

LITIGATION SUPPORT AND FRAUD MANAGEMENT IN NIGERIAN BANKING SECTOR

Mesua. DOONU¹, Barisere CHAMBERLINE², Blessing Owate OBARI³ & Assor JUSTICE⁴

¹Department of accountancy, Kenule Beeson Saro-Wiwa Polytechnic, Bori, Rivers State
Email: Doonumesua1@gmail.com

²Ignatius Ajuru University of Education, Port Harcourt,

³Department of Accountancy, Captain Elechi Amadi Polytechnic Rumuola
Port Harcourt,

⁴Admission Office, Kenule Beeson Saro-Wiwa Polytechnic, Bori, Rivers State

ABSTRACT

This study examined litigation support and fraud management in banking sector of Nigeria. The main objective of the study is to investigate the relationship litigation support and fraud management in the banking sector in Nigeria. Labeling theory of Crime and Fraud Diamond Theory underpinned the study. The study adopted field survey design involving collection of data directly from selected persons using questionnaire. The target population of the study consisted of all the listed deposit money banks in Nigeria in 2021 from which a sample of five banks was chosen. The study employed primary data gathered from responses of 200 staff members of the five sampled banks on whom self-reporting questionnaire (SRQ) was administered. The study used multiple regression analysis aided by Statistical Package for Social Sciences for data estimation and analysis. From the results, the null hypothesis was rejected. Thus, there is a significant relationship between litigation support and fraud management in the banking sector in Nigeria. The study therefore recommends continued utilization of litigation support and expert witnessing services of forensic accountants in fraud management in the banking in Nigeria. Therefore, forensic accountants should be well equipped technologically and by training to enable them perform these tasks effectively.

Keywords: Litigation, financial institution, corruption, fraud management.

JEL Classification: M41, M42

1. INTRODUCTION

Forensic litigation support in financial institution is concerned with providing assistance in matters involving existing or pending litigation or representing the factual presentation of economic issue related to existing or pending litigation. It deals primarily with issues related to the quantification of economic damages sustained by parties involved in legal dispute and can assist in resolving dispute and in resolving disputes, even before reaching or getting to the courtroom (Manning & CFE, 2010). A good example of litigation support assignment would be calculating the economic loss resulting from breach of contract. Forensic investigation plays a role in litigation support services and is significant in recording, documenting and reporting useful information (Okonkwo, 2005; Okoye & Akamobi, 2009)

Fraud includes all diverse means of human ingenuity employed by a person to gain an advantage over another by deceitful suggestions or covering the truth, it embraces surprises, tricks, cunning or misleading, and any unreasonable method used to cheat (Enofe et al., 2015). As noted by Hansen (2009), some forensic accounting experts traced fraud history to the ancient Egypt in respect of those who took inventory of the Pharaoh's valuable like grains and gold. Consequently, embezzlements and bribes then were very minimal, and punishment (Oyejide, 2008; Zysman, 2004) for culprits very harsh. Archaeological findings in Mesopotamia and Egypt in 3300 B.C and 3500 B.C respectively showed evidence suggestive that accountants/scribes recorded economic transactions using clay tablets of papyrus scrolls. In more recent times there is growing emphasis on forensic accounting and research evidence has suggested that it reduces financial fraud (Nwodimkpa & Chukwu, 2024; Perewari et al., 2024).

This study therefore aims to investigate the association between litigation support and fraud management in the banking sector in Nigeria. Accordingly, the study raised the following hypothesis:

H₀₁: Litigation support services have no significant association with fraud management in the Nigerian banking sector.

2. REVIEW OF RELATED LITERATURE

2.1. Conceptual Review

Litigation Support

According to Akintoye (2008), forensic litigation support in commercial banks provides assistance of a nature in a matter involving existing or pending litigation or represents the factual presentation of economic issue related to existing or pending litigation. It deals primarily with issues related to the quantification of economic damages sustained by parties involved in legal dispute assists in resolving dispute and in resolving disputes, even before reaching or getting to the courtroom. A good example of litigation support assignment would be calculating the economic loss resulting from breach of contract. Forensic accountants play a role in litigation support services and in documentation and reporting. It was observed that forensic accounting plays a significant role in curbing crime and corrupt practices in any sector since it provides a mechanism to hold people accountable, such that those who manage resources in a fiduciary capacity do not easily abuse that trust without detection (Ehioghiren & Atu, 2016).

Preventing fraud is far preferable than to detect it because after detection you can now think of recovery of lost materials. In practice, the same systems and controls established to prevent fraud might also help in detecting it, for instance, segregation of duties for a certain procedure may help boost the chances that someone will be in place to report potential fraud. However, prevention is rooted in a culture of fraud awareness, understanding common policies and procedures, a safe harbor for whistleblowers and continuous communication about the importance of fraud prevention from the top to down.

Forensic litigation consulting has been a steady stream of work for accountants in recent years as the fight against corruption has become a worldwide priority among enforcement agencies. From investigating potential Foreign Corrupt Practices Act violations to conducting internal corporate investigations in relation to whistle blower allegations, accounting fraud, financial misstatement and inadequate disclosure, the work in this area has ballooned in recent times and shows no signs of slowing down (Silverstone, & Sheetz, 2004). Ingbaifegha et al. (2024) documented that litigation support mitigated the incidence of ghost workers in Bayelsa State.

Fraud Management

Degboro and Olofinsola, (2007) posit financial crimes cannot be precisely defined but can be described. No one description suffices. Wikimedia dictionary describes financial crimes as crimes against property, involving the unlawful conversion of property belonging to another to one's own. Other components of financial crimes cited in William's

description include bribes cronyism, nepotism, political donation, kickbacks, artificial pricing and frauds of all kinds.

Golden et al. (2006) observe the array of components of financial crimes, some of which are highlighted above, is not exhaustive. The Economic and Financial Crimes Commission (EFCC) Act (2004) attempts to capture the varieties of economic and financial crimes found either within or outside the organization. The salient issues in EFCC description include violent, criminal and illicit activities committed with the objective of earning wealth illegally, in a manner that violates existing legislation, and these include any form of fraud, narcotic drug, trafficking, money laundering, embezzlement, bribery, looting and any form of corrupt malpractices and child labour, illegal oil bunkering and illegal mining, tax evasion, foreign exchange malpractice including counterfeiting, currency, theft of intellectual property and piracy, open market abuse, dumping of toxic waste and prohibited goods, damage to the environment, etc.

Fraud, according to Moduju and Aanyaduba (2013), is the misrepresentation by a person of a material fact, known by that person to be untrue or made with reckless indifference as to whether the fact is true, with the intention of deceiving the other party and with the result that the other party is injured. Similarly, (Okonkwo, 2005), define fraud as intentional misstatement of facts (falsification or fabrication) with the intention to benefit or conceal shoddy deals such that reliance on the information may be misleading resulting eventually in loss to users.

Fraud itself comprises of large varieties and includes bribery, political corruption, consumer fraud, business employee fraud, network harking, bankruptcy divorce fraud, identity theft or even the theft of confidential information. It is a commitment to cheat, mislead someone and contributing something useless to something in order to gain advantage (Institute of Turkish History, 1998 – cited in Abdullahi & Mansor (2015). Fraud has an adverse effect on organizational resources and operations. Uwakwe and Chukwu (2024) reported that fraud opportunity has an adverse effect on the quality of reported earnings. Therefore, it is necessary to control fraud in both public and private sector organizations.

2.2. THEORETICAL REVIEW

Labeling Theory of Crime

It was propounded by Howard Becker in 1963 (Becker, 1963). Labeling Theory sees criminal behaviour as being defined by society. It holds that the deviance is not inherent to an act but instead focuses on the tendency of majorities to negatively label the minorities or those seen as deviant from standard cultural norms. According to Becker (1963), deviance is not a quality of the act a person commits but rather a consequence of the application by other rules and

sanctions to a defender. Behavior in this case is not seen as wrong rather as a deviant behavior. This argument also applies to other groups in society such as the mentally ill. Gove (1975) examines the consequences of labeling- the creation of stigma and the modification of self-image. The criminal is seen as the person to be avoided and treated with suspicion and thus barred from certain types of employment and so the modification of self-image comes about due to the stigma the criminal experiences and therefore, he becomes the person labelled.

This theory does not deal with the question why a person becomes a criminal but tells why society labels some people as criminals or deviants. A case which advanced the theory was AH experiment performed in the United States of in which eight sane persons of varied backgrounds got themselves admitted for feigned mental illness to psychiatric wards of different hospitals in various parts of the country. All gave the same account of their life situation. All but one was labeled schizophrenic. Once labeled insane, they were presumed insane by the staff that that interacted with them daily.

This theory is pegged on the following assumptions: no act is intrinsically criminal, statistically research can be relied on to be accurate, and deviants are different to normal people. More crimes are committed and the individual forms an identity, that of the criminal along with all its associated values, attitudes and beliefs in process deviance application according to Lemert (1951). Poor diet, mental illness, bad brain chemistry, and even evolutionary rewards for aggressive criminal conduct have been proposed as explanations for crime (Vold, et al, 1997).

Fraud Diamond Theory

The Fraud Diamond Theory (FDT) which is an extended version of the Fraud Triangle Theory was propounded by Wolfe and Hermanson in 2004. Wolf and Hermanson (2004) introduced the fraud diamond model where they presented another view of the determinants of fraud. The model adds fourth variable, capability, to the three-factor theory of fraud triangle' propounded by Donald Cressey in 1950. Fraud Triangle Theory has variables; pressure, opportunity and rationalization. FDT believes that the presence of pressure, opportunity and rationalization alone cannot lead to fraud except the person/employee has the capacity to commit that fraud. It opined that opportunity opens the doorway to fraud, and that pressure and rationalization can draw a person towards fraud. It therefore posits that, for fraud to occur in any organization, including the banks, these three elements must first be present. Pressure, which is a significant financial need or problem, is frequently what causes the act of fraud. Opportunity facilitates the ability to commit fraud, while rationalization connotes the justification of the fraud as consistent with the employees'/fraudsters' personal code of ethics (Okoye et al, 2017).

Wolfe and Hermanson (2004) opined that for fraud to be committed, the person must have the capacity to recognize the open doorway as an opportunity and take advantage of it by walking through it (Okoye et al, 2017). Capacity is the possession of relevant traits or skills and ability to turn such opportunity to a reality. Hence, capacity connotes understanding of the internal control system and its lapses that could be exploited in planning and implementation of the fraud. Wolf and Hermanson (2004) believed that many frauds would not have occurred without the right person with right capabilities implementing the details of the fraud. They also suggested four observation traits for committing fraud as: authoritative position in the organization, capacity to understand and exploit the organization's systems of accounting and internal control; confidence that they will not be detected, or if caught, they will get out of it easily; and capability to deal with the stress created within and otherwise be a good person when he or she commits bad act.

With the additional element presented in the fraud diamond theory affecting individuals' decision to commit fraud, the organization and auditors need to better understand employees' individual traits and abilities in order to assess the risk of fraudulent behaviours. In addition, better systems of checks and balances should be implemented and monitored to proactively minimize risks and losses resulting from fraudulent activities in the workplace. It is therefore, pertinent to note that for the capability of those who engaged in fraud and other form of atrocities to be detected and prevented, the services of a trained and experienced investigator like the forensic auditor are required to forestall incidences of fraud in the Nigerian banking sector.

2.2. EMPIRICAL REVIEW

Ogutu and Ngahu (2016) examined the application of forensic auditing skills in the mitigation of fraud with particular reference to banks in Nakuru country, Kenya. The descriptive survey research design was adopted for the study. The sample size of the study consists of 25 accounting banks to which questionnaires were administered to generate data. The primary source of data collection method was the responses from the 25 respondents from the 25 accounting banks. The OLS regression was used in analyzing the data collected from the primary source. Findings from the study showed that forensic accountants should have auditing skills, investigative skills, fraud skills as well legal skills. The study recommends that training and adoption of scientific forensic accounting skills by accounting banks and internal auditors is essential to ensure efficient mitigation against fraud.

Enofe et al (2015) examined the impact of forensic audit on corporate fraud in Nigeria. The study employed the survey method. The study employed of questionnaires which was

judgmentally distributed to persons knowledgeable in the field of accounting and auditing with a view to harvesting data. Data gathered were analyzed using the ordinary least square (OLS) regression technique. The study findings showed that forensic audit was adjudged to be an efficient and effective tool against corporate fraud. Also, frequent utilization of forensic audit services will significantly help in the detection, prevention as well as reduction of incidences of fraud in businesses. The findings suggested that forensic audit be made statutory for business organizations.

Adeniyi (2014) investigated the effect of forensic auditing on financial fraud in Nigerian deposit money banks (DMBs). The cross-sectional survey design was adopted for the study. The population comprised the staff of banks and audit firms in Abeokuta, Ogun State. The purposive sampling technique was used for the administration of questionnaire. The OLS regression analysis was used in analyzing the data. Finding from the study showed that forensic audit has significant effect on financial fraud control in Nigerian DMBs and that forensic audit report significantly enhances court adjudication on financial fraud control in Nigeria. The study concludes that the application of forensic audit to tackle financial fraud in Nigerian DMBs is still at the infant stage. The findings further suggested that organizations should have a strong internal control system in place to reduce the occurrence of fraud.

Akenbor and Oghoghomeh (2013) examined forensic auditing and financial crime in Nigerian banks. The population of the study consists of twenty- three employees from the recapitalized banks in Port-Harcourt, the Rivers state capital. A 5-point Likert-Scale questionnaire was the major instrument used for data collection. Data generated were analyzed using frequencies and percentages. The Pearson product moment correlation coefficient was used to statistically test formulated hypotheses. The findings revealed that the proactive approach to forensic audit department should be created in Nigerian banks to initiate internal measures for fighting financial crimes; forensic auditing courses should be introduced in Nigerian higher institutions of learning to provide the necessary skills and knowledge on forensic auditing; forensic audit reports of banks should be made public.

Akhidime and RoseMary (2014) explored and portrayed the current views of Nigerian accounting practitioners and academics on the current development and relevance of forensic accounting in Nigeria. The key findings of their study were that forensic accounting practice is largely considered to be at its infancy stage and lacking statutory support, and that although its relevance in unraveling complex official corruption is on the increase in Nigeria, it nevertheless has no statutory backing and has no significant impact on corruption, fraud and financial crime in Nigeria.

Igbaekemen et al (2014) discussed the effects of corruption on socio-economic development of Nigeria and concluded that corruption is playing a bad role in determining the level of Nigeria's economic performance in the comity of nations. Mau (2015) evaluated the role of forensic investigation professionals in curbing the menace of fraud and corruption practice in developing countries as the primary role of forensic accountants is to examine the incidence of fraud in financial records. The result showed that forensic investigation professional plays a complementary role to the government anti-fraud and anti-corruption agencies in strategies and policies to curb the menace of corruption in the system. Also, it shows that forensic accountants have a significant role in curbing the menace of fraud and corruption in developing countries

2.4. Gap in Literature

This study is contrasted from the current studies based on a pool of data from banks. The effectiveness of litigation support as an investigative tool for the actual uncovering of and deterrence to corporate and occupational frauds and fraudulent activities in the banking sector in Nigeria remains to be empirically evaluated and reported in the literature. It is therefore, the purpose of this study to fill this existing gap in knowledge and in the literature by empirically investigating the relationship between litigative support and fraud management and control in the banking sector in Nigeria.

3. METHODOLOGY

In this study, a survey design was adopted. This research problem could best be studied through the use of descriptive research. Descriptive research portrays an accurate profile of persons, events, or situations (Saunders, et al, 2023). This study adopts field survey design. It involves collection of data directly from the source or people involved in generating the information, using such tool as questionnaire. The target population under study is the number of banks listed in Nigeria. The Fact Book of the Nigerian Exchange Group showed fourteen listed banks in Nigeria, as at December 2021. These banks are:

1. Access Bank Plc.
2. Ecobank Nigeria
3. Fidelity Bank Plc.
4. First Bank of Nigeria Plc.
5. First City Monument Bank Plc.
6. Guaranty Trust Bank Plc.
7. Jaiz Bank Plc.

8. Stanbic IBTC Bank Plc.
9. Sterling Bank Plc.
10. Union Bank of Nigeria Plc.
11. United Bank for Africa Plc.
12. Unity Bank Plc.
13. Wema Bank Plc.
14. Zenith International Bank Plc.

Sample and Sampling Technique

The sampling frame describes the list of all population units from which the sample was collected (Cooper & Schindler, 2003). The sample for this study comprised the five banks listed in Table 3.1. The choice of the five banks was because the researcher can easily access the staff members and obtain responses from them. For each of the five banks, the researcher chose ten branches. Questionnaires were administered to four senior staff in each of the chosen branches. Thus, a total sample of 200 respondents were chosen for the study. The breakdown is given in Table 3.1 below.

Table 3.1 Sample of the Study

S/No.	Respondent's Bank	Number of Branches Chosen	Number of Respondents in each branch	Total Number of Respondents
1	Access Bank Plc.	10	4	40
2	First Bank of Nigeria Plc.	10	4	40
3	First City Monument Bank Plc.	10	4	40
4	Union Bank of Nigeria Plc.	10	4	40
5	Zenith International Bank Plc.	10	4	40

Source: Researcher's Compilation (2022)

This study employed primary data and therefore utilized self-reporting questionnaire (SRQ). However, secondary data sourced from textbooks, journals and internet articles were used for literature review. The questionnaire was considered most appropriate because it allows for collection of data from many respondents within a short time and provides a high degree of data standardization and adoption of generalized information amongst any population. The research instrument utilized in this study is the structured questionnaire. The questionnaires were distributed to the management staff in the banks, which comprised mainly accountants, internal auditors and internal control officers. More so, to ensure validity of the questionnaire used for the study, the questionnaire (draft form) was presented to researchers in selected

universities and research institutions for their independent review on its criterion and content. Based on their comments and suggestions, necessary adjustments were done on the draft questionnaire. Test statistics such as t-test, f-test and adjusted coefficient of determination (R^2) was employed. To verify the reliability of the measuring instrument (questionnaire) developed for the purpose of this study, it was subjected to pre-trial test. In carrying out the pilot test, the sample of three commercial banks from the entire population selected and administered the instrument on fifteen respondents of the two sample banks. The questionnaire was coded to allow for statistical analysis. According to Mugenda and Mugenda (2003), data must be cleaned, coded and properly analyzed in order to obtain a meaningful report.

Reliability and Validity of Instrument

The reliability statistics for the study constructs are shown in Table 3.2. It shows the level of consistency between the constructs being tested (Babbie, 2016). This test ascertains that the output is similar and reliable with past and future outputs (Hair et al., 2010). For this, Cronbach's alpha is used that defines the consistency of the variables measured. To be a reliable construct, the Cronbach's alpha value should be 0.70 or higher (Nunnally & Berstein, 1994). The Cronbach's alpha value was verified using SPSS.

Table 3.2: Cronbach's Alpha Reliability Test

Variable	Cronbach's Alpha
Investigative Accounting (IA)	.704
Litigation Support (LS)	.768
Detection Skills (DS)	.649
Technology (T)	.854
Fraud Management (FM)	.727

Source: Researcher's Field Survey (2022)

Furthermore, to test the constructs validity, Bartlett's Test of Sphericity has also been used. Then the Kaiser–Mayer–Olkin measure of sampling adequacy was employed to analyze the strength of association among the variables. The KMO measures sample adequacy to determine the suitability of using factor analysis. Generally, KMO has been applied to assess which of the variables is needed to get drop from the model because of the multi-collinearity. The value of KMO varies from 0 to 1, and KMO overall should be 0.60 or higher to perform factor analysis (Hair et al., 2010). If not, then it is necessary to drop the variables with the lowest anti-image value until KMO overall rises above 0.60.

Results for the Bartlett's Test of Sphericity and the KMO in Table 3.3 reveal that both were highly significant. The KMO value for this study is 0.857 and significant at 0.001 level

($p \leq 0.05$). In context of the total variance explained, it should explain minimum 50% of the total variance (Brown, 2015; Cronbach, 1951). Total 6 factors were extracted through this test that accumulates total 73.32% of the total variance. Besides, each dimension has loaded in factor analysis with multiple indicators with factor loadings of 0.50 and above (a cut-off value of 0.50 was employed) that is based on all items. It also proves that all independent variables have strong relationships with dependent variable.

Table 3.3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.857
Bartlett's Test of Sphericity	Approx. Chi-Square	8.55
	df	990
	sig	.000

Source: Researcher's Field Survey (2022)

Table 3.4: CFA Results for the Measurement Models

Name of Category	Required Value	Comments
Unidimensional	Factor loading for each item ≥ 0.50	The required level is achieved
Convergent Validity	Average Variance Extracted (AVE) ≥ 0.50	The required level is achieved
Construct Validity	All fitness indexes for the meets the required level	The required level is achieved
Discriminant Validity	The correlation between exogenous constructs is ≤ 0.85	The required level is achieved
Internal Reliability	Cronbach alpha ≥ 0.70	The required level is achieved
Construct Reliability	CR ≥ 0.60	The required level is achieved
Average Variance Extracted (AVE)	AVE ≥ 0.50	The required level is achieved

Source: Researcher's Field Survey (2022)

The study concludes that all the CFA results conducted passed the one-dimensional, validity as well as reliability for further analysis. Table 3.4 summarizes the findings of the CFA results. The used multiple regression analysis on statistical package for social sciences for data estimation and analysis. Tables were used to summarize responses for further analysis and facilitate comparison. This study utilized the Scientific Package for Social Sciences (SPSS) to analyse the data collected.

Model Specification

The study adopted the following empirical model to be used in explaining the association between litigation support and fraud management amongst listed deposit money banks in Nigeria.

$$FM = \beta_0 + \beta_1 LS + \beta_2 IA + \beta_3 DS + \beta_4 T + \epsilon$$

Where:

FM = Fraud Management

LS = Litigation Support

IA = Investigative Accounting

DS = Detection Skills

T = Technology

ϵ = Error Term

The a priori expectation is that the coefficient of the LS will be positive and significant for the null hypothesis to be rejected. The model contains control variables. These are Investigative Accounting, Detection Skills, Technology. Micah et. al., (2023) showed that expert witnesses improved the prosecution's credibility and persuasiveness. The study by Oyedokun et al. (2018) demonstrated that detection, and deterrence skills bolstered the impact of forensic investigations. The effectiveness of ICT-based tools and techniques in detecting and preventing fraud has been confirmed (Abiola, 2013).

4. ANALYSIS AND DISCUSSION

The data employed in this study were derived from the responses received through the questionnaires administered on respondents drawn from the various branches of the selected banks. The total number of questionnaires distributed and retrieved are shown under this subsection.

Table 4.1 Distribution of Questionnaire

S/No	Respondent's Bank	Number Distributed	(%)	Number Retrieved	(%)
1	Access Bank Plc.	40	20	36	18
2	First Bank of Nigeria Plc.	40	20	34	17
3	First City Monument Bank Plc.	40	20	38	19
4	Union Bank of Nigeria Plc.	40	20	38	19
5	Zenith International Bank Plc.	40	20	30	15
	Total	200	100	176	88

Source: Researcher's Field Survey (2025)

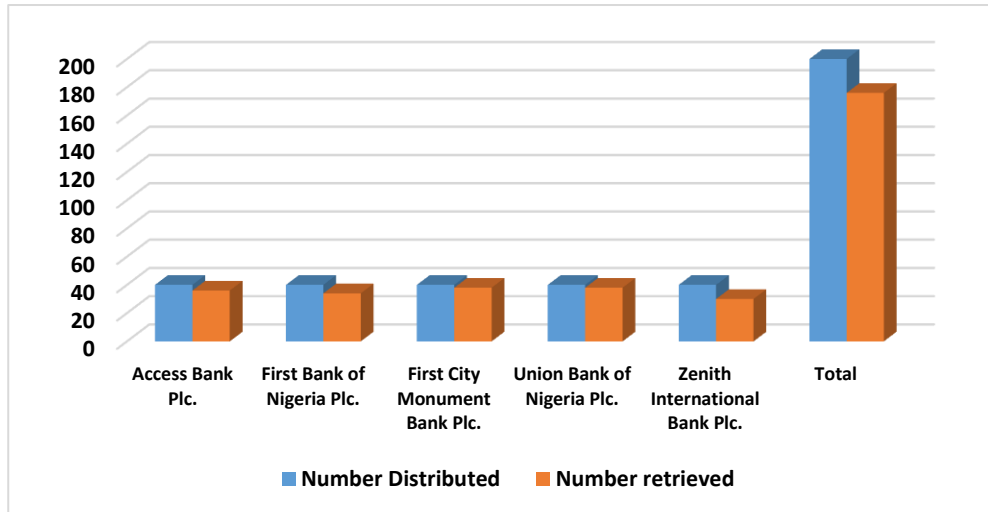


Figure 4.2: Chart of Questionnaire Distribution/Retrieval

Source: Researcher's Fieldwork 2025

Analysis of Questionnaire Responses

Research Question: What is the relationship between litigation support and fraud management in the banking sector in Nigeria?

Five sub items were generated in a bid to answer the above research question. The study designed questions in the questionnaire in the form of statements and respondents were required to state how strongly they agree or disagree with a statement based on a five-point Likert Scale, the value 1 being "Strongly Disagree" (SD), 2 being "Disagree" (D), 3 being "Undecided" (U), 4 being "Agree" (A), 5 being "Strongly Agree"

The responses received are presented in Table 4.2.

Table 4.2: Litigation Support and Fraud Management

Sub- Questions	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean	Std. Deviation
1. Continuing evaluation of internal control systems to curb fraud exists in your bank	94 (53.4)	72 (40.9)	10 (5.7)	0 (0)	0 (0)	4.48	.459
2. Forensic accountants provide clear and detailed information in litigation	73 (41.5)	84 (47.7)	19 (10.8)	0 (0)	0 (0)	4.38	.672
3. Forensic accountants	70	86	20	0	0	4.29	.651

provide effective assessment, monitoring and evaluation of internal control systems	(39.8)	(48.9)	(11.3)	(0)	(0)		
4. Forensic accountants detect complex fraud and clearly assess the associated losses.	64 (36.4)	48 (27.2)	64 (36.4)	0 (0)	0 (0)	4.00	.845
5. Technology is pivotal to forensic accountants in providing litigation support	60 (34.1)	108 (61.4)	8 (4.5)	0 (0)	0 (0)	4.31	.557

Source: Researcher's Field Survey (2025)

In Table 4.2, Question 1 seeks to establish the existence of fraud management measure in the sampled banks. While Question 2 is concerned with litigation support, Question 3 looks at investigative accounting. Question 4 and Question 5 deal with detection and technology respectively.

Table 4.2 shows that 70 respondents (35.8%) strongly agreed, 86 respondents (48.9%) agreed while 20 respondents (11.3%) were undecided that continuing evaluation of internal control systems to curb fraud exist. The mean and standard deviation of the responses were also given as 4.00 and 0.845. These therefore reveal that continuing assessment, monitoring and evaluation of internal control systems as fraud management measure in the banks sampled are in place. Similarly, 64 respondents (36.4%) strongly agreed, 48 respondents (27.2%) agreed while another 64 respondents (36.4%) were undecided that provide clear and detailed information in critical to litigation. The mean and standard deviation of the responses were also given as 4.00 and 0.845. These therefore reveal that forensic accountants, to a high extent, enhance litigation. Over 94% of the respondents agree that technology assists forensic accountants in proving litigation support. Since the mean of the various sub-questions are 4.00 and above, it can be concluded that litigation support by forensic accountants is critical to fraud management in banks in Nigeria.

Hypothesis Testing

The study tested the hypotheses using ordinary least square regressions. The mean response to Question 1 in Table 4.2 is the dependent variable, fraud management. The mean response to Questions 2, 3, 4, and 5 constitute the measure of investigating accounting (IA), detection (DS), technology (T) respectively. Table 4.3 contains the results.

Table 4.3: Multiple Regression Test

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.207	.123		-1.687	.093		
	LS	.370	.040	.377	9.147	.000	.441	2.269
	IA	.132	.055	.119	2.383	.018	.302	3.311
	DS	.677	.046	.626	14.647	.000	.411	2.434
	T	-.129	.045	-.133	-2.891	.004	.352	2.838
R Square			.869					
Adjusted R Square			.869					
Std. Error of the Estimate			.36990					
F-Statistic			290.521					
Sig. (F-Statistic)			.000 ^b					
Durbin-Watson			1.771					

Source: Researcher's Computation with SPSS Version 25

Discussion of Findings

From the result of the multiple regression in Table 4.10, the R-square revealed that 87.2% of the variations in fraud management in the Nigerian banking sector can be attributed to the factors captured in the research model as well as other factor outside the model, while the adjusted R-Square revealed that litigation support, accounts for 86.9% of the variations in fraud management. The F-statistic of 290.521 and its associated significance level of 0.000 demonstrates a very high goodness of fit of the model and implies that the effect of the variable impact significantly on fraud management.

The result of the hypothesis test on the association between litigation support and fraud management reveals a coefficient, t-statistic and significance level of 0.370, 9.147 and 0.000, respectively. Therefore, the null hypothesis standards rejected and we conclude that litigation support is positively and significantly associated with fraud management. The finding supports Gideon and Omolara (2024) who showed forensic litigation and investigation played a significant role in detection and prevention of corporate fraud in Nigerian deposit money banks. This result is however, not consistent with that of Bassey and Ahonkhai (2017), who established that litigation support has no significant influence on fraud management in deposit money in banks. The positive association between litigation support and fraud management is also consistent with a priori expectation and implies that forensic accounting, through litigation support, enhances fraud management. This is probably because litigation support, through analysis of the financial components of the initial complaint, accounting and financial

analysis for damages, preparation of disclosure statements including expert report, presentation of expert testimony and discovery, interrogatory preparation and requests for production, reduces the impact of fraud and also enables recovery of organizational resources. Litigation support also aids banking organizations in undertaking negotiations for the purpose of dispute and conflict resolution as well as helping in evaluating the merits of various legal cases. The control variables exhibit positive coefficient and significant probability value. This suggests they enhance the capability of forensic accountants in providing litigation support for the management of fraud in the listed deposit money banks in Nigeria.

5. CONCLUSIONS AND RECOMMENDATIONS

The study concludes that a significant positive influence of litigation support on fraud management is also established by the results. Thus, banks where the forensic accountants effectively provide litigation support, are able to better mitigate against the frequency and magnitude of fraud occurrence. This is because litigation support aids in saving organization resources that could have been lost due to fraud, because of their legal advisory services, resolution of dispute and expert consultancy services concerning legal issues.

Litigation support and expert witnessing in the court are very important roles of the forensic accountants; therefore, forensic accountants should be well equipped technologically and by training to enable them perform these tasks effectively. The management of banks should also ensure the recruitment of certified and experienced forensic accountants, who should be saddled with the responsibility of designing internal control as well as engaging in regular review and evaluation of the bank's financial transactions. They should also ensure that such staff are engaged in regular training and developmental programs, especially in line with new technological realities.

REFERENCES

- Abdullahi, R. & Mansor, N. (2015). Forensic accounting and fraud risk factors: The influence of fraud diamond theory. *European Journal of Business and Management*, 7(28), 57-63.
- Abiola, J. O. (2013). The impact of information and communication technology on internal control's prevention and detection of fraud. [PhD Thesis, De Montfort University].
- Adeniyi, A. A. (2014). Forensic auditing and financial fraud in Nigerian deposit money banks. *European Journal of Accounting, Auditing and Finance Research*, 4(8), 6-11.

- Akenbor, C. O., & Oghoghomeh, T. (2013). Forensic auditing and financial crime in Nigerian banks: A proactive approach. *The Business & Management Review*, 4(2), 48-61.
- Akintoye I. R. (2008). *The Basics of Environmental and Forensic Accounting*. Unique Educational Publishers.
- Akhidime, A. E., & RoseMary, E. U. E. (2014). The growing relevance of forensic accounting as a tool for combating fraud and corruption: Nigeria experience. *Research Journal of Finance and Accounting*, 5(2), 71-77.
- Babbie, E. (2016). *The Practice of Social Research (14th ed.)*. Cengage Learning.
- Bassey, B. E. & Ahonkhai, O. E. (2017). Effect of forensic accounting and litigation support on fraud detection of banks in Nigeria. *IOSR Journal of Business and Management*, 19(6), 56-60.
- Becker, H. (1963). *Outsider: Studies in the sociology of deviance*. Collier Macmillan.
- Cooper, D. R., & Schindler, P. S. (2003). *Business Research Methods. (8th Edition)*. McGraw-Hill Irwin.
- Economic and Financial Crimes Commission (Establishment, Etc.) Act, No. 1, Laws of the Federation of Nigeria (2004).
- Ehioghiren, E. E. & Atu, O. O. K. (2016). Forensic accounting and fraud management: Evidence from Nigeria. *Igbinedion University Journal of Accounting*, 2(8), 245-308.
- Enofe, A. O., Omagbon, P. & Ehigior, F. I., (2015). Forensic audit and corporate fraud. *International Journal of Economics and Business Management*, 1(8), 55-64.
- Degboro, D. & Olofinsola, J. (2007). Forensic accountants and the litigation support engagement. *Nigeria Accountant*, 40(2), 49-52.
- Gideon, T. A., & Omolara, V. A. (2024). Forensic accounting and corporate fraud in deposit money banks in Nigeria. *African Journal of Accounting and Financial Research* 7(2), 133-149.
- Golden, T. W, Skalak, S. L & Clayton, M. M (2006). *A Guide to Forensic Accounting Investigation*. John Wiley & Sons Inc.
- Gove, W. R. (1975). *The labelling of deviance*. John Wiley & Sons Inc.
- Hansen, L. L., (2009). Corporate financial crime: Social diagnosis and treatment. *Journal of Financial Crime*, 16(1), 28-40.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010) *Multivariate data Analysis: A Global Perspective (7th ed.)*. Pearson Prentice Hall.
- Igbaekemen, G. O., Abbah, M. T., & Geidam, M. M. (2014). The effect of corruption on socio-economic development of Nigeria. *Canadian Social Science*, 19(6), 149-157.
- Ingbaifegha, I. C., Chukwu, G.J., & Nwodimkpa, G. I. (2024). Forensic accounting practices and ghost worker elimination in Bayelsa State Civil Service. *African Banking and*

- Finance Review Journal*, 15(15), 188-200.
<https://www.abfrjournal.com/index.php/abfr/article/view/239>
- Lemert, E. M. (1951). Primary and secondary deviation. In E. Rubington, & M. S. Weinberg (Eds.), *The Study of Social Problems Seven Perspectives* (pp. 192-195). Oxford University Press.
- Manning, G.A. & CFE, E., (2010). *Financial investigation and forensic accounting*. CRC Press.
- Mau, K. K. (2015). The role of forensic investigation professionals in the prevention of fraud and corruption in developing countries. *SSRN Electronic Journal*.
<http://ssrn.comJabstract26058> 11.
- Micah, E. E. M., Adinnu, P. O., & Ibitomi, T. (2023). Forensic accounting and litigation support: The role of expert witnesses in legal proceedings, *European Journal of Accounting, Auditing and Finance Research*, 11(8), 15-26
- Moduju, P. K. & Aanyaduba, J. O. (2013). Forensic accounting as financial fraud in Nigeria. An empirical approach. *International Journal of Business as Social Science*, 4, 281-289.
- Mugenda, O. M & Mugenda, A. G. (2003). *Research Methods, Qualitative & Qualitative approaches*. Nairobi: Acts Press African Center for Technology studies (ACTS)
- Nwodimkpa, G. I. & Chukwu, G. J. (2024). Forensic audit and asset misappropriation control in Rivers State Civil Service, Nigeria, *FUOYE Journal of Management, Innovation and Entrepreneurship*, 3(1), 263-275.
- Nunnally, J. C., & Bernstein, I. H. (1994). *Psychometric Theory* (3rd ed.). McGraw-Hill.
- Ogutu, G. O. & Ngahu, S. (2016). Application of auditing skills in fraud mitigation: A survey of accounting firms in the county of Nakuru, Kenya. *IOSR Journal of Business and Management*, 18(4), 73-79.
- Okonkwo, R. (2005). Corruption in Nigeria: A Historical Perspective (1947-2002). https://www.researchgate.net/publication/310167600_Corruption_in_Nigeria_1947-2002_An_Historical_Perspective_in_Africans_Humanities_Humanities_and_National_Building
- Okoye, E. I & Akamobi, N. L. (2009). The role of forensic accounting in fraud investigation and litigation support. *The Nigerian Academic Forum*, 17(1), 39-44
- Okoye, E. I., Maimako, S. S., Jugu, Y. G., & Jat, R. B., (2017). *Principles of Fraud Investigation and Forensic Accounting*. SCOA.
- Oyedokun, G. E., Enyi, P. E. & Dada, S. O. (2018). Forensic accounting techniques and integrity of financial statements: An investigative approach. *Journal of African Interdisciplinary Studies (JAIS)* 2(3), 23-47.
- Oyejide, A. (2008). Corruption and development: A Nigerian perspective. *Nigeria Accountant* 41(4), 28-42.

- Perewari, E, Chukwu, G, J., Chukwu, A. N. & Akunna, M. M. (2024). Investigative auditing and reduction in financial information fraud in Bayelsa State Civil Service, Nigeria. *FUOYE Journal of Finance and Contemporary Issues* 6(1), 144 – 155.
<https://www.fjfcf.fuoye.edu.ng/index.php/fjfcf/article/view/127>
- Saunders, M., Lewis, P. & Thornhill, A. (2023). *Research Methods for Business Students* (9th ed.). Pearson Education.
- Silverstone, H. & Sheetz, M. (2004). *Forensic accounting and fraud investigation for non expert*. John Wiley and Sons, Inc.
- Uwakwe, T. N., & Chukwu, G. J. (2024). Effect of fraud opportunity on earnings quality of listed banks in Nigeria, *AE-FUNAI Journal of Accounting, Business & Finance*, 9(1), 157-170
- Vold, G. B., Bernard, T. J., & Snipes, J. B. (1998). *Theoretical criminology*. Oxford University Press.
- Wolfe, D., & Hermanson, D. (2004). The fraud diamond: Considering the four elements of fraud. *The CPA Journal*, 74, 38-42.
- Zysman, A. (2004). *Forensic accounting demystified: World investigators network standard practice for investigative and forensic accounting engagements*. Canadian Institute of Chartered Accountants.