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APPLICATION OF FORENSIC ACCOUNTING TECHNIQUES AS ANTIDOTE FOR CURBING FRAUD IN NIGERIA BUDGET IMPLEMENTATION ADEGBIE

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Abstract

Budgeting is a fiscal policy used by the government to grow and develop the economy to ensure performance, stability and sustainability. Studies have shown that diversion of budgeted allocated funds, misappropriation of funds, fraud and uncompleted capital and developmental projects are major challenges facing budgetary system in Nigeria public sector. Studies further revealed that various strategies used to resolve the problem have not been successful. This study evaluated the impact of the applying forensic accounting techniques in curbing fraud in Nigeria budget implementation. The study employed survey cross-sectional research design. The population consisted of 195 staff of federal government establishments connected with budgetary system and fiscal policy. With the use of total enumeration, 195 copies of the questionnaire were administered with a retrieval rate of 150 copies (77%). The study adopted descriptive and inferential statistics to analyze the data. The findings showed that Investigative and Audit Support Service have strong impact on fraud and misappropriation of budgeted allocation funds $\beta=0.342, F(1,149)=10.587, p\text{-value}=.002$. The result also showed that Investigative and Audit Support Service has significant impact on uncompleted capital and developmental projects. $\beta=0.745, F(1,149)=249.621, p\text{-value}=.003$. The study concluded that the application of forensic accounting techniques have positive effect on curbing fraud in budget implementation. The study recommended that the federal government should make a policy to incorporate forensic accounting in Nigeria budgetary system.

Introduction

Budget is fiscal weapon for the growing the economy as it quantifies a propose plan by the government of a nation through annual fiscal policy. A budget financial or non-financial is a blueprint for the coming fiscal year. The fiscal aspect of the budget quantifies the expectations regarding future income, expenditure, cash flows and statement of financial position. The government through fiscal policy employs a budgetary system with the objective of growing the economy, stabilize the productive sectors and maintain economic stability. (Omolehinwa and Naiyeju, 2011). A country cannot achieve macroeconomic stability without fiscal policy. To achieve economic growth and stabilization, the government uses budget to influence the quantum and allocation of revenue and expenditure with the objective of achieving both internal and external economic balance. The government of a nation in a bid to stabilize the economy embarks on deficit budgeting which is being financed by borrowings through domestic and foreign. The government will embark on an expansionary fiscal policy to achieve this. The government both in developed and developing nations maintains fiscal operations through budget cycle of formulating, enacting and executing the budget. The government can maintain fiscal buffers by saving for the future and for stabilizing the economy. The government will also, maintain fiscal transparency which should show the true picture of government spending, investment and borrowing. The government is to further maintain fiscal sustainability to maintain existing monetary and fiscal policies without affecting national solvency, expenditure needs and satisfying financial obligations. (Woka and Miebeka, 2014)

Oke (2013) opined that budgeting in Nigeria has brought up many contentious issues on the appropriate budgetary system, and review the size of governance suitable for managing budget for objective realization. It was further explained that budget preparation and implementation have created many challenges between the legislative and the executive the need for the type of control suitable for effective utilization of resources at the budget preparation stage. Where a country experiences macroeconomic issues having negative reactions on the economy, the government employs fiscal policy instruments of budgeting, borrowing and taxation to stabilize the economy. Ada and Akogu (2019) stated that “government in an attempt to achieve macro-economic goals and objectives of price stability, economic growth, stable and full employment, infrastructural development as well as balance of payment equilibrium, initiatives of several types of budget such as balanced ,surplus, deficit, development as



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well as supplementary budget". Government of every nation has the statutory obligation of transforming the economy of a nation to a state of economic reality for the production of goods and services to satisfy human welfare needs and gain comparative advantage in the global economy. The vision can only be achieved with effective distribution of resources to various productive sectors through budgetary system. Olaoye (2016) opined that the implementation of the national budget is direct implementation of debt servicing, capital expenditure, recurrent expenditure, tax subsidies among others since they are components of the national budget. Ogujiuba and Ehigiamusoe (2013) as cited in Olaoye (2016) explained that in post-independence Nigeria, capital budget implementation has never attained 75% implementation. Capital budget which accounted for 23.7% of the total budget dropped by 30% significantly in 2013. The decrease created a major setback in adequately funding ongoing infrastructure projects under the transformation agenda of the government. In their reaction, they explained that records showed that currently, there are several projects that have been abandoned and remain uncompleted. Sanni and Nwite (2018) articulated that a correlation exists between the volume of government expenditure cum revenue utilization and economic growth measured by Gross Domestic Product (GDP). The change in the GDP of a nation is determined by the spending on capital expenditure for improving economic infrastructure, spending on capital expenditure and servicing of the national debt in order to attain economic growth. Ezeagba and Adigwe (2015) in table 1.1 below observed that budgetary implementation has dwindled in the country for over a decade. They observed further that an average implementation percentage of disbursed recurrent and capital expenditure between year 2004 and 2013 according to the Central Bank of Nigeria Annual Report varies. The table 1 below shows the budget expenditure allocation and average implementation level between years 2004 and 2013.

Table 1: Allocation of Budgeted Figures and Implementation Rate in Nigeria (₦b) From 2004 to 2013

Budget	RE Exp	CA Exp	Total	AI%
2004	568	350	918	50
2005	1000	617	1618	92
2006	1337	539	1876	92
2007	1485	782	2266	60
2008	1819	673	2492	30
2009	2014	797	2871	20
2010	2755	1854	4609	20
2011	2481	1005	3486	*
2012	2472	1320	3792	20
2013	2629	1620	4249	*
TOTAL	18620	9556	28177	

Source: Central Bank of Nigeria (2014) as cited in Ezeagba and Adigwe (2015)

Key: RE = Recurrent Expenditure; CA = Capital Expenditure; AI% = Average Implementation Percentage; *= Not indicated in the source

One may need to ask the following questions -why was the budget not adequately implemented? What happened to the unexpended money? What were the reasons for this action or inaction despite full disbursement of fund? What roles are the anti-graft agencies playing to stop this menace in the country? Given this premise the issue of budget implementation should be given serious consideration.

Enofe (2017) opined that there is the need for forensic accounting in many developing economies but records show that is confined to developed economies with simple appreciation in emerging economies. Forensic accounting is gradually being recognized in Nigeria that can be used to detect and guide against economic and financial crimes. Bologna and Lindquist (1995) as cited by Enofe (2017) defined forensic accounting as *the application of financial skills and investigative mentality to unresolved issues, conducted within the context of the rules of evidence*. It is practiced in areas where accountants use their skills to investigate fraud, embezzlement of funds, and theft of assets or find facts of hidden assets in divorce cases. In view of this explanation, forensic accounting is seen as giving highest level of assurance in legal suits on financial crimes. (Apostocou, Hassell and Webber, 2000 as cited in Enofe, 2017). In Bamiro and Adedeji (2010), the amount released for capital projects to Federal Universities, Polytechnics and Colleges of Education between 2006 and 2008. According to them in year 2006, the amount released for capital projects to the Universities was ₦6,412,015,000, in year 2007 ₦8,285,015,000 was released while in year 2008 ₦13,958,579,185 respectively. To Polytechnics, in year 2006



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the fund released for capital projects was ₦2,164,746,264, in year 2007 ₦2,424,746,264 was released while in year 2008 ₦3,578,057,860 was released respectively. To Colleges of Education, in year 2006 ₦3,063,175,000 was released, in year 2007 ₦4,991,020,000 was released while in year 2008 ₦2,883,329,309 was released for capital projects. The amount released for capital projects according to them amounts to 10.7% of the total allocation to the tertiary institutions. The amount though too small, yet calls for questioning. Were capital projects implemented, funds unutilized or diverted considering the deplorable conditions of our tertiary institutions? This is one of the issues that this study investigated.

Onuba (2013) reported that the Federal government released ₦400 billion for capital projects in the year 2013. He noted that the Finance Minister in that year, Dr Ngozi Okonjo Iweala reported that ₦497 billion was allocated to key infrastructures, which covered Federal Capital Territory projects, Gas pipelines, Aviation, Transport, power and works, Human Capital Development while Education and Health were allocated ₦705 billion and ₦175 billion was allocated to Water resources and Agriculture. He reiterated further that the Finance Minister then stressed that "Nigeria's infrastructure deficit remains one of the binding constraints to growth in the economy so 2013 budget made provision for aggregation of expenditure of ₦4.987 trillion." Onuba (2013) however noted that in spite of this huge money, it is pathetic to note that the impact of the money was not felt in the nation's economy as many Nigerians are still unemployed and infrastructures needed for growth and development are nothing to write home about in spite of the former Finance Minister Dr. Ngozi Okonjo Iweala's submission during the regime of President Goodluck Jonathan that government has spent much to develop the economy. The issue of uncompleted project is another grey area that this nation is suffering from. Woka and Miebaka (2014) observed that there is incessant and prevalent abandonment of developmental projects in the country. These they observed are alarming as they have negative effects on the economy as a whole. They highlighted some of the reasons for the uncompleted projects to include improper monitoring and supervision of the projects poor budget implementation, improper project timing, inappropriate allocation and inconsistency in government policy.

Forensic accounting is designed to assist lawyers and the courts in legal matters and covers professional skills in investigation, accounting and auditing (Houck, Mary-Jo, Bonnie-Morns, Riley, Robertson, and Wells 2006). Forensic accounting is a system of applying skills in accounting, auditing, finance, quantitative methods, research and law to assist the court in resolving crimes in financial misappropriations. (American Institute of Certified Public Accountant (AICPA) cited in Houck, Kranacher, Jo, Riley, Robertson and Well 2006) Forensic accounting covers areas of experts witness, litigation support, investigation and resolution of financial and economic disputes. Ribadu (2005) stated that *laws relating to economic and financial crimes, criminal and penal codes are empowered to enforce all the anti-corruption and anti-money laundering laws which in turn lead to the punishment prescribed in the EFCC Establishment Act (2004). This ranges from payment of fine, forfeiture of assets, imprisonment up to five years depending on the nature and gravity of the offence.* Ribadu further explained that the mandate of ICPC in line with the Act setting it up according to him is to prohibit and prescribe punishment for corruption, fraud, embezzlement, bribery and forgery perpetrated by Nigerians. He postulated that the EFCC Act gives the commission with the power and responsibility of investigation, prosecution and enforcement of all laws against Economy and financial crimes in all ramifications. They have the power to adopt measures which includes coordinated preventive and regulatory actions, investigative and control techniques on the prevention of economic and financial related crimes. It is noted from these explanations that the Independent Corrupt Practices and other related offences Commission (ICPC) Act 2000 gives the commission the power to receive and investigate complaints from members of the public on allegations of corrupt practices and in appropriate cases, prosecute the offenders. These two bodies by the Acts that established them are to fight against misappropriation of funds and other crime related to economic and financial.

Ribadu, (2005) further posited that cases of fraud are prevalent in the Public sector in Nigeria and that every segment of the public service seems to be involved in one way or the other. Despite all the efforts of the government and its agencies, it is transparent that the rate of corruption in Nigeria is very high. Adegbe and Fakile, (2012) posited that Forensic accounting is found to be the right measure to combat both financial misappropriations in Nigeria. Dada (2013) describes Forensic accounting as the special practice area of accountancy that describes appointment resulting out of actual or anticipated disputes and litigation. Forensic accounting according to him is based upon scientific discoveries, interpretation and communication of facts through a thorough investigation of books and records of an accounting system. Scholars such as Omolehinwa (1989), Ughor and Ukpere (2009), Ezeagba and Adigwe (2015) among others have observed that poor implementation of approved budget and diversion of unspent budget disbursement by government officials in Nigeria. They however noted that if budgets in the Public sector are implemented to reality, it will lead to creation



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of wealth through employment generation, improvement in citizen's welfare, enhancement of price stability and acceleration of the provisions of infrastructure needed to boost the economy of the nation.

This study was designed to apply application of forensic accounting techniques as antidote for curbing fraud in Nigeria budget implementation. In realizing the goals of the study, the under listed hypotheses were tested:

H₀₁= Investigative and auditing support services cannot significantly curb misappropriation of budgeted allocated funds for execution of capital and developmental projects in federal government budget implementation.

H₀₂= Investigative and auditing support services cannot significantly eradicate cases of uncompleted capital and developmental projects despite full disbursement of budgeted allocated funds in federal government budget implementation.

Literature Review

2.1 Conceptual Review

Budget Implementation: The optimum utilization of resources to achieve the corporate objectives and requires planning, assessment and monitoring will lead to efficient implementation (Oke,2013). There is the need for adequate control at the implementation stage in order to derive economic benefits from the utilization of resources, Adah and Akogu(2019) viewed budget as a fiscal policy measure of any national government to achieve sustainable economy. Budget implementation is to achieve macroeconomic goals and objectives of economic growth, infrastructural development and balance of payment equilibrium. Qualities of budget integrity are good design, efficient implementation, adequate monitoring and performance evaluation. Despite large of money spent by government every fiscal period in order to improve the living standard of the people, budget implementation failure is the result recorded result (Adah &Akogu, 2019). Budget plays important role in corporate governance of any economy which is linked to Keynesian theory of demand management that will improve macro-economic performance (Olaoye, 2016). Budget control in budget implementation leads to the sustainable growth of the economy. To achieve the purpose of the budget control, it should center on corporate plan, corporate structure and governance, reporting and auditing control, operational control and capital management (Igbekoyi, 2015).

Fraud: Fraud is an intentional action taken by someone to deprive others of their belongings and converting ownership to themselves in a deceitful way. Kalunbange et al (2013) cited in Sujana, Yasa and Wahyun (2018) opine that fraud is an act to conceal and cover the truth to gain an illegitimately, intentionally acquire valuable items and cause losses to the other party. Manuring and Hadian (2013) as cited in Sujana, Yasa and Wahyun (2018) stated that fraud is an action ,omission or concealment to deceive others, to convert what do not belong to them to be their own. Fraud destroys a well establish structure and lead to financial loss which is by means of using all deceitful means of taking opportunity over another by false pretense and covering of the facts.(Okoye & Gbegi,2013).

Forensic Accounting: Forensic Accounting as defined by Association of Certified Fraud Examiners – ACFE(2019) is specialty practice of accounting that describes engagements resulting from expected financial loss in a financial and economic crime acridities leading to investigative and auditing support service, litigation support service and expert witness in the court of law. Okoye and Akamobi (2009) explain forensic accounting as a tripartite practice of accounting skills in accounting, auditing and investigation to assist in legal matters resulting from economic and financial crimes. Forensic investigation carries out inquiry for expected outcome to be used in the court, fraud examination is the conscious and spontaneous thought to investigate and uncover financial Misappropriation, while engagement arises when criminal discoveries are made in fraud investigation(Okoye &Akamobi,2009).Akani and Ogbeide (2017) aver that the importance of eradicating or reducing financial fraud and corruption that have the capacity to destroy the organization and national image and undermine economic growth cannot be underplayed. The top government officials and employees engage in corporate crime which they use their official positions to cover the three tiers of governments of local, state and federal. The Economic and Financial Crimes Commission established by the Federal Government of Nigeria has not achieved the objective of eradicating fraudulent practices in the public service. Forensic accounting as a specialized and scientific approach in practice has efficient and effective institutionalized framework to resolve the fraudulent practices that have pervaded the public service in Nigeria.(Akani & Ogbeide,2017).

Forensic Accounting Techniques: Forensic accounting techniques are the application and practices of knowledge and skills to help resolve criminal issues in financial misappropriation which requires legal and



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accounting representations. Houk et al (2000) as cited in Eke (2019) stated that the proper understanding of the forensic accounting techniques will assist in identifying the crime cases, the investigative and resolution processes so as to be a good witness in report presentation in the court. The forensic accountant should have deep knowledge of law and accounting in displaying the skills and have a representation in the court. The following techniques are needed by required by the forensic accountants:

i. Investigative and Auditing Support Services: This is the utilization and practice of investigative skills by making deep inquiry into the criminal financial misappropriation of fraud combined with the examination of evidence /documents relating to the event. These will involve the interviews of individuals that are linked to the fraud, and review all documents for detail analysis of discoveries. The investigation covers review of factual situation, issues relating to protection and recovery of assets, coordinating other experts, involving forensic document examiners and other professional experts whose services are needed to establish facts.(Okoye and Akamobi,2009).

ii. Litigation Support Service: Association of Certified Fraud Examiners explains litigation support service as a specialty skill suitable for court by providing accounting detailed analysis for discussion, debate and dispute resolution. The expertise of a qualified forensic accountant helps the legal counsel and judges in the resolution of dispute. The forensic accountant presents accounting analysis with explanations in the areas of complex accounting tax evasion and financial issues,(Okoye & Akamobi,2009).In litigation support, the forensic accountant presents the factual economic and financial issues to the litigations existing in the court or the cases pending in the court. In litigation support service, the forensic accountant presents analysis of economic loss resulting from fraud, financial misrepresentation, breach of contract, and tax evasion. The financial damage to the economy or organization is quantified for court decision procedure.(Okoye & Akamobi,2009).In litigation support service, the expertise representation covers obtaining and presenting key evidentiary documents to the court, review the documents to quantify losses, provide advisory service to lawyers in cross-examination of the opposition candidates or lawyers, review the opposition damages presented, giving oral evidence and take part in settlement agreement and negotiations (Adegbie & Fakile,2012).

2.2 Theoretical Review: The following theories were used to conduct this study;

i. Fraud Triangle Theory: This theory was propounded by Wolfe and Hermanson (2003).They explained the assumptions that will result into fraud are pressure to commit the fraud which may be internal or external which result in to the fraudster surrendering to the pressure. When individual set goals are not achieved, temptations will lead him to pressure to look for other ways of achieving the goals. This will lead to a misconduct behavior to partake in questionable activities. When the pressure goes to extreme, the individual will search for opportunities and take it to commit the fraud. Opportunity is made possible by the culture of the organization, the environment of the organization, the structure of the internal control and the position of the person in the organization. The third assumption is rationalization by the fraudsters giving justification for committing the act. The fraudster possesses the mindset to justify the act. For any fraud to succeed, pressure, opportunity and rationalization are the basic assumptions.

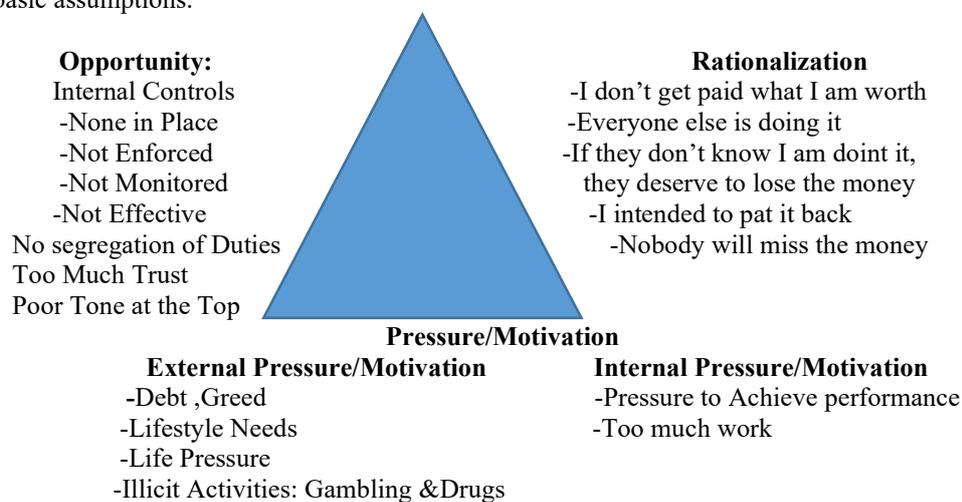


Figure 2.1-The Fraud Triangle –(Adopted from Cressey(2003)



ii. Fraud Diamond Theory: The theory propounded by Wolfe and Hermanson (2004) stated that diamond offers an attractive view factors which lead to fraud. They added capacity to three assumptions of pressure, opportunity and rationalization to form diamond theory. The quality of capacity shows that the fraudster must possess the traits of ability or authority to commit the crime. The assumption explains further that fraud will not succeed if the right person to implement it is absent. Part of the traits is authority to act. The capacity to use his position in the system to work on the financial accounting system, the confidence level that the fraud will not be detected and capacity to deal with the stress created when the act is perpetrated.

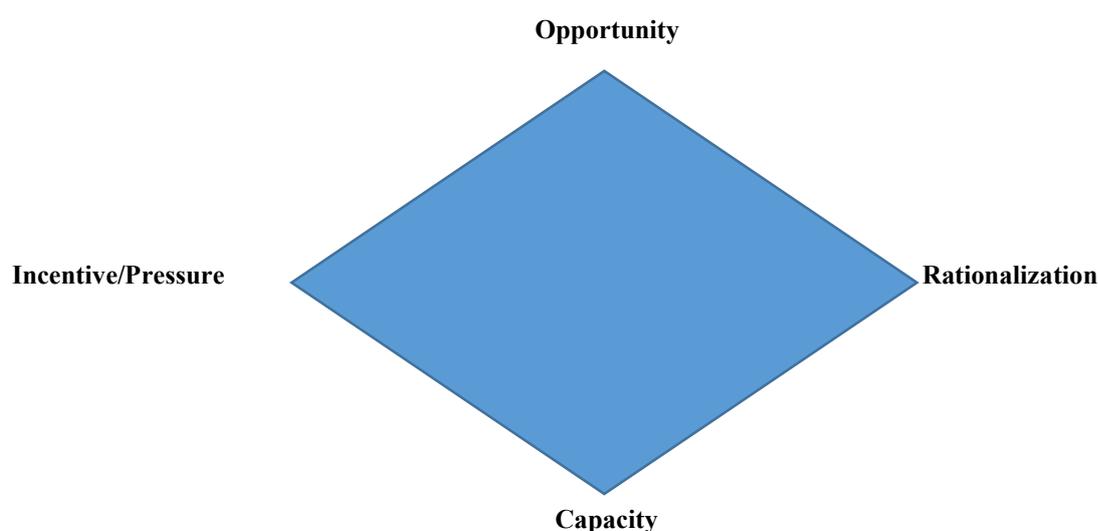


Figure 2.2. Fraud Diamond Theory-(Adopted from Wolfe and Hermanson,2004)

The two theories were used for this study because budget implementation in the public sector concerns the utilization of authorities and position which create the four assumptions of opportunities, incentives, rationalization and the capacity to act.

2.3. Empirical Review

Budget preparation in the public sector is prepared according to the statutory policies and regulations which involves the legislative and presidency taking into consideration the inflationary trends and the needs of the each section of the public sector. Igbekoyi (2015) articulated that budgetary control need should be in place for sustainable budget and budget implementation. The study evaluated the problem of inefficiencies and ineffectiveness in budget management resulting into mismanagement of funds, poor performance and low budget productivity. The study was based on theoretical research without empirical evidences, which our study filled by embarking on empirical study through ex-post design and proffers a solution of applying forensic accounting techniques. Michaiu (2014) on argument in the performance of budget in Romania, opines that public debt created large pressure on budget performance. The study based lack of performance in budget implementation on corruption, and absence of corporate planning. The study was not based on quantitative approach but recommended the application of balanced score card approach in order to create value in the public sector. The study did not consider modern scientific approach. Adegbe, Akintoye and Korode (2019) established a link between budgeting and sustainable performance based on private sector of the economy. They discovered that challenge absence of sustainable performance manifested due to a poor management of quality products, low turnover from the institutions and absence of profit, which were mainly due to poor leadership in budget implementation. While the study recommended combination of budget planning, control and coordination and performance review, this our study consider forensic accounting techniques to enforce and ensure acceptable implementation of approved budget. They considered goal setting and cognitive theories to underpin their study our study considered fraud triangle and fraud diamond theories to identify and eradicate fraud in budget implementation in the public sector. Illoh (2016) views budget as fiscal policy for stable and sustainable growth. However they viewed lack of participatory budgeting as a key factor to defective budget implementation. That non-participation participation of the citizens in the budget process creates gaps for poor or lack of budget



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implementation. This will in effect not have direct impact on the living standards, since they don't have the capacity to monitor or influence the implementation of the various projects embarks upon. The study however condemned the budget process in Nigeria economy, and recommended participatory budget to myriads of problems. Even where we have participatory budgetary system, it will not totally be eradicated without the support of scientific method of resolving the problem. Likalana (2017) sees budgeting control as a financial technique to achieve set goals which the study discovered it was lacking in Kenya. They explained that lack of trust in the authority has led to poor growth of their schools and the economy. The study only emphasized control as the only solution without looking outside the organization for new technique.

Eke and Okon(2019) in their Okunbor and Obaret (2010) stated that corporate failures have redirected the attention of accountants to rise to solving the problem of poor corporate governance, mismanagement of funds, frauds and financial misappropriation. They were of the view that there is a need for the integration of accounting skills, audit skills and investigative skills to be able to apply the techniques. Okoye and Gbegi (2013) discovered in their study that Forensic accounting is a financial strategy for the detection and prevention of fraud, financial and economic crimes in the public sector. Akanni and Ogbeide (2017) conducted empirical study on Nigeria's public sector and enumerated some factors that might militate against the practice of forensic accounting in Nigeria which include low level of awareness, no encouragement of institutional framework, lack of technology. If all the challenges are resolved, forensic accounting practice will proffer solution to fraud he averred. Okoye and Akamobi (2009) distinguished between traditional Audit and forensic audit and investigation and emphasized on the competence of forensic accountants to be able to apply the techniques to curb fraud, economic and financial crimes. They laid emphasis on investigation and audit support service and also litigation support. Naziru and Bala (2018) support the preliminary forensic accounting investigation of economic and financial crimes before Economics and Financial Crimes Commission (EFCC) will play their role. They found that corruption risk assessment, petition review and investigation are forensic activities that must be carried out before the commencement of EFCC investigation. Hao (2010) stated that *the spreading of inadequate and false financial accounting information, the limiting of laws and accounting, the deficiencies in the traditional auditing call for the need for forensic accounting and the application of the practices*. This study supports the view of all these advocates of forensic accounting techniques to curb the problem of fraud in budget implementation in Nigeria.

Methodology

Survey through cross sectional design was adopted. We studied 200 staff of Federal Government establishments where copies of structured questionnaire were administered to seek their experienced opinions from Federal government ministries including EFCC, ICPC; Federal Ministry of Health, Federal Ministry of Statistics, Federal Ministry of Works. Stratified and quota sampling techniques were used to administer the copies the questionnaire. The retrieval rate was 150 representing 75% which was considered alright to accomplish the set objectives for this study. In this situation snowball sampling method since it was difficult to identify members of the desired population. The research instrument was structured with five liker scale adopted. Descriptive and Inferential statistics were used to analyze the data with the use of Analysis of Variance (ANOVA) to test the hypotheses.

3.1. Model specification. The model for each of the hypotheses are stated thus:

H_01 = Investigative and auditing support services cannot significantly affect Fraud and misappropriation of budgeted allocated funds for execution of capital and developmental projects in federal government budget implementation.

H_02 = Investigative and auditing support services cannot significantly affect uncompleted capital and developmental projects despite full disbursement of budgeted allocated funds in federal government budget implementation

$Y=f(X)$

Y = Fraud in Nigeria Budget Implementation (FNBI)

X = Application of Forensic Accounting Techniques (AFAT)

$Y=y_1 \& y_2$

y_1 = Fraud and Misappropriation of Budget Allocated Funds (FMBA)

y_2 = Uncompleted Capital and Developmental Projects (UCDP)

$X=x_1$

x_1 = Investigative and Auditing Support Services (IASS)

Functional Relationship

FMBA =f(IASS).....Equation 1



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UNCDP=f(IASS).....Equation 2

Model Specification

FMBA = $\beta_0 + \beta_1$ IASS-----Model 1

UCDP= $\beta_0 + \beta_2$ IASS.....Model 2

Results and Discussion of Findings

4.1 Test of Hypothesis 1: H₀1= Investigative and auditing support services cannot significantly affect Fraud and misappropriation of budgeted allocated funds for execution of capital and developmental projects in federal government budget implementation.

Table 4.1 Table of Fitness of Model 1

R	R Square	Adjusted R Sq	Std Error
.258	0.6733	0.6025	.583591

Table 4. 2 ANOVA Table

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.594	1	3.594	10.557	.002 ^a
	Residual	50.4062	148	.341		
	Total	54.0002	149			

a. Predictors: (Constant), IASS1

b. Dependent Variable: FMBA

Table 4.3 Table of Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.6391	.071		9.291	.001
	IASS1	.312	.097	.256		

a. Dependent Variable:FMBA

Level of Significance=0.05

Source: Researcher’s Output extract from SPSS, 2020

The Model

$$FMBA = \beta_0 + \beta_1 IASS_1 + \mu_t$$

$$FMBA = 0.6391 + 0.312 IASS$$

From the line of best fit in table 4.1, the R-Square is 0.6733 =67.33 % variation in the components of investigative and audit support services in fraud and misappropriation of allocated funds in Nigeria budget implementation. The balance of 32.67% is found in factors not considered in this study. However from the model and table 4.3, the coefficient of the independent variable is 0.312 which indicates that 1 % increase in Investigation and Audit support service (IASS) will lead to reduction 31.2% reduction in fraud and misappropriation of funds to capital and developmental projects (FMBA). With the coefficient of 0.312 of IASS, the t-statistics is 3.248 while the p-value is 0.002 which is lower than 0.05 adopted level of significant. This shows that there is a significant relationship between Investigation and Audit Support Services (IASS) and Fraud and misappropriation of budgeted allocated funds (FMBA). From table 4.2 ANOVA table, at a level of significance 0.05 with degree of freedom 148:1, the F-statistics is 10.557 while the p-value of the F-statistics is 0.002 which is lower than 0.05 significant level adopted. Therefore, we did not accept the null hypothesis which means that Investigative and auditing support services significantly affect Fraud and misappropriation of budgeted allocated funds for execution of capital and developmental projects in federal government budget implementation. This means that there is a very strong impact of investigative and audit support services on curbing of fraud in budget implementation. This finding is in line with the studies of Eke and Okon (2019) who discovered that forensic accounting affect corporate failures caused by fraud and misappropriation of funds; and study Naziru and Bala (2018) preliminary investigation through forensic accounting techniques will show Economic and Financial Crimes Commission in Nigeria to resolve fraud in the public sector. The study negates the findings of Igbekoyi



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(2015) who linked Sustainability of performance to budget implementation and that of Illoh and Nwokedi (2016) who discovered that participation in budget will resolve budget challenges.

4.2. Test of Hypothesis 2

H₀₂= Investigative and auditing support services cannot significantly affect uncompleted capital and developmental projects full disbursement of budgeted allocated funds in federal government budget implementation

Table 4.4 Test of the Fitness of Model 2

Model	R	R Square	Adjusted R Sq	Std Error
	.783	.646	.614	.52557

(Constant), IASS2

Table 4.5 ANOVA Table

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	68.4232	1	68.423	249.621	.003 ^a
	Residual	40.9113	148	.276		
	Total	109.3445	149			

a. Predictors: (Constant), IASS2

b. Dependent Variable: UCDP

Source: Researcher’s Output extract from SPSS, 2020

Table 4.6 Table of Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.273	.065		-6.893	.001
	IASS2	.745	.076	.891	16.783	.001

Dependent Variable UCDP

Level of significance 0.05

The Model

$$UCDP = \beta_0 + \beta_3 IASS_2 + \mu_t$$

$$UCDP = -0.273 + 0.745IASS$$

Table 4.4 of line of fitness shows that the variation in the components of Investigative and audit support service in uncompleted and capital and development projects is 0.646=64.6% while the balance of 35.4% are caused by factors not represented in the model. This position shows that the model is fit. Table 4.6 and from the model, the coefficient of Investigative and Audit Support Service (IASS) is 0.745 which shows that 1% increase in IASS will lead to 74.5% reduction in uncompleted capital and developmental projects. With the coefficient of 0.745 and t-statistics of 16.783, the p-value is 0.001 which shows significant relationship between IASS and UCDP. This is an indication that IASS is very significant to solving the problem. At a level of significant level of 0.05 and the degree of freedom 144 and 1, the F-Statistics is 249.621 and the p-value is 0.003 less than 0.05 adopted significant level. The study therefore did not accept the null hypothesis which means that H₀₂= Investigative and auditing support services significantly impact uncompleted capital and developmental projects after full disbursement of budgeted allocated funds in federal government budget implementation. That is to say that Investigative and Audit Support Service (IASS) will in no small measure eradicate and resolve fraud in uncompleted project after full disbursement of budgeted allocated funds. The finding is tandem with the Hao (2010) who discovered that there is the need to develop forensic accounting and the techniques to resolve the problem of budget in the economy of China. The finding is also in tandem with the study of Okoye and Akamobi that forensic accounting is a necessary tool to detection and prevention of fraud in the public sector. The finding of this study negates the finding of illoh and Nwokedi (2016) who advocated for participatory budgeting.



Conclusion

This study evaluated the effect of forensic accounting techniques in curbing fraud in budget implementation in Nigeria public sector. The study adopted cross sectional survey design was adopted. The results show that investigative and audit support service will play positive impact in curbing fraud and misappropriation of budgeted allocated funds and have significant effect to eradicate uncompleted capital and developmental projects after the disbursement of budgeted allocated funds. This study has implication for government and policy makers to ensure all government departments should employ the services of forensic accountants to investigate all budget allocated funds and monitor projects on execution. The office of the auditor general of each state and federal government should incorporate forensic audit and investigation in their activities. The study has implication for future research as a data base for further research in this area. It is concluded therefore that application of forensic accounting techniques have significant effect to curb fraud in the implementation of budget in Nigeria public sector. The study has contributed to accounting practice by discovering the importance of implementing the techniques of forensic accounting to curb fraud, misappropriation of funds and other economic crimes in the public sector. The models formulated are predictions to as methodological contribution to knowledge.

Recommendations: Based on the findings the study recommended that adequate documentation should be in place in budget disbursements, create forensic accounting department and let them monitor the utilization of funds disbursed and also monitor and give progress reports on capital and developmental projects. The Government and regulators should give the scheme a total support for its success.

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