**INTEGRATING BEHAVIOURAL PROFILING IN FRAUD INVESTIGATION AND ENGAGEMENT PROCESS: A FRAMEWORK FOR NIGERIAN FINANCIAL INSTITUTIONS**

**ABSTRACT**

The study examines the association between forensic accounting and deposit money banks (DMBs) performance in Nigeria using a survey and ex post facto designs of mixed-method research. Questionnaires were administered to 50 practicing accountants currently working in the banking sector in the state capitals of Ondo and Ekiti States who were chosen using stratified and census sampling methods. The study was aimed at establishing the impact of forensic accounting processes, techniques, trust worthiness of reports, and fraud detection on banking performance . The result of regression analysis confirms the relationship as significant with F- Statistics of 6.30 which is significant at the 5% level confirming that as a collective, the forensic accounting variables have an impact on the bank’s performance. It was concluded that forensic accounting processes had a statistically significant positive impact while other factors such as forensic practices, reporting reliability, and fraud detection among others had a positive impact but were not statistically significant. The research suggest is that forensic accounting procedures are indeed a key factor in enhancing the financial performance of DMBs. The study then suggests greater allocations towards forensic accountingdevices and training, further mainstreaming forensic practices into routinereporting, and regulatory bodies enabling the standardization and skill-setsdevelopment of forensic accounting in the Nigerian banking industry.

**Keywords:** Forensic accounting techniques, fraud detection, reporting reliability, professional accountants and forensic accounting practices

**1.0 Introduction**

The engagement process in fraud investigation worldwide has been under heightened scrutiny due to escalating instances of financial crimes, regulatory shortcomings, and inadequate internal controls. Osmond et al. (2023) opined that engagements involving the planning, scoping, communication, and execution of forensic processes are frequently impeded by insufficient investigator understanding of the behavioural patterns of fraud perpetrators. This difficulty has resulted in extended investigation durations, errors in case management, and ineffective fraud resolution approaches. The engagement process in Africa is exacerbated by structural difficulties, including institutional corruption, insufficient forensic competence, inadequate inter-agency communication, and limited technology infrastructure (Owolabi, 2020). These limitations diminish the efficacy of forensic investigations and heighten the probability of undiscovered or unprosecuted financial offences. Nigeria, as Africa's largest economy, exemplifies these challenges more distinctly. The engagement process in fraud investigations is influenced by inadequate investigative frameworks, insufficient integration of behavioural profiling, and restricted development of human capital in forensic accounting (Apalowow et al., 2025a). Investigators frequently depend on reactive strategies instead of proactive ones, thereby overlooking early indicators of fraudulent activity. The use of behavioural profiling in fraud investigation has surfaced as a potentially revolutionary strategy. Behavioural profiling enables forensic investigators to comprehend the psychological and environmental catalysts of fraudulent activity, hence enhancing the precision and efficacy of engagement techniques. It improves the capacity to anticipate and recognise warning signs, hence augmenting the efficiency and efficacy of the engagement process. Research indicates that the conventional engagement approach in fraud investigations, which predominantly depends on documented evidence and financial data analysis, is inadequate for intricate fraud schemes (Ebifinidei & Weli., 2025; Ibrahim & Ademu, 2024; Ewa et al., 2020). The lack of behavioural profiling in these interactions results in a considerable deficiency in recognising the intentions, motives, and behavioural patterns of fraud offenders. Consequently, investigations are often postponed, inconclusive, or misdirected, resulting in ineffective fraud mitigation measures. The absence of behavioural profiling integration in the engagement process prolongs investigation durations and creates case backlogs, resulting in heightened financial losses for organisations and the government due to diminished stakeholder trust in investigative and judicial systems (Obizue & Eme, 2025). Efforts to improve the engagement process include the adoption of digital forensic tools, capacity building through forensic accounting certifications, and regulatory reforms to strengthen audit and investigation units. However, behavioural profiling remains underutilized due to inadequate knowledge, lack of qualified staff, and absence of institutional frameworks that facilitate its incorporation in Nigeria and many African nations. This study aims to investigate the potential of behavioural profiling in enhancing fraud investigation procedures through improved engagement tactics. It seeks to connect psychological analysis with forensic accounting methods, especially in the Nigerian environment. The study specifically analyses the present condition of the engagement process in fraud investigations in Nigeria; evaluates the impact of behavioural profiling on the efficacy of fraud investigation engagement; and identifies challenges and opportunities for incorporating behavioural profiling into forensic practices in Nigeria.

**Research Questions**

1. What is the current structure and effectiveness of the engagement process in fraud investigation in Nigeria?
2. How does behavioural profiling influence the efficiency of fraud investigation engagements?
3. What are the barriers to and prospects for integrating behavioural profiling into the engagements process?

**Hypothesis Statement**

**H01: integrating behavioural profiling in fraud investigation do not have significant effect on engagement process**.

**Significance of the Study**

This study is going to provide policymakers and regulatory authorities with insights into the efficacy of behavioural profiling in augmenting fraud detection and investigation, hence facilitating the formulation of more resilient investigative procedures and fostering inter-agency collaboration. The findings will assist business stakeholders and investors in comprehending how to incorporate behavioural profiling to protect assets, mitigate financial crime risk, and enhance internal controls, hence boosting organisational performance and investor trust. This study is confined to assessing the impact of behavioural profiling on the engagement process of fraud investigations in Nigeria, emphasising forensic accounting practices, institutional frameworks, and investigator competencies within selected financial institutions in Southwest Nigeria.

**2.0 Literature Review**

**2.1 Conceptual Review**

**2.1.1 Performance of DMBs**

Obizue and Eme (2025) say that the performance of Deposit Money Banks (DMBs) is measured by how well a company uses its assets and runs its business to make money. This is usually done using financial ratios like Return on Assets (ROA), Return on Equity (ROE), and Profit Margin. Wahyuandari (2025) says that the way DMBs work in a business shows its potential to make money, keep costs down, and be profitable, all of which are important for long-term growth and investor trust. DMBs' performance is a key indicator of an organization's health and ability to compete in the market, as ROA shows how well assets are being used to make money (Ebifinidei & Weli, 2025). ROE measures the return on shareholders' equity, which shows how well financial leverage works. These indicators help stakeholders make smart choices that are good for comparing themselves to competitors.

**2.1.2** **Forensic Accounting Techniques**

Forensic accounting is a special approach of looking at financial data to identify evidence of fraud, embezzlement, or other illegal financial behaviour in commercial or legal circumstances (Apalowowa et al., 2025a). Forensic accounting is a way for professionals to find financial irregularities and back up litigation with objective, evidence-based judgements (Ehiriudu et al., 2025). Forensic accounting is the application of accounting, auditing, and investigative skills to uncover and examine financial issues. Some of these skills are digital forensics, data mining, trend analysis, and ratio analysis (Apalowowa et al., 2025b). Forensic accounting helps firms identify fraud schemes including false income, stealing assets, and lying on financial statements. As financial crimes become increasingly complicated, courts turn to forensic accountants for expert testimony. Companies should use forensic accounting more and more to strengthen their internal controls (Kanu et al., 2023). So, it helps you identify and stop difficulties with managing money.

**2.1.3 Fraud Detection**

A specialized method of examining financial data to find evidence of fraud, embezzlement, or other financial crimes in business or legal settings is known as forensic accounting (Apalowowa et al., 2025a).

Specialists can use forensic accounting to identify financial discrepancies and enable litigation with impartial, fact-based decisions (Ehiriudu et al., 2025). Use of accounting, auditing, and investigative skills to identify and investigate financial problems is known as forensic accounting. Some of these skills include digital forensics, data mining, trend analysis, and ratio analysis (Apalowowa et al., 2025b). Some of the fraud that companies are able to detect with the help of forensic accounting includes false income, asset misappropriation, and financial statement fraud. Courts call upon forensic accountants to provide expert testimony as financial crimes become increasingly sophisticated. Businesses ought to use forensic accounting on a more frequent basis to strengthen internal controls (Kanu et al., 2023). As such, it assists you in detecting and resolving financial management issues.

**2.1.4. Reporting Reliability**

A specialized method of examining financial data to find evidence of fraud, embezzlement, or other financial crimes in business or legal settings is known as forensic accounting (Apalowowa et al., 2025a). Specialists can use forensic accounting to identify financial discrepancies and enable litigation with impartial, fact-based decisions (Ehiriudu et al., 2025). Use of accounting, auditing, and investigative skills to identify and investigate financial problems is known as forensic accounting. Some of these skills include digital forensics, data mining, trend analysis, and ratio analysis (Apalowowa et al., 2025b). Some of the fraud that companies are able to detect with the help of forensic accounting includes false income, asset misappropriation, and financial statement fraud. Courts call upon forensic accountants to provide expert testimony as financial crimes become increasingly sophisticated. Businesses ought to use forensic accounting on a more frequent basis to strengthen internal controls (Kanu et al., 2023). As such, it assists you in detecting and resolving financial management issues.

* 1. **Theoretical Review**

**Fraud triangle theory is the basis for this study because it helps us to understand the cause, pressure, opportunity, and rationalisation for dishonest action. Behavioural profiling is trying to prevent and detect such action in Nigerian financial institutions. Donald R. Cressey came up with the Fraud Triangle Theory in 1953 while conducting research on embezzlers, who are also known as trust violators. The theory explains that there should be three conditions for occupational fraud to take place: pressure, opportunity, and rationalisation. Pressure may be because of financial problems or personal problems. Opportunity is created by weak internal controls, and rationalisation is what the fraudster uses to justify the reason why they did something wrong (Owolabi, 2020). Fraud triangle theory is the common approach in forensic accounting and auditing to detect and prevent fraud. The model fails to account for emotional or spontaneous conduct and argues that offenders make logical choices (Oladejo & Jack, 2020). A major criticism is that it over-simplifies the psychological and organisational issues generating fraud. Okonta & Nnamdi (2025), Okiridu and Ogbosei (2024), and Osmond et al. (2023) write that the model is reactive, not predictive, and may not include collusion. They want more dynamic models with behavioural and environmental variables. In spite of some shortcomings, the fraud triangle hypothesis remains a useful part of fraud risk assessment.**

**2.3 Empirical Review**

Apalowowa et al. (2025a) explored the use of forensic auditing as a proactive measure by forensic auditors. The purposive sampling methods employed resulted in a population sample with a survey methodology using a questionnaire. The sample of the study was constituted by 210 of staff of the three state-own government universities in Ondo State working in the Audit Departments (Source: Attendance Register, 2025). The population of the study is made up of 120 senior staff who are certified by either ICAN or ANAN. The findings indicate that responsive planning strategies have no statistical significance while robust internal controls and oversight having p-values of .0000 and .00105 respectivetly.

Obizue and Eme (2025) quasi experimental work examined the impact of assets investment on the financial performance of deposit money banks (DMBs) in Nigeria for a decade period between 2012 and 2022. Secondary data of the selected banks were obtained from their annual financial statements of accounts and utilized in the time series estimation of the impact of investment in effective assets on the profitability of DMBs in Nigeria. This research employed return on assets (ROA) as the financial performance measure. It utilized cash and cash equivalents, money market products, plant, and equipment as well as intangible assets as measures of asset investment, the independent variable, in specifying an econometric model. The analysis made use of the linear regression tool and the outcome indicated a positive and significant relationship between the dependent variable, ROA and the independent variables, the asset investment indices.

Apalowowa et al. (2025b) investigated the issues of professional fraud and whistle-blowing in the Federal Ministries Departments and Agencies in Nigeria. This study uses survey design as the data was collected directly from the participants, and is made up of two hundred and eighty three (283) Departments Heads and Accountants of the FMDAs in Ondo State, Nigeria. The entire population in their study were selected by employing a Census Sample Technique. As it can be seen from the analysis, measures such as whistle-blowing, internal controls and corporate governance show a positive correlation with an individual’s Performance of the heads of MDAs and Accountants in the federal MDAs, hobutone of the factors yielded statistically significant results at the conventional level. Their results showed z-statistic for corporate governance, internal controls, and whistle-blowing, thus confirming that perceived correlations were the result of chance rather than genuine causation.

Similarly, Okonta and Nnamdi (2025) examined the role of Artificial Intelligence (AI) in forensic fraud investigations in companies in Nigeria. Given traditional methods’ struggles to remain effective in the face of this growing complexity and the need for businesses’ sustainability to combat fraud, the study looks into the ways where AI technologies can positively impact investigations. Employing a documentary study, the research looks at the use of data analytics, machine learning algorithms, and predictive modeling to increase the speed, accuracy and efficiency of fraud detection. Though not without challenges, in the Nigerian context, it is found that the adoption of AI Forensics helps better detect and prevent fraud by also being proactive.

Ebifinidei and Weli (2025 studied the impact of financial risk management on the financial performance of quoted Deposit Money Banks DMBs in Nigeria between 2014 and 2023. The study was ex-post facto and adopts a positivist philosophy. The study sourced its data from existing public annual reports of 14 quoted DMBs on the Nigerian Exchange Group (NGX) as at 2023, but a total of Nine (9) DMBs were eventually considered in the analysis, using a purposive sampling selection technique. Statistical analysis was carried out using E-Views Version 10 and SPSS Version 23, while data was analyzed using Descriptive Analysis, Unit Root Tests, Panel ARDL Model and Moderated Multiple Regression Technique MMR . It was discovered that there was long-run impact of credit risk management on return on assets (ROA). while there was no short run impact. But, while operational risk does have a major impact on return on assets (ROA) and earnings per share (EPS) in the short and long term.

Tabot et al (2025) established the role of intuitive investigativeness in the detection of fraud; Analytical Proficiency are analyzed as being influential in the detection of fraud and the understanding organization behavior in the detection of fraud in commercial banks in Cameroon. The descriptive research design was used to determine the role of knowledge of forensic accounting in the detection of fraud in this study. The population of the study is the 222 commercial banks branches and headquarter that are currently. Convenient sampling technique was used in the study as it is easy and less costly. Data was collected using structured questionnaires because the study intends to solicit for quantitative data. Analysis was conducted using descriptive statistics. Data analysis revealed that there is a positive significant relationship between investigative intuitiveness and fraud detection in commercial banks.

The effect of fraud on the performance Deposit Money Bank in Nigeria was established by Chukwuekwu (2024). Correlational and expo facto research design were employed, making use of secondary data extracted from the Nigerian Deposit Insurance Commission (NDIC) as well as published financial statements of the DMBs. Their study, but, focused on all the 29 DMBs (5 Merchant Banks, 2 Non-Interest Banks and 22 Commercial Banks) as at 2019 as published by NDIC for ten years period of (2010-2019). Multiple regressions were performed. They found that the fraud triangle and diamond theories (as represented by expected loss from loss from fraud, number of fraud cases, and staff participation in deception scheme) exert a negative significant impact on DMBs’ performance (as measured through ROA) in Nigeria.

Apalowowa et al. (2023) investigate the impact of forensic accounting procedures in the fraud examination, prevention and detection of fraudulent activities in the States Pension Board in Nigeria. The primary source of data used a survey research design in this study. The target population for the study consisted of 186 senior employees of the state pension board in the three chosen state (Staff Register Book 2023). They adopted Census Sampling Techniques & Stratified Sampling Techniques. They applied Ordinary Least Squares Regression to their data. The research findings, indicates that forensic accounting has a significant statistical relevance towards the examination, prevention and detection of fraud. The study also established that fraud prevention and detection was significantly affected by techniques of accountability, transparency and internal audit.

**2.4. Knowledge Gap**

**Current approaches to fraud investigation within Nigerian banks fail to incorporate behavioral profiling, which constitutes a major void in not only the prevention of fraud but also in detecting, and understanding, the psychology and behaviors of a fraudster.**

**3.0 Methodology**

A mixed research design was adopted, which is survey research and an ex post facto research design, was adopted for this study. A structured questionnaire was distributed to the targeted respondents are staff who are professional accountants in the banking sector in the State capital of Ondo and Ekiti States. The study population consisted of 50 professional accountants, and the study sample was the whole population using Census Sampling Techniques and Stratified Sampling Techniques to select two States, from 36 states in Nigeria. Using four scales of strongly agree (SA), agree (A), disagree (D), and strongly disagree (SD). The measurement of variables for forensic accounting techniques is measured by fraud detection, reporting reliability, and forensic accounting practices as Independent Variable (IV). Meanwhile, the dependent variable (DV) is performance of DMBs measured by Return on Assets.

**3.1 Model Specification**

The study adopted Apalowowa et al. (2023) model. The model stated thus:

*FRPD = ƒ(INAUDITT, ACCTYT, TRPT) …………………………………………………… (i)*

*FRPD =* β0+β1INAUDITT+β2ACCTYT+β3TRPT+*μ1 …………………………………. (ii)*

*Where:*

β*0 = Unknown Constant term to be estimated*

*FRPD = Fraud Prevention/Detection*

*INAUDITT = Internal Audit Technique*

*ACCTYT = Accountability Technique*

*TRPT = Transparency Technique*

*μ1 = Stochastic error term*

However, this study captures fraud detection and reporting reliability as an essential variable of forensic accounting techniques. The model re-modified as follows;

FP = *f*(β0+β1FAT+β2FRD+β3FAP+β4RRT+*μ1 ) …………………………………………….(iii)*

Econometrically, the study model is defined thus:

FP = Performance of DMBs

FAT = Forensic Accounting Techniques

FRD = Fraud Detection

FAP = Forensic Accounting Practices

RRT = Reporting Reliability

*μ1 = error term*

β1 – β4 = Unknown

A Priori Expectation This is a theoretical statement that expresses what a probable result analysis would be. In this study, it is assumed forensic accounting as a technique, fraud detection, forensic accounting practices and reporting reliability are positively related to fraud prevention and detection for bank performance. The coefficients of estimated β0, β1, β2, β3, β4 > *0.*

**3.2 Reliability and Validity**

Reliability tested using Cronbach’s Alpha; validity confirmed via expert review and pilot testing

**Table 1:** **Reliability and Validity Test**

|  |  |  |  |
| --- | --- | --- | --- |
| **S/No.** | **Variable** | **Items** | **Cronbach’s Alpha** |
| 1 | Performance of DMBs | 10 | 0.839 |
| 2 | Forensic Accounting Techniques | 8 | 0.821 |
| 3 | Reporting Reliability | 9 | 0.818 |
| 4 | Fraud Detection | 10 | 0.814 |
| 5 | Forensic Accounting Practices | 10 | 0.834 |

### **Source: Author Computation (2025)**

Data collected from both sources were anaylsed using descriptive and inferential statistics. Correlation analysis and multiple regression analysis were performed using EViews Version 9.

**4.0 Data Analysis and Findings**

* 1. **Descriptive Statistics**

Means between 3.19 and 3.31 from descriptive statistics indicate that respondents perceived these variables relatively high. Means and medians are very close to each other for all variables; medians are even 3.4 for all variables, except for DMBs performance (FIN\_PERF (3.29). This tells us that some skewness is still present, but at least they are consistent with a hypothesis of symmetric distributions around the central values. Standard deviations are between .37 and .43, indicating moderate variability in these responses. Fraud detection (FRA\_DEC) and forensic accounting technique (FOR\_ACC\_TECT) are slightly more dispersed, indicating a broader range of opinions on this type of detection or technique. Descriptive statistics for Skewness and Kurtosis of all variables show negative skewness, suggesting that most responses are clustered on the high end of the scale. Plus, reporting reliability (REP\_RELIAB) and fraud detection (FRA\_DEC) have kurtosis values that are more “positive than normal”, suggesting a higher-than-normal peak and clustering near the mean. In terms of normality, the Jarque-Bera statistics also lead to consider REP\_RELIAB and FRA\_DEC as more non-normal since the statistics are higher (6.06 and 8.31 respectively). This could be due to more outliers or more polarized opinions on these constructs. It can therefore be concluded that there is a positive perception among the respondents that forensic accounting is related to DMBs performance, especially with respect to the dependability of reports and fraud identification.

**Table 2**: **Descriptive Statistics**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | FIN\_PERF | FOR\_ACC\_PRAC | REP\_RELIAB | FRA\_DEC | FOR\_ACC\_TECT |
|  Mean |  3.189369 |  3.293023 |  3.255814 |  3.306977 |  3.279070 |
|  Median |  3.285714 |  3.400000 |  3.400000 |  3.400000 |  3.400000 |
|  Maximum |  3.714286 |  4.000000 |  4.000000 |  4.000000 |  4.000000 |
|  Minimum |  2.285714 |  2.400000 |  2.200000 |  2.000000 |  2.200000 |
|  Std. Dev. |  0.380170 |  0.368650 |  0.365997 |  0.410224 |  0.427929 |
|  Skewness | -0.623819 | -0.521021 | -0.820387 | -0.913257 | -0.687928 |
|  Kurtosis |  2.655619 |  2.687675 |  3.832013 |  4.140014 |  3.200712 |
|  Jarque-Bera |  3.001398 |  2.120252 |  6.063691 |  8.305781 |  3.463762 |
|  Probability |  0.222974 |  0.346412 |  0.048227 |  0.015719 |  0.176951 |
|  Sum |  137.1429 |  141.6000 |  140.0000 |  142.2000 |  141.0000 |
|  Sum Sq. Dev. |  6.070242 |  5.707907 |  5.626047 |  7.067907 |  7.691163 |
|  Observations |  43 |  43 |  43 |  43 |  43 |

### **Source: Author Computation (2025)**

**4.2 Regression Analysis on the Relationship between Forensic Accounting Techniques and Performance of Listed Deposit Money Banks**

The regression study focusses at how forensic accounting processes affect how well deposit banks do their jobs. The independent variables are Forensic Accounting Practices (FOR\_ACC\_PRAC), Reporting Reliability (REP\_RELIAB), Fraud Detection (FRA\_DEC), and Forensic Accounting Techniques (FOR\_ACC\_TECT). The dependent variable is how well the deposit money bank does its job. The R-squared value of 0.3987 means that the forensic accounting procedures variables in the model explain 39.87% of the differences in how well deposit money banks do their jobs. The Adjusted R-squared value of 0.3354 takes into consideration the amount of predictors and shows that the model fits well. This means that the forensic accounting techniques model does a good job of explaining DMBs and would be even better if more variables were added. The p-value of 0.000544 and the F-statistic of 6.30 show that the regression model is statistically significant at the 5% level. This shows that the set of independent variables has a big effect on how well DMBs work. The Durbin-Watson value of 1.9645 is very close to 2, which means that there is not a lot of autocorrelation in the residuals. This confirms that the data is independent. The intercept (C) = 0.8567, p = 0.0914 is not statistically significant at the 5% level (p > 0.05), but it is close to being significant at the 10% level. This means that if all predictors are set to zero, the bank's expected performance score is roughly 0.8567. The coefficient for forensic accounting processes is positive 0.2054, p = 0.2422, but it is not statistically significant (p > 0.05). This means that improved practices do improve performance, but the effect is not strong or consistent enough to draw any firm conclusions from the sample. The reporting reliability (REP\_RELIAB) is 0.0228 and the p-value is 0.9108, which means that it has a minor and unimportant effect on performance. The very high p-value means that this model doesn't show a strong relationship. Fraud Detection (FRA\_DEC) = 0.1654, p = 0.3345, which shows that there may be a positive link between fraud detection and how well a bank does. The p-value, on the other hand, shows that the relationship is not significant and is instead the result of random variation. The coefficient for forensic accounting techniques (FOR\_ACC\_TECT) = 0.3157, p = 0.0390 is statistically significant at the 5% level. This means that using forensic accounting techniques makes deposit-taking institutions perform much better.

**Table 3: Regression of Forensic Practices and Fraud Detection**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
| Variable | Coefficient | Std. Error | t-Statistic | Prob.   |
|  |  |  |  |  |
| C | 0.856674 | 0.494584 | 1.732111 | 0.0914 |
| FOR\_ACC\_PRAC | 0.205393 | 0.172891 | 1.187988 | 0.2422 |
| REP\_RELIAB | 0.022754 | 0.201648 | 0.112839 | 0.9108 |
| FRA\_DEC | 0.165388 | 0.169210 | 0.977415 | 0.3345 |
| FOR\_ACC\_TECT | 0.315734 | 0.147666 | 2.138167 | 0.0390 |
| R-squared | 0.398718 |     Mean dependent var | 3.189369 |
| Adjusted R-squared | 0.335425 |     S.D. dependent var | 0.380170 |
| S.E. of regression | 0.309920 |     Akaike info criterion | 0.603942 |
| Sum squared resid | 3.649926 |     Schwarz criterion | 0.808733 |
| Log likelihood | -7.984752 |     Hannan-Quinn criter. | 0.679462 |
| F-statistic | 6.299581 |     Durbin-Watson stat | 1.964522 |
| Prob(F-statistic) | 0.000544 |  |  |  |
|  |  |  |  |  |

**Source: Authors’ Computation (2025)**

* 1. **Discussion of Findings**

The relationship between the performance of deposit money institutions and forensic accounting techniques. The model possesses a modest degree of explanatory power, accounting for around 39.87% of the variation in bank performance. Although there is potential for improvement with the addition of other pertinent variables, the model's fairly robustness is confirmed by the Adjusted R-squared value of 0.3354 when forensic accounting procedures are taken into account. The model's statistical significance, indicated by an F-statistic of 6.30 and a p-value significantly below the 5% threshold, illustrates that the combined forensic accounting components substantially influence bank performance. The key factor proved to be forensic accounting techniques, which demonstrated a statistically significant enhancement in banking performance. This suggests that banks are more prone to achieve superior financial outcomes when employing structured forensic accounting methodologies. Nonetheless, although exhibiting positive associations, characteristics such as fraud detection, reporting dependability, and forensic accounting methods could not demonstrate statistical significance. Consequently, the findings of this study validate those of Apalowowa et al. (2025b), which examined enquiries into professional fraud and whistleblowing inside Nigeria's Federal Ministries, Departments, and Agencies. The research indicated that although whistleblowing, internal controls, and corporate governance correlate favourably with the performance of MDA heads and accountants in federal MDAs, none of the elements yielded statistically significant results at conventional thresholds. Their findings indicated that random variation significantly correlates investigative methods for corporate governance, internal controls, and whistleblowing. The findings of the research conducted by Ewa et al. (2020), which examined the application of forensic accounting techniques in detecting and preventing fraudulent activities in Nigerian commercial banks, corroborate these results. The application of forensic accounting techniques significantly improved the identification and prevention of fraud inside the financial system. The findings of Obizue and Eme's (2025) study, which investigated the relationship between asset investment and the financial performance of Nigerian deposit money banks (DMBs), revealed a robust positive correlation between the independent variables, asset investment indices, and the dependent variable, ROA. This study, however, contradicts the findings of Ebifinidei and Weli (2025), who examined the influence of financial risk management on the financial performance of Nigerian listed Deposit Money Banks (DMBs) from 2014 to 2023. Their findings indicate that credit risk management does not exhibit a noticeable short-term effect on return on assets (ROA), however it significantly influences long-term outcomes.

**Implications of the Findings**

The significance of forensic accounting techniques indicates that valuable tools such as data analytics, computer-assisted audits, and red flag indicators might enhance the performance of deposit money institutions. The insignificance of the other variables suggests that performance is not much influenced by the mere existence of fraud detection rules, reporting reliability, and forensic procedures in the absence of effective approaches. The efficacy of execution appears to be more significant than the mere presence of policies. The moderate R-squared value indicates that other unexamined factors influence performance outcomes and should be addressed in future study, despite the model's importance demonstrating that forensic accounting significantly affects bank performance. This underscores the imperative for banks to allocate resources towards the practical application of forensic technologies, rather than only formulating regulations, to enhance performance and mitigate financial misconduct.

* 1. **Conclusion**

This study showed that forensic accounting methods had a small but statistically significant effect on how well deposit money institutions did their jobs. Forensic accounting processes were the only ones that had a statistically significant and positive effect on bank performance, showing that they are an important part of improving financial results. Forensic accounting procedures, reporting dependability, and fraud identification were some of the other characteristics that had positive coefficients, but their effects were not statistically significant, which means they may not have made much of a difference.

**5.2 Recommendations**

1. To improve forensic accounting methods; banks and other financial institutions need to put money into advanced forensic accounting tools and training to make it easier to find and stop fraud.
2. Improve the reliability of data and use forensic accounting methods; don't forget how important it is to report reliability. Banks should work on making it easier to include forensic findings in regular audits and reporting.
3. Regulatory bodies should help increase the capability of forensic accounting across the banking sector so that methods are standardised and their efficacy on the performance of Deposit Money Banks (DMBs) is improved.

**References**

Apalowowa, O. D. (2025b). White-collar fraud and whistle-blowing investigations: The role of forensic auditors in Nigeria. *BOHR International Journal of Advances in Management Research, 4*(1), 1-9. DOI: 10.54646/bijamr.2025.40. [www.bohrpub.com](http://www.bohrpub.com)

Apalowowa, O. D., Olofintuyi, A. T., Falusi, I. E., & Apeko, T. E. (2023). Audit quality control and financial performance of deposit money banks in Ekiti state, Nigeria. *International Journal of Innovative Science and Research Technology, 8*(4), 1372-1378.

Apalowowa, O. D., Omosebi, A., & Akinsete, T. R. (2025a). The preventive role of forensic auditor in white-collar fraud in the Nigerian universities. *Global Scientific Journals, 13*(1), 1643-1653.

Chizoba, O. J., & Onuora, J. K. J. (2025). Effect of digital transformation on public sector accountability and transparency in Nigeria. *Journal of Accounting and Financial Management*, *11*(1), 40-51.

Ebifinidei, O., & Weli, I. (2025). Financial risk management and financial performance of listed deposit money banks (DMBS) in Nigeria. *BW Academic Journal*, 10(2), 129-158. Retrieved from https://www.bwjournal.org/index.php/bsjournal/article/view/3002

Ehiriudu, J. A., Njoku, U. C., & Eniekeye, M. (2025). Effect of ethical practices on financial reporting of deposit money bank in Nigeria (A study of First Bank of Nigeria Plc 2013-2023). *IMT International Journal of the Arts and Sciences*, *6*(1), 107-136.

Ewa, U. Eko., Adesola, W. A., & Eseneyen, J. M. (2020). Evaluation of forensic accounting techniques in fraud prevention/detection in the banking sector in Nigeria. *International Journal of Finance and Accounting, 9*(3), 56-66.

Ibrahim, K. F. A., & Ademu, S. O. (2024). Behavioural intention to use forensic audit services for enhanced financial reporting quality of North-Central Universities in Nigeria. *International Journal of Research and Innovation in Social Science (IJRISS), 8*(6), 938- 959.

Igbekoyi, O. E., Akinadewo, I. S., & Dagunduro, M. E. (2024). Policeman theory of auditing: Review of the past and present. *Journal of Business and African Economy, 10*(4), 79-89.

Kanu, C., Nnam, M. U., Ugwu, J. N., Achilike, N., Adama, L., Uwajumogu, N., & Obidike, P. (2023). Frauds and forgeries in banking industry in Africa: a content analyses of Nigeria Deposit Insurance Corporation annual crime report. *Security journal*, *36*(4), 671-692.

Obizue, E. C., & Eme, P. U. (2025). Effective assets investment and financial performance: evidence from deposit money banks in Nigeria (2013-2022). *Multi-Disciplinary Research and Development Journals International*, *7*(1), 38-56.

Ogbaini, A. C., Akpor, A. A., Oboh, R., Oputa, J. E., & Bello-Marvis, V. (2024). The role of forensic accounting in fraud detection and prevention in Nigerian public sector: A Case Study of Lagos, Nigeria. *Pedagogik Jurnal Pendidikan, Maret, 19*(1), 71-83.

Okiridu, O. S. F., & Ogbosei, G. O. (2024). Application of forensic auditing and financial fraud detection among commercial banks in Port Harcourt, Nigeria. *IIARD International Journal of Banking and Finance Research, 10*(2), 20-32.

Okonta, C. N., & Nnamdi, C. A. (2025). Forensic Investigation and Fraud Detection in Nigeria: Leveraging on Artificial Intelligence. *Review of Ethics in Sustainable Finance and Accounting*, *1*(1), 31-38.

Okonta, C. N., & Nnamdi, C. A. (2025). Forensic investigation and fraud detection in Nigeria: Leveraging on Artificial Intelligence. *Review of Ethics in Sustainable Finance and Accounting*, *1*(1), 31-38.

Oladejo, M. T., & Jack, L. (2020). Fraud prevention and detection in a block-chain technology environment: challenges posed to forensic accountants. *International Journal of Economics and Accounting, 9*(4), 315-335.

Osmond, N. O., Donald, E., and Akamike, O. J. (2023). Impact of fraud and financial crimes on the Nigerian economy. *Direct Research Journal of Social Science and Educational Studies, 11*(5), 80-87.

Owolabi, S. A. (2020). Fraud and fraudulent practices in Nigeria's banking industry. *An International Multi-Disciplinary Journal, Ethiopia, 4*(3b), 240-256.

Sunday, O., & Osarobo, I. O. G. (2025). Audit quality attributes and financial reporting credibility nexus: further evidence from Nigeria. *Journal of Academic Research in Economics*, *17*(1),

Wahyuandari, W. (2025). The role of forensic auditing in detecting and preventing financial fraud in organizations. *The Journal of Academic Science*, *2*(1), 212-221.