This is measured by Earning Quality (EQ), Timeliness (TR), Transparency Disclosure (TD)		
Earning Quality (EQ)	Persistence and absence of earnings manipulation	Net earnings persistence over time. (Modified Dechow & Dichev mode 2002) Beaver and Engel model to measure earning in the banks	Oyedokun (2024)
Timeliness of reporting TR	The time difference between the publications of annual reports as required by the Nigerian Exchange Group NGX.	The first date of publication of annual report to the next date of publication of the next publication	Oyedokun (2024)
Transparency disclosure TD	The extent of number of fraudulent and fraudulent related cases disclosed in compliance with IFRS 2012	Number of fraudulent cases reported and in the court for each bank for the period under review	Banks annual reports

Source; Researchers compilation, 2024

Table 1 above shows the interpretation of the variables. The independent variables which include Engagement of Forensic Accountants (EFA) this measures the quantity of times that services of Forensic Accountants were employed annually. Forensic Investigation Skills (FIS) measures the number of forensic audits carried out, from the audit committee reports, and Forensic Detection and Prevention Tools (FDPT) this has to do with the ratio analysis or

trend analysis, from financial reports, and the Dependent Variables; Financial Reporting Quality (FRQ) with proxies; Earnings Quality, (EQ) this appraises the net income stability, Timeliness (TR) measures the days and dates of publication of one annual report to the publication of the next annual report, and Transparency Disclosure (TD) confirms the numbers of prosecuted fraud cases revealed. The table displays the influence of Forensic Accounting on Nigerian banks. With efficiency forensic audits and tools, forensic reporting quality has been adjudged to be more transparent.

Table 2. Descriptive Statistics of the Study Variables

	FRQ mean	Engagement of Forensic Accountant (EFA)	Forensic Investigative Skills (FIS)	Forensic detection Tools (FDPT)
Mean	0.020	10.180	12.299	11.280
Median	0.020	10.000	12.300	11.080
Maximum	0.028	17.000	14.100	15.006
Minimum	0.012	3.000	10.850	3.808
Std. Dev.	0.003	3.195	0.854	2.185
Skewness	-0.015	-0.035	0.146	-0.085
Kurtosis	2.376	2.203	1.882	2.218
Jarque-Bera	1.624	2.664	5.564	2.606
Probability	0.443	0.263	0.061	0.282
Observations	100	100	100	100

Source; Researchers compilation, 2025

Table 2 above shows the statistical analysis of the variables base on 100 observations. The table revealed that; FRQ has a mean of 0.020 and a Standard Deviation (SD) of 0.003, this shows that the quality of reports in all the listed banks across Nigeria. The Skewness (-0.015) is close to zero, kurtosis (2.376) was less than 3, and it's Jarque-Bera of $p = 0.443$ confirms normality. This aforementioned information suggests FRQ is reliable and consistent, and that major fraud impacts may be rare in banks in Nigeria. EFA, FIS and FDPT have means of 10.180, 12.299 and 11.280 respectively. EFA measures the quantity of times that services of Forensic Accountants were employed annually. This means on the average, DMBs engage about ten (10) forensic accountants, though some banks employ more forensic accountants while others employ lesser number. Forensic Investigation Skills (FIS) measures the number of forensic audits carried out, from the audit committee reports, and Forensic Detection Tools (FDPT) this has to do with the ratio analysis and trend analysis of financial statements, and the Independent Variables; Financial Reporting Quality (FRQ) with proxies; Earnings Quality, (EQ) this appraises the net income stability, Timeliness (TR) measures the days and dates of publication of one annual report to the publication of the next annual report, and Transparency Disclosure (TD) confirms the numbers of prosecuted fraud cases revealed.

The Skewness and Kurtosis displayed in the table shows that FRQ has skewness of -0.015, Kurtosis of 2.376 and Jarque-Bera of 0.44, this confirms normal distribution.

Table 3. Panel Regression Results (Fixed Effect Model)

Variable	Coefficient (β)	Std. Error	t-Statistic	p-Value	Robust Std. Error	Robust t- Statistic	Robust p- Value
Intercept (β_0)	0.005	0.002	2.50	0.014			
EFA (β_1)	0.003	0.001	3.00	0.003	0.0012	2.50	0.015
FIS (β_2)	0.002	0.001	2.00	0.048	0.0011	1.82	0.072
FDPT (β_3)	0.004	0.001	4.00	0.000	0.0013	3.08	0.003
R ²	0.78						
Adjusted R ²	0.76						
F-Statistics	98.50			0.000			
Observations	100						

Source; Researchers compilation, 2025.

Table 3 Regression Results. The model yields a R2 of 0.78, explaining 78% of FRQ variation. EFA ($\beta_1 = 0.003$, $p = 0.015$) indicates that hiring forensic accountants significantly improves FRQ, reflecting their role in enhancing report accuracy. FIS ($\beta_2 = 0.002$, $p = 0.072$) shows a weaker, marginally significant effect, suggesting that audits contribute moderately to fraud detection. FDPT ($\beta_3 = 0.004$, $p = 0.003$) has the strongest impact, highlighting the efficacy of tools like ratio analysis in preventing fraud and boosting FRQ. Robust standard error address autocorrelation (Wooldridge $p < 0.05$) and heteroskedasticity (Breusch-Pegan $p < 0.05$), ensuring reliable inference despite FIS's reduced significance.

RESULTS AND DISCUSSION

Forensic accounting practices enhances the quality of financial reports and fraud management, as the detection techniques (FDPT) being the most effective, then the engagement of forensic accountant (EFA) also considered very effective. The seemingly strong correlation and moderate multicollinearity means these two variables would work synergistically, though FIS's weaker effect means audits alone may not be enough without advanced tools. These findings agree with the stated objectives of the studies, hence, it supports that forensic accounting's role in financial reporting and fraud detection and prevention.

CONCLUSIONS

This study demonstrates that forensic accounting practices enhance financial reporting quality and fraud detection and prevention of listed deposit money banks in Nigeria. The analysis reveals very strong and positive relationships between Engagement of forensic experts, forensic investigation skills and forensic detection and prevention techniques and financial reporting quality. This however, supported the importance of the variables in detection and prevention of frauds in Nigerian listed banks. This aligns with the study of Adeola, (2023); Ojo-Agboju et al., (2022). The study also fills the gap created by disclosing the need for consistent engagement and constant training of forensic accountants, skills development and improvement and proactive techniques to mitigate current.

RECOMMENDATIONS

- Management should integrate advanced forensic accounting tools and real-time transaction monitoring systems to enhance the detection of complex fraud, given their significant impact on FRQ. This target electronic fraud, a growing concern according to Salawu (2024).
- Emphasis should be placed on periodic and mandatory training programs on forensic investigative skills for audit and compliance staff and in all the units of the listed DMBs to boost expertise across banks.
- Development of automated internal controls frameworks linked to forensic audits and also the establishment of efficient financial reporting and accountability schemes that will enhance more robust forensic accounting (Ogunwole 2024).
- Fostering a transparency culture where employees feel very confident to report fraudulent and bad conduct that will strengthen good internal controls.
- For Bank Management: The findings offer insights into strategies for enhancing the accuracy and reliability of financial statements. A strong internal control system and fraud prevention measures will help minimize financial discrepancies and irregularities.
- For Policymakers and Regulators: The study provides guidance on creating a more robust compliance framework for financial institutions, ensuring better financial reporting standards across the industry.

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