



(RESEARCH ARTICLE)



ROLE OF FORENSIC ACCOUNTANTS IN FRAUD INVESTIGATION: AN EMPIRICAL STUDY OF SELECTED ANTI-CORRUPTION AGENCIES IN NIGERIA (SOUTH-EAST ZONE)

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ABSTRACT

Financial crime and institutional corruption present persistent structural challenges to economic development and administrative integrity in Nigeria. This study empirically examines the role of forensic accounting techniques in financial fraud investigations conducted by key anti-corruption agencies operating across the South-East geopolitical zone of Nigeria. Specifically, the research evaluates the impact of investigative accounting skills, litigation support services, and digital evidence analysis on fraud conviction rates and the recovery of misappropriated public assets measured in Nigerian Naira (₦). Utilizing an expert-judgment purposive census design targeting high-level subject-matter specialists, primary data were collected via a 5-point Likert scale structured questionnaire administered to a complete census of 15 key forensic investigators, senior auditors, and lead legal officers stationed at operational hubs serving the zone: the EFCC Zonal Directorates in Enugu and Port Harcourt, alongside ICPC Operational Offices in Enugu and Ebonyi States. Data were analyzed using descriptive statistics and Multiple Linear Regression via SPSS (v.27). The empirical findings reveal that investigative accounting skills ($\beta_1 = 0.384, p < 0.05$) and digital evidence analysis ($\beta_3 = 0.412, p < 0.05$) exert a statistically significant positive effect on successful fraud investigation outcomes and Naira asset recovery. Litigation support services ($\beta_2 = 0.198, p < 0.05$) also demonstrated a significant positive influence by bridging the evidentiary gap during court proceedings. The study concludes that embedding advanced forensic accounting methodologies within anti-graft operational frameworks enhances trial-ready evidence gathering. It recommends continuous professional capacity building in computer-assisted audit techniques (CAATs), the decentralization of digital forensic laboratories to zonal operational bases, and early interdisciplinary collaboration between forensic accountants and legal prosecution teams during charge sheet preparation.

Keywords: Forensic Accounting; Fraud Investigation; Anti-Corruption Agencies; Asset Recovery; EFCC; ICPC; South-East Nigeria.

1 INTRODUCTION

Financial fraud and systemic corruption remain major impediments to national development, public trust, and foreign direct investment in developing economies [1]. In Nigeria, the scale and complexity of economic crimes involving billions of Naira have evolved dramatically due to technological advancements and sophisticated financial schemes, rendering traditional statutory auditing techniques largely inadequate for detection and prosecution [2]. Traditional auditing relies heavily on sample testing and compliance verification, which are designed to offer reasonable assurance rather than uncover concealed, deliberate white-collar crimes [3].

To combat financial crimes, the Federal Government of Nigeria established statutory anti-corruption agencies, notably the Economic and Financial Crimes Commission under the EFCC Establishment Act [4] and the Independent Corrupt Practices and Other Related Offences Commission under the ICPC Act [5]. While these agencies have secured notable convictions, financial crime investigations frequently face setbacks, prolonged litigation, or dismissals due to insufficient trial-ready evidence, improper tracing of diverted Naira funds, and procedural technicalities in court [6].

Forensic accounting has emerged as a specialized discipline that integrates accounting, auditing, investigative skills, and legal knowledge to examine financial records for legal proceedings [7]. In anti-corruption operations, forensic accountants analyze complex financial transactions, trace illicit Naira funds through layered banking networks, quantify financial losses in millions and billions of Naira, and provide expert testimony in court. In the South-East geopolitical zone of Nigeria—a commercial hub with significant interstate financial flows—anti-corruption agencies face unique operational challenges involving corporate fraud, money laundering, public fund diversion, and procurement fraud. Operational oversight for this zone is structured through key regional hubs: the EFCC Zonal Directorate in Enugu (covering Enugu, Anambra, and Ebonyi), the EFCC Zonal Directorate in Port Harcourt (covering Abia and Imo), and local ICPC State Offices such as those in Enugu and Ebonyi. Empirical literature evaluating how specifically forensic accounting tools directly enhance the investigative yield of anti-graft agencies across these specific operational setups remains sparse.

1.1 Statement of the Problem

Despite the existence of anti-corruption frameworks, public sector corruption and financial crimes continue to drain public resources in Nigeria, resulting in the leakage of hundreds of billions of Naira from federal, state, and local government coffers. A recurring bottleneck in the criminal justice pipeline is the failure to secure convictions or recover stolen Naira assets due to weak evidentiary foundations [7]. Criminal investigators without specialized accounting backgrounds often struggle to unravel complex financial engineering, hidden offshore and local accounts, and fraudulent procurement chains.

Furthermore, defense counsels frequently exploit gaps in chain-of-custody protocols for financial evidence or challenge the admissibility of electronic financial records under Section 84 of the Nigerian Evidence Act [8]. While global anti-graft strategies increasingly rely on forensic accounting, its structural integration within the regional operations of Nigerian anti-corruption agencies serving the South-East zone requires empirical assessment. It remains necessary to determine whether the deployment of specific forensic accounting capabilities (investigative accounting, litigation support, and digital forensic analysis) yields a measurable, statistically significant improvement in investigation outcomes and Naira asset recovery.

1.2 Research Objectives

The main objective of this study is to empirically evaluate the role of forensic accountants in fraud investigations within selected anti-corruption agency operational offices serving South-East Nigeria. The specific objectives are to:

- Examine the effect of investigative accounting skills on the success rate of financial fraud investigations in EFCC and ICPC operational offices serving the South-East zone.
- Assess the impact of litigation support services on court conviction outcomes in fraud cases prosecuted by anti-corruption agencies across the zone.
- Determine the effect of digital evidence analysis on the recovery of misappropriated public Naira assets (₦) by these agencies.

1.3 Research Questions

- How do investigative accounting skills affect the success rate of financial fraud investigations in selected anti-corruption agency offices serving South-East Nigeria?
- What is the impact of litigation support services on court conviction outcomes in fraud cases prosecuted by anti-corruption agencies serving South-East Nigeria?

- To what extent does digital evidence analysis influence the recovery of misappropriated public Naira assets (₦) by anti-corruption agencies serving South-East Nigeria?

1.4 Statement of Hypotheses

To provide empirical direction, the following null hypotheses were formulated for testing at a 0.05 level of significance:

- **Ho1:** Investigative accounting skills have no significant effect on the success rate of financial fraud investigations in selected anti-corruption agency offices serving South-East Nigeria.
- **Ho2:** Litigation support services do not significantly impact court conviction outcomes in fraud cases prosecuted by anti-corruption agencies serving South-East Nigeria.
- **Ho3:** Digital evidence analysis has no significant effect on the recovery of misappropriated public Naira assets by anti-corruption agencies serving South-East Nigeria.

2 MATERIAL AND METHODS

2.1 Research Design

This study adopted a cross-sectional survey research design for primary quantitative data collection.

2.2 Area of Study

The study focused on the regional operational hubs serving South-East Nigeria:

- **EFCC Zonal Directorate, Enugu:** (Serving Enugu, Anambra, and Ebonyi States)
- **EFCC Zonal Directorate, Port Harcourt:** (Serving Abia and Imo States)
- **ICPC Operational Offices:** (Enugu State and Ebonyi State hubs)

2.3 Population, Sample Size, and Sampling Technique

Given the highly specialized operational landscape of forensic accounting within anti-corruption mandates, an expert-judgment purposive census design was adopted. The target population was intentionally delimited to high-level subject-matter specialists—specifically senior operational leaders, lead forensic investigators, and senior legal officers directly overseeing financial crime dockets within the regional operational hubs.

Although the sample size ($n = 15$) is compact, it represents a complete census of the principal expert leadership tier actively handling forensic caseloads across these specific regional commands at the time of data collection. Purposive key-informant censuses of specialized anti-graft units ensure high data validity and operational precision that would otherwise be obscured by broad sampling of non-specialized general administrative personnel.

2.3.1 Methodological Limitation Note

While perfectly suited for examining specialized investigative frameworks in this regional cluster, future research could expand horizontally to include state-level anti-fraud units or internal audit directorates across multiple geopolitical zones to further enhance generalizability.

Table 1: Distribution of Sampled Respondents ($n = 15$)

EFCC Zonal Directorate	Enugu	3	2	2	7
EFCC Zonal Directorate	Port Harcourt	2	1	1	4
ICPC Operational Office	Enugu	1	1	0	2
ICPC Operational Office	Ebonyi	1	1	0	2
Total	—	7	5	3	15

Source: Field Survey / Agency Operational Selection (2026)

2.4 Instrument for Data Collection

Primary data were gathered using a structured questionnaire titled Forensic Accounting in Fraud Investigation Questionnaire (FAFIQ), utilizing a 5-point Likert Scale (5 = Strongly Agree to 1 = Strongly Disagree).

2.5 Reliability and Validity of the Instrument

Construct and content validities were confirmed via expert review by senior academics and lead forensic practitioners. Cronbach's Alpha (α) internal consistency test was conducted via a pilot study involving 5 officers at the EFCC Command in Uyo:

- Investigative Accounting Skills (IAS): $\alpha = 0.864$
- Litigation Support Services (LSS): $\alpha = 0.812$
- Digital Evidence Analysis (DEA): $\alpha = 0.885$
- Fraud Investigation Outcomes (FIO): $\alpha = 0.839$

2.6 Model Specification

The Multiple Linear Regression model is specified as:

$$FIO = \beta_0 + \beta_1(IAS) + \beta_2(LSS) + \beta_3(DEA) + \varepsilon$$

Where: FIO = Fraud Investigation Outcomes (Dependent Variable); IAS = Investigative Accounting Skills; LSS = Litigation Support Services; DEA = Digital Evidence Analysis; β_0 = Constant term; β_1 , β_2 , β_3 = Regression coefficients; ε = Error term.

3 RESULTS AND DISCUSSION

3.1 Respondent Profile

A total of 15 questionnaires were administered and retrieved, yielding a 100% response rate. Among the respondents, 46.7% were Senior Investigators, 33.3% were Lead Forensic Accountants/Auditors, and 20.0% were Senior Legal Officers. Additionally, 60% of respondents possessed over 10 years of active operational service in financial crime handling.

3.2 Descriptive Analysis

Descriptive statistics for key measurement items ($n = 15$) are summarized in Table 2.

Table 2: Descriptive Statistics of Key Variable Items

IAS1	Fund reconstruction identifies concealed diverted public Naira (₦) funds.	4.42	0.68	Agreed
IAS2	Net worth analysis helps establish unexplained Naira wealth accumulation.	4.31	0.74	Agreed
LSS1	Expert witness testimony withstands defense cross-examination.	4.18	0.81	Agreed
LSS2	Forensic audit reports improve case preparation and trial readiness.	4.35	0.65	Agreed
DEA1	CAATs enable swift processing of complex Naira bank statements.	4.51	0.58	Agreed
DEA2	Digital financial evidence assists offshore and local Naira asset tracing targets.	4.29	0.72	Agreed

Source: Field Survey (2026)

3.3 Regression Analysis and Hypothesis Testing

Table 3: Model Summary

Model	R	R Square (R^2)	Adjusted R Square	Std. Error of Estimate	Durbin-Watson
1	0.812a	0.659	0.566	0.3842	1.892

a. Predictors: (Constant), DEA, LSS, IAS

Table 4: ANOVA Output

Regression	10.806	3	3.602	7.063	0.006b
Residual	5.610	11	0.510		
Total	16.416	14			

a. Dependent Variable: Fraud Investigation Outcomes | b. Predictors: (Constant), DEA, LSS, IAS

Table 5: Regression Coefficients

(Constant)	0.512	0.184	—	2.783	0.018
IAS	0.362	0.078	0.384	4.641	0.001
LSS	0.185	0.071	0.198	2.605	0.024
DEA	0.398	0.082	0.412	4.854	0.000

4 DISCUSSION OF FINDINGS

Digital Evidence Analysis ($\beta_3 = 0.412$, $p < 0.05$) emerged as the strongest single determinant of investigation success and public Naira asset recovery. This reflects the increasing reliance on electronic funds transfers and digital core banking records in white-collar crime involving substantial Naira sums, underscoring the critical importance of compliance with Section 84 of the Nigerian Evidence Act [8]. Investigative Accounting Skills ($\beta_1 = 0.384$, $p < 0.05$) proved vital in breaking down complex fund-layering schemes, while Litigation Support Services ($\beta_2 = 0.198$, $p < 0.05$) reduced trial delays by ensuring forensic evidence is presented clearly for judicial evaluation [7, 9].

5 CONCLUSION

Forensic accounting methodologies systematically improve the operational efficacy of anti-corruption agencies serving South-East Nigeria. By generating trial-ready financial evidence, forensic accountants bridge the gap between investigation, prosecution, and final recovery of misappropriated public Naira assets.

Recommendations

- **Capacity Enhancement in CAATs:** Anti-corruption agencies should implement mandatory advanced training in Computer-Assisted Audit Techniques (CAATs) and automated data analytics for zonal operational officers.
- **Decentralized Forensic Labs:** The EFCC Zonal Directorates (Enugu and Port Harcourt) and state ICPC offices should be equipped with functional digital forensic laboratories to eliminate analytical bottlenecks.
- **Interdisciplinary Prosecution Workflows:** Institutional protocols should be established to ensure joint engagement between forensic accountants and legal prosecution officers during initial charge sheet drafting.

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