

# **Economic and Financial Crime in Nigeria : Forensic Accounting as Antidote**

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## **Abstract**

Corruption and other financial and economic crimes are the bane of Nigerian development efforts. All these crimes harm Nigerian economy in no small measure. We observe the non-availability of the appropriate litigation support services in the court leading to misjudgment, poor corporate governance, weakness in traditional auditing and battered image of Nigeria in international community as major problems. The objective of this paper is to evaluate forensic accounting as antidote to economic and financial crime in Nigeria. The paper is empirical with the testing of four hypotheses. The statistical model applied is Chi-Square and Statistical Package for Social Statistics (SPSS) was applied to compute the data. The results show that Forensic Accounting is a financial strategy to curb and resolve economic and financial crimes in Nigerian economy. The alternate of the four hypotheses were accepted. We recommend among others that the government of Nigeria should enact an Act that will make forensic accounting a practice in Nigeria so that economic and financial crimes can become history.

## **Introduction**

Corruption and other financial and economic crimes are the bane of Nigerian development efforts. Corruption bestrides the lives of the citizens. The judgment of Transparency International is a reflection of what the nation has given to the world-419, money laundering, inflated contracts, scam mails, illegal oil bunkering, disappearance of ships etc. All these crimes harm Nigerian economy in no small measure. Ribadu (2004) stated that all these crimes continued in the system in spite of Government's landscape steps to address them, because many people in power want the old dispensation to continue. He reiterated that there are those whose lives thrive on corruption, while there are those even though they are paid to check the activities of the culprits, yet are willing to share in the proceeds with the event that they themselves become culprits.

These economic and financial crimes are the greatest threat to national economic and development as the nation has nothing to show for its huge earnings from oil. Waziri (2009) stated that corruption afflicts virtually all parts of the Nigerian society. It has eaten deep into Nigeria value system and is now threatening to spread to the culture as public adulation for wealth has increased. The society no longer asks questions as to how people came by their questionable wealth. In its 2004 report on worldwide corrupt practices, transparency International survey covered 146 countries, which rated Nigeria as the third most corrupt country, beating Haiti and Bangladesh to the second and last positions respectively. The focus of the Transparency International 2004 report was more on the oil sector as a revenue source for most oil producing countries. According to Owolabi (2007) Peter Eigen, chairman of Transparency International Board of Directors observed in 2004 that in oil producing countries, public contracting in the oil sector is plagued by revenue vanishing into the pockets of western oil executives, middlemen and local officials. He suggested that oil companies could help fight corruption by making public details of payments made to government and state-controlled oil firms. That access to vital information will minimize the opportunity for the payment of kickbacks to secure oil tenders, a practice that has blighted the oil industry in transition and post war economies. That Eigen said further that reconstruction will be wrecked by a wasteful diversion of resources to corrupt elites unless there are strict anti-bribery measures.

The long years of military rule had entrenched corruption in Nigeria; almost becoming institutionalized. Corruption reached its zenith during the reign of General Abacha who was acknowledged to have stolen between 4 and 5 billion USD between 1994 and 1998, surpassing all records of state thieving within such a short period. Law and order collapsed and the rule of law took a back seat in the face of tyranny, despotism and impunity. All law enforcement and other watchdog institutions were so compromised that they now served the needs of the corrupt than those of the society they were set up for. (Akomaye, 2007). Nigeria was assessed by many risk rating agencies as too risky a jurisdiction for quality investment. Foreign Direct Investment (FDI) took flight in spite of ceaseless flow of petrodollars, the economy plummeted, witnessing double digit inflation and poverty became pervasive particularly in the Niger Delta giving rise to crises that severally threatened state security. Akomaye (2007) reiterated bold steps taken to address the problem like the expression of strong political will at the highest level. President Umaru Musa Yar'Adua and his vice president publicly declared their assets upon assumption of office. That anti-corruption programme must not be approached in an ad hoc manner but addressed as part of a national economic reform programme. This was addressed under its National Economic Empowerment and Development Strategy (NEEDS). Appropriate legislation was enacted to criminalize all corrupt conducts including unjust enrichment, provision for interim restraints, forfeiture of tainted property, special or designated courts/judges were instituted to expeditiously try corrupt cases. Key institutions like Independence Corrupt Practices Commission (ICPC), Economic and Financial Crime Commission (EFCC) were established to fight corruption. All

theses could not work effectively because of various challenges like politicization and blackmail, constitutional immunity as stated in section 308 of Nigerian constitution, public apathy and doubtful attitudes towards anti-corruption work, and slow justice.

### **Focus of Paper**

Corruption and financial crimes are non-violent and committed in most cases by those who are in the first place, entrusted with the responsibility of taking care of funds or their collaborators. Those who should have first hand information in these matters are those who are usually investigated. Nuhu (2004) stated that in the circumstances, either the information/evidence is destroyed or watered down in such a manner that it will not be useful to law enforcement agencies. It is often the case that whole files containing incriminating materials disappear or relevant parts of them cannot be found. The Economic and Financial crime commission (EFCC) was established in the year 2004 by EFCC establishment Act 2004, with the mandate to combat financial and economic crimes and also to prevent, investigate, prosecute and penalize economic and financial crimes. After establishment, the commission came out with a mission statement in quote” the EFCC will curb the menace of the corruption that constitute the cog in the wheel of progress; protect national and foreign investments in the country; imbue the spirit of hard work in the citizenry and discourage ill-gotten wealth in both public and private sectors of the economy and contribute to the global war against financial crimes. However the EFCC has met with obstacles to effect prosecution of corruption and financial crimes cases in Nigeria. There are incompetent investigators to handle the case assigned to him. Nuhu (2004) asserted that corruption and economic crime cases are usually very complex and complicated. Some involve document or subjects that are very technical requiring a well-schooled investigator to unravel. He further stated that there is poor quality of prosecuting counsel, and that good case can be destroyed by the incompetence of a prosecuting counsel, who either is professionally incompetent or again has compromised himself in order to defeat the counsel.

This paper therefore is to address all the deficiencies outlined by looking at Forensic Accounting as the best antidote to curbing financial and economic crime. That the trained forensic accountants should fill the gaps discovered in the efforts of EFCC and other agencies to put an end to the problem in Nigerian economy.

The problems indentified in Nigerian economy in area of financial and economic crimes are explained thus:

1. Non-availability of the appropriate litigation support services in the court has led to misjudgment or incorrect submissions by lawyers and judges. It has been discovered that offenders are not given appropriate punishment because the gravity or extent of economic loss or damages cannot be adequately determined.
2. The increasing rate of crime and corruption in the economy most especially in the area of economic governance and in public corporations have eroded public confidence and trust in matters regarding transparency and financial probity. Four pillars of corporate governance which are transparency, accountability, independence and fairness are totally missing.
3. There is weakness in traditional auditing style in curbing this socio-economic evil (economic and financial crimes) in the Nigerian economy. Auditors are watchdogs and fraud detectors. Regular auditors focus on errors, omissions, exaggerated assertions, misstatements of facts.
4. There is problem of battered image of the nation both locally and internationally. Nigeria has recorded huge loss of fund. Because of the bad image, Nigeria has not been able to attract Foreign Direct Investment (FDI) expected of a developing economy.

The main objective of this paper is to evaluate the curbing and eradication of economic and financial crimes in Nigerian economy through forensic accounting as antidote.

Other specific objectives are:

1. To assess the relationship between forensic accounting and provision of litigation support services in the Nigerian courts.
2. To assess if forensic accounting will curb economic and financial crimes and institute better governance that will enhance Nigeria public image.
3. To evaluate how forensic accounting can provide professional investigation and litigation support services.
4. To determine the role of a forensic accountant in fraud investigation to curb economic crimes and repair the battered image locally and internationally.

The pertinent questions that this paper is set to answer are:

- a. How can a forensic accountant play an important role in fighting economic and financial crimes through litigation support services?
- b. To what extent can public confidence and trust be restored through the practice of forensic accounting?
- c. Can forensic accountants (fraud auditors) perform better than regular auditors in forensic crimes eradication in Nigeria economy?
- d. To what extent can the practice of forensic accounting in Nigeria economy restore the nation's image locally and internationally?

The study hypotheses are stated in null forms

- (1). Litigation support services by forensic accounting cannot lead to appropriate judgment for economic and financial crime eradication in Nigerian economy.
- (2). Forensic accounting has no relationship with good corporate governance for public confidence and eradication of crime and corruption in Nigerian economy
- (3). Forensic accounting cannot fill the gap created by traditional auditing style in curbing the socio-economic evil of economic and financial crimes
- (4) Forensic accounting has no positive relationship with Nigerian battered image and Foreign Direct credit in Nigerian economy.

## **LITERATURE REVIEW**

### **Concept of Forensic Accounting**

According to Webster's Dictionary, forensic accounting means "Belonging to, used in or suitable to court, of judicature or to public discussions, debate and ultimately dispute resolutions. It is also defined as an accounting analysis that is suitable to the court which will form the basis of discussion, debate and ultimately dispute resolution. Forensic accounting is the practice of utilizing accounting; auditing and investigative skill to assist in legal matter and the application of specialized body of knowledge to the evidence of economic transaction and reporting suitable is the purpose of establishing accountability or valuation of administrative proceedings. It can be said that is the integrity of accounting auditing and investigative skill to obtain a particular result.

Gray (2008) analyzed forensic accountants as a combination of an auditor and private investigators. Knowledge and skills include the following investigation skills, research, law, quantitative methods, finance, auditing, accounting and law enforcement officer insights. Gray confirmed that forensic accountants have been employed by the Federal Bureau of Investigation(FBI), Central Intelligence Agency(CIA), Internal Revenue Service(IRS), Federal Trade Commission(FTC) and other government agencies. Owjori and Asaolu(2009) analyzed that forensic accounting through forensic accountants

provide litigation support service which is the provision of assistance of an accounting nature in a manner involving existing or pending litigations in the areas of quantification of economic damages, calculating economic loss resulting from a breach of contract. Litigation support service provides real value to the client-attorney relationship because forensic accountants help win lawsuits and earn settlements.

Forensic accounting is the application of investigative and analytical skills in a manner that meets standards required by courts of law. Forensic accounting provides investigative accounting in economic crimes in financial statements. The forensic accountants must clinically review the financial statements and the related footnotes in spite of their complexity. Businesses are often clever in hiding accounting tricks and gimmicks in form of creating accounting. So investigations must be ever to the signs of outright financial manipulations. Financial manipulations are acts of omission intended to hide or distort the real financial performance or financial conditions of an entity.

### **Nigerian Experience in Combating Corruption:**

Akomaye(2007) narrated the extent of economic crime during the military era which became institutionalized. One of the head of states General Abacha was acknowledged to have stolen between \$4million and \$5million between a994 and 1998, which surpassed all records of state thievery within such a short period. There was total breakdown of law and order and the rule of law took a back seat in the face of tyranny, despotism and impunity. Transparency International rated Nigeria as the most corrupt country for several years. He stated further that Nigeria was assessed by many risk rating agencies as too risky a jurisdiction for quality investment. Foreign Direct Investment took a flight. The government took a very bold step to eradicate the evil in the society like the enactment of appropriate legislations to criminalize all corrupt conducts including unjust enrichment. The following laws were enacted to correct the situation:

1. Independence corrupt practices commission (ICPC) Act, 2000.
2. Economic and Financial Crimes Commission (EFCC) Act, 2004.
3. Money laundering (Prohibition) Act, 2004.
4. Public Procurement Act,2007.
5. Fiscal Responsibility Act,2007.

Over 200 convictions for corruption, money laundering, bank fraud, advance fee fraud were recorded. Assets worth over\$5 billion was recovered by EFCC in less than five years. Despite all these efforts to fight crime, there were politicization and blackmail regarding the cases taken to court. Section 308 of the Nigerian constitution grants immunity. There were public apathy and doubtful attitudes towards anti-corruption work. Slow justice system, insufficient commitment by other arms of government, International assets recovery frustration was recorded. Nevertheless the problem has grown geometrically in the economy. Alipius (2009) stated that EFCC efforts to fight crimes and its achievements were proved by the 2008 annual report by the United Nation office on Drugs and Crime (UNODC) which rated the commission as the most successful anti-corruption agency in Africa and Nigeria. Transparency International ratings had moved from 142 in 2006 to 121 in 2008.Despite all these achievements,Alipius stated further that the commission is faced with a lot of accusations and criticisms from some quarters. That the commission has been a political tool of the presidency, that their actions and activities are not on rule of law, hence should be scrapped. They further accused the commission on focusing more on enforcement rather than prevention measures and the issue of selective investigations. He concluded that criticisms can go along way in emboldering their efforts capabilities

### **Corruption, A threat to Nigeria's Economy**

Waziri (2009) urged Nigerians to be more prudent and transparent in managing its economy, as it cannot afford to filter its resources through corruption in the fight of the global economic meltdown. That if

Nigerians continue to filter the economy through corruption in the face of the global economic crises, then there is an imminent catastrophe which it may not be able to recover from for a long time. She was of the opinion that poverty could be used as a weapon in fighting the scourge. She concluded that EFCC was not going to abandon nor slow down on its primary responsibility of investigating and prosecuting offenders for corruption and economic crimes.

### **Obstacles to Effective Prosecution of Corrupt Practices and Financial Crimes in Nigeria**

Ribadu (2004) stated that corruption and other economic crimes are the bane of Nigeria Economic Development efforts. All the crimes harm the economy in no small measures. That those who are saddled with the responsibility of fighting crimes will do well to rejects to be compromised. If they do, corruption becomes a little monster to be crushed with ease. However; he outlined the following factors that affected the prosecuting of criminals: (a) Cooperation from persons/institutions who should furnish relevant information. (b) the quality of evidence gathered at the investigation stage. (c) the transparency of investigation of the case itself. (d) the prosecutorial competes of the prosecuting counsel. (e) the transparency and fairness of the presiding judge in the trial. (f) gaps in the law guiding prosecution. The greatest tragedy to any prosecution is when a judge has even before taking and analyzing evidence has made up his mind that the accused is not guilty as charged. (g) inadequacy of existing procedural and evidence laws. (h) congestion and slow pace of court proceedings. (i) Jurisdiction problems. (j) cost of investigation and prosecution. He concluded that the commission has a lot of bottlenecks as regards investigation and prosecution of cases. That with the support of the judiciary, there will be speed to the trial cases.

### **When Economic Crime Becomes Organized: The Role of Information Technologies. A Case Study.**

Nicola and Scartezzini (2000) stated the accepted fact that globalization of the market has introduced more, and new forms of opportunity for criminals. Globalization has given those interested in fraud, for instance, the opportunity to act on an international level by taking advantage of the lack of regulations in the commercial and financial markets of some countries. They use the latest technologies to provide themselves with links between criminals all over the world without concrete need for physical contact. The success of many crimes demonstrates how criminal organizations can easily build international connections for the planning and the perpetration of crimes, with the use of new technical know-how and equipment. They explained further that specialization, professionalism and organization characterize economic crime. The more complex the context in which criminals operate, the more professional experience they require, and the broad organizational structures they need in order to commit their crimes. This is the reason why large-scale economic offences need organization to better achieve their results and to reduce risks. Economic criminals need detailed information on laws, techniques and practices in order to assess opportunities and risk. Economic crime is influenced by information revolution in two ways. First as a valuable and contained factor of production, information itself is a direct and indirect object of crimes committed by white-collar criminals. Information means profit. It can be a direct target when it represents the primary goal of an economic crime (i.e. industrial espionage) where economic crime focuses on stealing information, sabotage of information system, and other criminal offences related to the security of information. The strategic role for which information is increasingly acquiring leads to the commission of these crimes. The growing relevance of information has a second important influence on economic crimes. In order to commit them, criminals need to adopt new instruments and new form of organization. Information is expensive and well protected. White-collar criminals know, because of their business background, that only with a flexible and organized

structure it is possible to manage the complexity of information flow. They concluded that economic crime is characterized by the constant interrelation between legal and illegal activities. The fight against economic crime, which is increasingly trafficking in information, can be won only through better management of information.

### **Economic Crime in a Globalized Society: Its Impact on the Sound Development of the State-An Indian Perspective.**

Mehta (2009) stated that economic crime occurs as a deviation from the violator's occupational role. Also most of the laws involved or violated are not part of the traditional criminal code. Such crimes are corruption, corporate fraud, public fraud, tax evasion, goods smuggling, stock manipulation, currencies forgery, credit card fraud, environmental crime, intellectual property infringement and the more recent phenomenon of Cyber crime. A criminal committing an economic crime steals large sums of money and employs technology and communication to carry out unlawful commercial transactions, disturb database or orchestrate massive frauds. Another characteristic of economic, commercial, corporate or white-collar crimes is that they are often perceived as good business: and good business often requires 'cutting corners'. Legal violations by corporations are often viewed as part of the business system, much like industrial spying or psychologically suggestive marketing techniques. Those activities are considered as an extension of the capitalist system based on profit and a technical adherence to the letter rather than the spirit of the law. Economic crimes affect society as a whole. For instance, false advertising induces the public to invest in products that do not have the desired effect. Unsafe drugs, pesticides and food additions affect the health of thousands. Exposure to industrial hazards such as unsafe equipment and poisonous materials and emissions have an adverse effect on workers longevity. She further analyzed that a significant proportion of transnational organized crimes assume the nature of global economic crime. Proceeds of transnational crimes such as drug trafficking, extortion, corruption, tax evasion, arms smuggling, terrorism, and fraud have to be laundered. The international economic threat, posed by global organized crime, in an increasingly global economy is among the major "new" threats to national security. Global Economic Crime does not just affect a select group of financial institutions or regional areas; it affects international financial networks and economies at a national level. Laundering billions of dollars in organized crime money worsens national debt problems because the large sums of money are then lost as tax revenue to that country's government. Global organized crime can have a damaging effect on political structures, especially fragile democracies and developing economies. As people feel that the government is powerless to stop organized crime, they turn to crime leaders for protection and political institutions begin to deteriorate. She analyzed corruption, smuggling, invoice manipulation, bogus imports, Cyber crime, counterfeiting, credit card fraud, drug trafficking, trafficking in persons, terrorism, trafficking in Arms, and money laundering as major crimes in India. She concluded that there is presently legislation to deal with such offenders specifically intended to deprive offenders of the proceeds and benefits derived from the commission of offences against the law of the country. It provides for the confiscation or forfeiture of the proceeds or assets used in connections with the commission of certain crimes.

### **Combating Economic Crime**

Council of Europe (2005) stated that economic crime has been of major concern to European societies for decades, and in 1981, the council adopted a recommendation listing 16 specific and non-specific offences as economic crimes. The recommendation was based on the assumption that economic crime has adverse impact beyond individual victims and the material damage in that: (a) it affects a large number of persons, society and the state in general, (b) it damages the functioning of the national or

international economy, and (c) it causes a loss of trust and confidence in the economic system. They said an increasing number of European countries report on different forms of economic crime in their assessment of the organized crime situation. That economic crime and organized crime appear to be linked in particular with regard to value added tax, public procurement, privatisation, counterfeiting of commercial products, investment fraud, environmental crime, and fraud against the European Union financial interests. Economic crime is thus one of the main markets of organized crime. They asserted that corruption in its various forms (embezzlement, kickbacks, conflicts of interests, trading in influence etc) appears to be a frequent pattern when serious cases are uncovered by the judicial authorities, the media and other watchdogs. They said illegal profits need to be dissimulated, which makes money laundry also closely related to different forms of economic crime.

### **Causes of Economic Crime and the Impact of Values: Business Ethics as a Crime Preventive Measure.**

Bussman (2003) stated that economic crime in companies poses an enormous challenge to today's economy and society. The emerging global and networked economy increases the scope and scale of risks that organizations face from economic crime. He stated further that the most frequent economic crimes against businesses are, above all, fraud, asset misappropriation, false accounting, bribery and corruption as well as Cyber Crime and insider trading, less common are industrial espionage and money laundering. According to him, a survey in 2003 showed that, over the last two years prior to 2003, 34% of all polled companies in Western Europe had been victims of an economic crime with an average loss of around two million Euros. The amount of understated damage is up to five times as high. That a study by KPMG in 1999 revealed that 57% of the companies surveyed suspected that economic crime costs them an unconformable amount of damage valued at less than 1million DM, whereas 29% considered the unconfirmed losses to be up to 10million DM. In this study, he stated it is easy to think that economic crime will be tackled best by criminal law through careful controls and regular criminal charges. He said criminal charges are generally not advisable because they will normally not lead to the desired effect because of the following reasons (a) the inefficiency of economic crime law (b) the weak deterrent effect of severe punishment (c) Risks and disadvantages of prosecution. He analyzed the following as causes of economic crime: impact of criminal personality, impact of opportunity structures, impact of corporate identity, the impact of values on crime, and impact of business ethics. He recommended a holistic approach to crime prevention that takes the firm as a whole into consideration, that intensive controlling measures should be handled cautiously and with awareness, that there must be communication in the system and acceptance of ethical values and moral orientations that play the decisive preventive role.

From all the literature reviewed, it is apparent that crime is a global problem that every country affected is still battling with how to find solutions to the menace. All the adopted recommendations have not yielded positive results thereby creating a gap for continued search for solution to the problem. This paper is focused to fill the gap discovered.

### **Methodology**

This study is empirical and descriptive .The population is the government parastatals.The sample representatives the following key government institutions: Economic and Financial Crimes Commission (EFCC), Independent Corrupt Practices Commission(ICPC), Lagos State Ministry of Finance, Power Holding Company of Nigeria(PHCN) and Federal Inland Revenue Service(FIRS).100 questionnaires were administered to the sampled population with 20 distributed to each of them.86questionnaires were retrieved back which represents 86% and is sufficiently alright to complete the study. The questionnaire

is close ended with five likert scales of Strongly Agree, Agree Disagree Strongly Disagree and Undecided. Relevant questions relating to the hypotheses were stated for the respondents to pick the options relevant to the practice in their various organizations.

**Hypotheses tested:** The following four hypotheses were tested for this study:

- (1).H<sub>0</sub> Litigation support services by forensic accounting cannot lead to appropriate judgment for economic and financial crime eradication in Nigerian economy.
- (2).H<sub>0</sub> Forensic accounting has no relationship with good corporate governance for public confidence and eradication of crime and corruption in Nigerian economy
- (3).H<sub>0</sub> Forensic accounting cannot fill the gap created by traditional auditing style in curbing the socio-economic evil of economic and financial crimes
- (4).H<sub>0</sub> Forensic accounting has no positive relationship with Nigerian battered image and Foreign Direct credit in Nigerian economy

**Data Analysis and Findings of Primary Data**

Table 1 Hypothesis 1 Data Analysis: H<sub>1</sub> Litigation support services by forensic accounting can lead to appropriate judgment for economic and financial crime eradication in Nigerian economy.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SA	16	18.6	19.0	19.0
	A	41	47.7	48.8	67.9
	U	16	18.6	19.0	86.9
	D	6	7.0	7.1	94.0
	SD	5	5.8	6.0	100.0
	Total	84	97.7	100.0	
Missing	System	2	2.3		

Table 2 Non-Parametric test on hypothesis 1

	Observed (O)	Expected (N)	Residual
SA	16	16.8	-0.8
A	41	16.8	24.2
U	16	16.8	-0.8
D	6	16.8	-10.8
SD	5	16.8	-11.8
Total	84		

Test Statistics:

Chi-Square=50.167

Degree of freedom =4

Asymp.Sig= .000

Level of Significance=0.05

With the level of significance of 0.05,degree of freedom 4,the computed value by Statitiscal Package for Social Sciences (SPSS) is 50.167 compared with the tabulated value of 9.49.With this result, we reject the null hypothesis and accept the alternative which says Litigation support services by forensic

accounting leads to appropriate judgment for economic and financial crime eradication in Nigerian economy. Therefore Forensic Accounting will provide litigation support service that support the eradication of economic and financial crime in Nigerian economy.

Hypothesis 2:  $H_1$  Forensic accounting has strong relationship with good corporate governance for public confidence and eradication of crime and corruption in Nigerian economy

Table 2: Data analysis

		Frequency	Percent	valid Percent	Cumulative Percent
Valid	SA	20	23.3	23.5	23.5
	A	47	54.7	55.3	78.8
	U	15	17.4	17.6	96.5
	D	1	1.2	1.2	97.6
	SD	2	2.3	2.4	100.0
Total		85	98.8	100.0	
Missing	System	1	1.2		
Total		86	100.0		

Non-Parametric test

	<u>Observed(O)</u>	Expected(N)	Residual
SA	20	17.0	3.0
A	47	17.0	30.0
U	15	17.0	-2.0
D	1	17.0	-16.0
SD	2	17.0	-15.0
Total	85		

Test Statistics.

Chi-Square= 82.00

Degree of freedom=4

Asymp.Sig=.000

Level of Significance=0.05

With the level of significance 0.05, degree of freedom 4, the computed value using Statistical Package for Social Sciences (SPSS) is 82.0, while the tabulated figure is 9.49 meaning that the computed figure is higher than the tabulated. Hence we reject the null hypothesis and accept the alternate which says that Forensic accounting has strong relationship with good corporate governance for public confidence and eradication of crime and corruption in Nigerian economy

Hypothesis 3  $H_1$  Forensic accounting can fill the gap created by traditional auditing style in curbing the socio-economic evil of economic and financial crimes

Test Statistics

Table 3: Data Analysis

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SA	22	25.6	25.9	25.9
	A	35	40.7	41.2	67.1
	U	21	24.4	24.7	91.8
	D	5	5.8	5.9	97.6
	SD	2	2.3	2.4	100.0
Total		85	98.8	100.0	
Missing	System	1	1.2		
Total		86	100.0		

Non-Parametric test

	Observed (O)	Expected (N)	Residual
SA	22	17.0	5.0
A	35	17.0	18.0
U	21	17.0	4.0
D	5	17.0	-12.0
SD	2	17.0	-15.0
Total	85		

Chi-Square= 43.176

Degree of Freedom= 4

Asymp.Sig.=.000

Level of Significance=0.05

At the level of significance of 0.05 and degree of freedom 4, using Statistics Package for Social sciences (SPSS) the computed value is 43.176 which higher than the tabulated value of 9.49. With this result, we reject the null hypothesis and accept the alternate which says Forensic accounting can fill the gap created by traditional auditing style in curbing the socio-economic evil of economic and financial crimes.

Hypothesis 4.  $H_1$  Forensic accounting has positive relationship with Nigerian battered image and Foreign Direct Investment(FDI) in Nigerian economy

Table 4 Data analysis

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SA	22	25.6	25.9	25.9
	A	44	51.2	51.8	77.6
	U	10	11.6	11.8	89.4
	D	4	4.7	4.7	94.1
	SD	5	5.8	5.9	100.0
	Total	85	98.8	100.0	
Missing	System	1	1.2		
Total		86	100.0		

Non-Parametric test

	Observed(O)	Expected(N)	Residual
SA	22	17	5
A	44	17	27
UD	10	17	-7
D	4	17	-13
SD	5	17	-12
	85		

Test Statistics

Chi-Square=65.64

Degree of Freedom =4

Asymp. Sig. .000

Level of Significance=0.05

With level of significance 0.05, degree of freedom 4, and using Statistical Package for Social Sciences (SPSS), the computed figure is 65.64 which is higher than the tabulated figure of 9.49. With this result, we reject the null hypothesis and accept the alternate which says that Forensic accounting has positive relationship with Nigerian battered image and Foreign Direct Investment (FDI) in Nigerian economy. If forensic accounting helps to curb economic and financial crime in the economy, this will repair Nigerian soiled image in the international economic community and enhance foreign direct investment.

**CONCLUSION:**

The government of the federal republic of Nigeria agreed that anti-corruption programme must not be approached in an ad hoc manner, but addressed as part of a national economic reform programme. They have enacted appropriate legislation to criminalize all corrupt conducts including unjust enrichment. They enacted ICPC Act, 2000, EFCC Act, 2004, Money laundering (Prohibition) Act, 2004, Fiscal Responsibility Act, 2007. With all these, economic and financial crime remain unabated. The issue of crime is politicized, there is constitutional immunity, there is public apathy and doubtful attitudes towards anti-corruption work, there is slow justice system because of poor documentation and representations, there is insufficient commitment by other arms of government to curb crimes in the system. All these have created a gap in the resolution to financial crime in Nigeria. With the result of the research work, the gap can be filled by introducing and adapt forensic accounting as financial strategy to

curb economic and financial crime: (i)Forensic Accounting will provide litigation support service with appropriate provision of professional services in the law courts (ii)Forensic Accounting will institute good corporate governance in the public sector which will instill public confidence in the government and the entire system.(iii) The traditional auditing has limitation in detecting fraudulent practices which the forensic accountants will effectively fill. They have the professional ability back up by law to break into the organization system and examine the books, make discoveries and present the documentary evidences in the law courts. (iv) The image of Nigeria in the international community has discouraged foreign direct investment because of economic and financial crime. This has effect on development, employment and the standard of living of the people. Eradication of economic and Financial crime through the adoption of forensic accounting in the system will improve the image of Nigeria. Crime free environment will attract foreign direct investment.

### **RECOMENDATIONS**

In view of the desire of the government and Nigerian citizens to have economic and financial crime free economy, the following are the factors for the way forward:

(i)The government should enact a law (an Act) which will make forensic accounting a practice in Nigeria such that Forensic Accountants will have practicing licence like other advance countries like USA, United Kingdom, Canada, Japan etc where they work tirelessly and professionally to eradicate crime through litigation support and representations in the law courts.They compute economic damages and make professional recommendations to the court as to seizure of properties, foreclosure of acquired properties through fraudulent means.

(ii) It should be a compulsory course to be taught in all Nigerian Universities.

(iii). The Institute of Chartered Accountants of Nigeria (ICAN) should it as compulsory course in their professional examinations.

(iv)The Economic and Financial Crime Commission (EFCC) should be strengthened technologically for effectiveness in their services to the nation, and for effective utilization of their resources both human and capital. They should employ or collaborate with forensic accountants for professional discovery of evidences which will support litigation in the courts.

(v) The lawyers and the courts should employ the services of forensic accountants which help in understanding the technicalities of some cases and the quick dissemination of judgment

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