Forensic Accounting And Fraud Prevention in Manufacturing Companies in Nigeria

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ABSTRACT
Fraud continues to be a serious impediment to the survival and successful operations in business organizations thus requiring that they develop robust measures to as much as possible reduce the occurrence. The above necessitated the need for this study which investigated the relationship between forensic accounting practices and the prevention of fraud in manufacturing companies in Nigeria. Data was collected from primary sources through the issue of fifty (50) structured questionnaires to the accounting staff of ten (10) manufacturing companies. The collected data was analyzed using Ordinary Least Square method of multiple regression analyses. The findings of the research showed that there is a positive and statistically significant relationship between fraud investigation practices and the prevention of fraud in manufacturing companies. The findings also showed that there is a positive and statistically significant relationship between fraud litigation practices and the prevention of fraud in manufacturing companies. From the findings, we conclude that fraud investigation practices are very important for the prevention of fraud in manufacturing companies. Similarly, fraud litigation practices are an important factor in the prevention of fraud. Based on the above, it is recommended that manufacturing companies in Nigeria step up their forensic accounting practices in order to deter fraud. This they can achieve by making forensic auditing of financial records a regular and routine activity. Manufacturing should also ensure that any staff involved in fraud is promptly investigated and prosecuted and doing so in full glare of the public to serve as a deterrence to others in the future. Finally, it is recommended that manufacturing companies retain the services of qualified forensic accountants who are versed in the use of appropriate fraud deterrence methods in order to prevent fraud before it occurs.

Keywords: Business organizations, fraud, Forensic accounting, corruption

INTRODUCTION
Business organizations have been fraught with the menace of fraud for as long as records have been kept. However, recent history has recorded an unprecedented increase in fraud and fraudulent practices as result of greater size and complexities in the business environment. Fraud has grown to a point where its perpetration poses a threat not only to the concerned organization but also the entire economy. For example, the fallout of some high profile fraudulent practices in the Nigeria financial system caused panic whose effect were felt for years.

According to Golden, Skalak, and Clayton (2006), all acts of fraud can be distilled into four basic elements which are: a false representation of a material nature; knowledge that the representation is false, or reckless disregard for the truth; the person receiving the representation reasonably and justifiably relied on it for decision making and financial damages resulting from all of the above. Thus, fraud is a deliberate act with the intention to deceive those who rely on the information and would normally cause loss especially of a financial nature to victims.

Fraud can be internal or external to the organization however, the most damaging of frauds are those perpetrated by members of the organization. According to Shouter (2001), financial statement fraud (a
type of fraud perpetrated by insiders) have a higher negative impact on the victim organization and its shareholders and the investing public. This type of fraud according to the researcher is characterized by intentional misstatements or omissions of amounts or disclosures in financial reporting to deceive financial statement users. More specifically, financial statement fraud involves manipulation, falsification, or alteration of accounting records or supporting documents from which financial statements are prepared. In addition to causing losses of a financial nature to the organization, fraud when uncovered will lead to loss of confidence by the investing public which will likely starve the organization of needed funding for future activities. In numerous cases, fraud has led to the liquidation of business organizations that were initially thought financially healthy. Hence, business organizations have over the years taken great pains in trying to investigate and prevent the occurrence of fraud. One of the many methods employed by organizations to check the menace is the use of the services of forensic accountants to investigate suspected and confirmed cases of fraud in order to catch the perpetrators and make financial recoveries where possible.

Forensic accounting includes the use of accounting auditing, and investigative skills to assist in legal matters. It consists of two major components. Litigations services that recognized the role of an accountant as an expert consultant, and investigative service that uses a forensic accountant’s skills and may required possible court room testimony (Okoye and Gbegi, 2013). According to Silverstone and Sheetz (2007), forensic accountants utilize an understanding of business information and financial reporting systems, accounting and auditing standards and procedures, evidence gathering and investigative techniques, and litigation processes and procedures to perform their work. Forensic accountants are also increasingly playing more proactive risk reduction roles by designing and performing extended procedures as part of statutory audit, acting as advisers to audit committees, fraud deterrence engagements, and assisting in investment analyst research.

Forensic accountants use various methods in the performance of their roles. These include the analyses of financial statements and other relevant financial records, data mining, assessing testing data for completeness and accuracy as well as interviewing those suspected of fraud. This research paper proposes to investigate the relationship between the activities of forensic accountants and the prevention of fraud in manufacturing companies in Nigeria.

**Statement of the Problem**
According to Golden, Skalak and Clayton (2006), fraud is a feature of every organized culture in the world. It affects many organizations, regardless of size, location, or industry. Amahalu, Ezechukwu and Obi (2017); and Enofe, Olorunnuho and Okporua (2016) also confirm that the situation is not much different in Nigeria where they noted the alarming increase in the frauds and fraudulent practices both in public and private organizations. Fraud has been blamed for the failure a good number of businesses organizations causing hardship for the firms stakeholders. In such cases, investors lose their investments, jobs are lost and investors become jittery about committing funds in other viable business as they become overly cautious.

Numerous research effort has been made in assessing the importance of the services of forensic accountants to business organizations especially in improving the quality of financial statements and uncovering fraud. However, most of these research efforts have been focused on the fraud and forensic accounting activities in banks and other financial institutions. This paper has identified this lacuna in forensic accounting research especially in the manufacturing sector where very little research has been done on the subject matter. This research paper is set to investigate the relationship between forensic accounting practices and the prevention of fraud in manufacturing companies in Nigeria.

**Research Objectives**
The aim of this research study is to investigate the relationship between forensic accounting practices and the prevention of fraud in manufacturing companies in Nigeria while the specific objectives are to:

- Determine the relationship between fraud investigation practices and the prevention of fraud in manufacturing companies
- Determine the relationship between fraud litigation practices and the prevention of fraud in manufacturing companies

**Research Hypotheses**
Ho1: Fraud investigation practices do not have a significant relationship with prevention of fraud in manufacturing companies

Ho2: There is no significant relationship between fraud litigation practices and the prevention of fraud in manufacturing companies

THEORETICAL FRAMEWORK

The fraud triangle has been put forward to explain the prevalence of fraud in organizations. According to Adebisi, Okike and Yoko (2016), forensic accounting relies on the fraud triangle to identify weak points in the business systems and to identify possible suspects in cases of fraud. It consists of three core concepts which together create a situation ripe for fraud: incentive, opportunity, and rationalization. People must have the incentive and opportunity to commit financial fraud, as well as the ability to justify it. Golden, Skalak and Clayton (2006) asserted that within each of the broad risk categories in the fraud triangle, many different and specific potential red flags may be visible within an organization. They identified the risk categories as: Incentive and Pressure; Opportunity; Justification/Rationalization and Attitude. Thus, it would be in the interest of the forensic accountant to acquire good knowledge of these factors to better understand how to prevent fraud.

Nigrini (2011) posits that the first reason employees get involved in fraud is pressure. He enumerates the pressure factors to include: Pressures with financial content, Pressures stemming from habits and Pressures related with the job. As noted by Olukowade and Balogun (2015), the harsh economic environment in Nigeria has more than anything else pressured employees into financial malpractice in order to take care of financial obligations. Opportunity is another important component of the fraud triangle. It directly involves top management and owners of the business in particular. Providing the opportunity to commit fraud is one of the most important factors arising from frauds. Since the business could greatly influence opportunity factor, this point should receive particular attention for fraud prevention. For example, Mukoro, Ogijo, and Faboyede (2013) asserted that weak internal control systems make it overly easy for employees to pass over certain fraudulent activities. Finally is the attempt or effort by the fraudster to justify or rationalize their nefarious activity. Some individuals are more prone than others to commit fraud. Other things being equal, the propensity to commit fraud depends on people’s ethical values as well as on their personal circumstances. Ethical behavior is motivated both by a person’s character and by external factors (Golden, Skalak and Clayton 2006). Depending on ethical values, the fraudster is likely to put forward one of the following as justification for his/her crime: I deserve this; No one is hurt and the company is helped; the company does not really care; It is just temporary among many others (Golden, Skalak and Clayton 2006).

Concept of Forensic Accounting

Forensic accounting is the practice of utilizing accounting auditing and investigative skills to assist in legal matters and the application of specialized body of knowledge to the evidence of economic transaction and reporting suitable that is suitable for the purpose of establishing accountability or valuation of administrative proceeding. It provides an accounting analysis that is suitable to the organization which will help in resolving the disputes that arise in the organization. Forensic accountants utilize accounting, auditing and investigation skills while conducting an investigation. Forensic accountants are trained to look into the dispute in a number of ways. Forensic accountants are often retained to analyze, interpret, summarize and present complex financial and business in a manner, which is both understandable and properly supported by evidence (Ahwood and stein, 1986). They are also involved in various activities such as investigating and analyzing financial evidence developing computerized models, exhibiting documents and presenting the evidence obtained. This new area of accounting has three main areas which according to Nigrini (2011) are investigative accounting, litigation support services and investigation and dispute resolution. The former represents the factual presentation of economic issues related to existing litigation. In this capacity, the forensic accounting sustained by parties involved in the legal disputes and can assist in resolving dispute. If dispute reaches the courtroom, the forensic accountant may be called on to testify as an expert witness on the other hand the latter is the act of determining, whether criminal matters such as
securities fraud which include financial settlement, identify theft and insurance fraud. In such complex cases forensic accountants make some recommendations/actions that can be taken to minimize future risk or loss (Malamed, 2008). The forensic accountant is time and again involved in the investigating and analyzing financial evidence, development of computerized applications to assist in the analysis and presentation of financial evidence communicating their finding in the form of reports exhibits and collection of document and assisting in legal proceedings, including testifying in court as all expert witness and preparing visual aids to support trial evidence (Adewumi and Toluyemi, 2000).

In order for forensic accountants to be able to identify fraud indicators, they must be trained in the areas of investigation, detection, and various specialized auditing techniques. Many times the forensic investigator will be an experienced auditor and/or accountant. Harris and Brown (2000) suggested that a forensic accountant should be able to demonstrate specialized skills in rules of evidence and the law, analytical and investigative skills, identification of patterns of abuse, excellent interpersonal and communication skills, and outstanding organizational skills. Malamed, (2008) indicate that not only would excellent communication skills be important, but the forensic investigator should also be asking the right questions and he or she may not know to ask the right questions if not well versed in accounting information system.

**Concept of Fraud**

Financial statement fraud is an intentional attempt by business organization to misinform or mislead investors, creditors and other users of financial statements, by preparing and disseminating materially misstated financial statements (Rezaeae, 2005). It is deliberate misrepresentation, misstatement or omission of financial statement data for the purpose of misleading the reader and creating a false impression of an organization's financial strength. Public and private businesses commit financial statement fraud to secure investor interest or obtain bank approvals for financing, as justification for bonuses or increased salaries or to meet expectations of shareholders. Upper management is usually at the center of financial statement fraud because financial statements are created at the management level (Ozili, 2015).

Wang, Liao, Tsai and Hung (2006) see fraud as a planned process or device undertaken by a person or group with the full intention of cheating another person or organization to gain ill-gotten benefits. A most common occurrence of financial fraud is when losses are underplayed or deliberately hidden by organizations.

Financial statement fraud comprises deliberate misstatements or omissions of amounts or disclosures of financial statements to deceive financial statement users, particularly investors and creditors, outright falsification, alteration, or manipulation of material financial records, supporting documents, or business transactions, material intentional omissions or misrepresentations of events, transactions, accounts, or other significant information. From which financial statements are prepared, deliberate misapplication of accounting principles, policies, and procedures used to measure, recognize, report, and disclose economic events and business transactions and also intentional omissions of disclosures or presentation of inadequate disclosures regarding accounting principles and policies and related financial amounts.

There are massive issues that emanate from financial statement fraud. Financial statement fraud undermines the reliability, quality, transparency, and integrity of the financial reporting process and jeopardizes the integrity and objectivity of the auditing profession, especially auditors and auditing firms. Financial statement fraud diminishes the confidence of the capital markets, as well as market participants, in the reliability of financial information and as a consequence makes the capital markets less efficient. Ultimately, fraud undermines the credibility of the reporting organization and may lead to liquidation. Thus, the severity of the likely consequences fraud makes it very important that firms battle the menace headlong.

**EMPIRICAL REVIEW - ROLE OF FORENSIC ACCOUNTING IN FRAUD PREVENTION**

Amahalu, Ezechukwu and Obi (2017) researched on the effect of forensic accounting application on the detection of financial crime in deposit money deposit banks. Using the survey approach and testing the collected data with t-test statistics, the findings showed that forensic accounting is effective in reducing
financial crimes. The study thus recommended that auditors be required to introduce some elements of forensic accounting techniques into the average financial statement audit to increase the effectiveness of the audit. In addition, certain standard methodology and procedures to guide forensic accounting assignments be implemented to act as a reference for practice reviews especially in cases of dispute with client.

Adebisi, Okike and Yoko (2016) investigated how forensic accounting has aided the detection and prevention of fraud in Nigeria using the survey research method. Primary data collected was with the aid of questionnaire administered to a sample of 92 professional accountants in the Nigerian public sector analyzed using chi-square. The findings of the study suggest that forensic accounting have a significant role to play in fraud detection and prevention in Nigeria. It was therefore recommended that there should be more forensic accountants' involvement in fraud detection in order to reduce the rate of financial crime in Nigeria.

Olukowade and Balogun (2015) investigated the roles of forensic accountants in combating fraudulent activities, differences between a forensic accountant and traditional accountant, features of a forensic accountant and the impact of forensic accountants to detect and prevent fraud. From the research, it was found out amongst others that their services will assist audit committee members in carrying out their oversight functions by providing them assurance on internal audit report. The study recommended that government should ameliorate the cost of hiring the services of forensic accountants and to treat culprits equally without any favouritism.

Enofe, Okpako, and Atube (2013) examined the effect of forensic accounting on fraud detection in Nigerian firms. data for the study was collected from primary sources through the issue of questionnaires to fifteen firms. The collected data were analyzed with descriptive statistics using ordinary least square (OLS) regression and Chi-square. The study revealed that the application of forensic accounting services on firms affects the level of fraudulent activities.

Mukoro, Ogijo, and Faboyede (2013) explored the relevance of forensic accounting in curbing crime and corruption in public sector. Data for the study was collected from primary sources and analyzed using regression analysis. The findings showed that forensic accountants are relevant in investigating crime and corruption in the public sector. Findings further showed that forensic accountants play a role in litigation support services in the public sector. It was recommended that accounting professionals should always act proactively such that the members of the profession in Nigeria are kept abreast of emerging technologies, especially in the area of forensic accounting.

Modugu and Anyaduba (2013) examined if there is significant agreement amongst stakeholders on the effectiveness of forensic accounting in financial fraud control, financial reporting and internal control quality. Data for the study was collected from a sample of 143 accountants, management staffs, practicing auditors and shareholders and analyzed using the binomial test analysis method. The findings of the study indicated that there is significant agreement amongst stakeholders on the effectiveness of forensic accounting in fraud control, financial reporting and internal control quality. The study recommended that the ICAN, ANAN and NUC encourage formalization and specialization in the field forensic accounting. In addition, the study recommended that government stimulate interest in forensic accounting for monitoring and investigation of suspected corruption cases.

Okoye and Gbegi (2013) examine the role of forensic accounting as a tool for fraud detection and prevention in public sector organizations with particular reference to Kogi State. Data for the study were collected both from primary and secondary sources and analyzed using ANOVA. The findings of the study showed that the use of Forensic Accounting do significantly reduces the occurrence of fraud cases in the public sector and that there is significance difference between Professional Forensic Accountants and Traditional External Auditors. The research therefore recommended that Forensic Accountants be replaced with the external auditors and proper training and retraining on forensic accounting should be provided to staff of Kogi State with proper adherence to accounting and auditing standards should be followed.
METHODOLOGY

The survey research design is adopted for this study and all manufacturing companies quoted on the Nigeria Stock Exchange comprise the population of the study. From the population a total of ten (10) manufacturing companies with branches in Port Harcourt and its environs were selected and fifty (50) questionnaires were randomly distributed to five (5) accounting staff of each of the organizations in the sample. Data for the study was collected with the aid of questionnaires which were issued to accounting staff of sampled companies. The method of analyses adopted for the purpose of the research is the Ordinary Least Square (OLS) multiple regression analysis method. Functionally, it is hypothesized that:

\[
\text{Fraud Prevention} = f(\text{Forensic Accounting Practices}) \ldots \ldots (1)
\]

Where Forensic Accounting Practice is proxied as Fraud Investigation Practices (FINVP) and Fraud Litigation Practices (FLIGP) and Fraud Prevention (FPREV), equation 1 is restated as:

\[
\text{FPREV} = B_0 + B_1 \text{FINVP} + B_2 \text{FLIGP} + U \ldots \ldots (2)
\]

Where:

- FPREV = Fraud Prevention
- FINVP = Fraud Investigation Practice
- FLIGP = Fraud Litigation Practice
- \(B_0\) = Constant Term
- \(B_1, B_2\) = Coefficients of the Independent Variables
- \(U\) = Error Term

DATA PRESENTATION AND ANALYSES

Data collected for the study was analyzed using multiple regression analyses on Statistical Package for Social Sciences. Results of the data analyses are shown in the tables below.

### Table 1: Model Summary for the Relationship between Fraud Investigation, Fraud Litigation and Fraud Prevention

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.913*</td>
<td>.834</td>
<td>.827</td>
<td>.815266984</td>
</tr>
</tbody>
</table>

*Predictors: (Constant), FLIGP, FINVP*

Model summary in table 1 above show that coefficient of correlation (R) for Fraud Investigation, Fraud Litigation and Fraud Prevention in manufacturing companies gave a value of 0.913 indicating that the strength of the relationship between fraud prevention and forensic accounting practices of manufacturing companies is about the 91.30%. Table 1 further show that the coefficient of determination (R²) gave a value of 0.834 implying that as much as 83.40% of the changes in fraud prevention developments is attributable to changes in the forensic accounting practices of manufacturing companies in Nigeria.

### Table 2: Coefficients for the Relationship between Fraud Investigation, Fraud Litigation and Fraud Prevention

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
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<tr>
<td></td>
<td>FINVP</td>
<td>1.640</td>
<td>.084</td>
<td>.605</td>
</tr>
<tr>
<td></td>
<td>FLIGP</td>
<td>.421</td>
<td>.085</td>
<td>.392</td>
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</table>

*Dependent Variable: FPREV*

From table 2, we observe that the coefficient of fraud investigation practice of manufacturing companies had a value of 1.640 implying that there is positive relationship between fraud investigation practices and fraud prevention in manufacturing. Thus, a one unit increase in fraud investigation practice is predicted to lead to a 1.640 units increase in the ability of manufacturing companies to prevent the occurrence of fraud. The findings also show that there a positive relationship between fraud litigation practices and fraud prevention in manufacturing companies. With a coefficient of regression value of 0.421 for the
relationship between fraud litigation and fraud prevention implying that a one unit increase in fraud litigation practice is predicted to lead to a 0.421 increase the ability of manufacturing companies to prevent fraud.

Furthermore, considering that the t-stat for the relationship between fraud investigation and fraud prevention in manufacturing companies gave a value 7.605 with a probability of t-stat of <0.001 while the critical t-stat is 2.000 with a critical probability of t-stat of 0.05, we reject the null hypothesis of no significant relationship between fraud investigation practices and the prevention of fraud in manufacturing companies and thus conclude that fraud investigation practices does have a significant relationship with prevention of fraud in manufacturing companies.

Finally, the t-stat for the relationship between fraud litigation practices and the prevention of fraud in manufacturing gave a value of 4.928 with a probability of t-stat of <0.001 while the critical t-stat is 2.000 with a critical probability value of 0.05. Thus, we reject the null hypothesis of no significant relationship between fraud litigation practices and the prevention of fraud and conclude that there is a significant relationship between fraud litigation practices and the prevention of fraud in manufacturing companies.

DISCUSSION OF FINDINGS

This research paper investigated the relationship between forensic accounting practices and the prevention of fraud in manufacturing companies in Nigeria. Data was collected from primary sources through the issue of fifty (50) structured questionnaires to the accounting staff of ten (10) manufacturing companies. The data was analyzed using Ordinary Least Square method of multiple regression analyses.

The findings of the research showed that there is a positive and statistically significant relationship between fraud investigation practices and the prevention of fraud in manufacturing companies. The results indicated that the coefficient of regression (B) for fraud investigation (FINVP) had a value of 1.640 implying that a unit increase in the application of fraud investigation practices will lead to a 1.640 units increase in the ability of manufacturing firms to prevent the occurrence of fraud. Thus, active fraud investigation practices by manufacturing companies will act as deterrence to fraud in the future as staff will be aware that any financial malfeasance will be investigated and likely uncovered.

In a similar study, Amahalu, Ezechukwu and Obi (2017) showed that forensic accounting is effective in reducing financial crimes through active and thorough investigation of such fraud. They posit that the implementation of certain standard methodology and procedures to guide forensic accounting assignments will further help to reduce the occurrence of fraud. In another study, Adebisi, Okike and Yoko (2016) found that forensic accounting have a significant role to play in fraud detection and prevention in Nigeria. From the above, we can infer that fraud investigation by forensic accountants should be a routine activity in business organizations as the mere presence of forensic investigators paying regular visits in itself can deter certain categories of fraud - more especially those that are driven into such activities as a result of financial/economic pressures not because of habit.

The findings of this research further showed that there is a positive and statistically significant relationship between fraud litigation practices and the prevention of fraud in manufacturing companies. The results indicated that the coefficient of regression (B) for Fraud Litigation Practices (FLIGP) had a value of 0.421 implying that a unit increase in the application of fraud litigation practices will lead to a 0.421 units increase in fraud prevention.

This finding imply that implementation of fraud litigation practices by manufacturing companies will lead to increase in their ability to prevent the occurrence of fraud. Olukowade and Balogun (2015) who in their research investigated the roles of forensic accountants in combating fraudulent activities found that forensic accounting services will assist audit committee members in carrying out their oversight functions by providing them assurance on internal audit report. Similarly, Enofe, Okpako, and Atube (2013) in their study revealed that the application of forensic accounting services on firms affects the level of fraudulent activities. It is common practice in Nigeria to have companies simply fire staff that was involved in fraud in order not to incur the additional cost of litigation. This on the surface may make sense but on the long run, the organization will tend to pay a steep price for what is perceived by other employees as a tolerance for fraud. Thus, it would be more appropriate that manufacturing companies ensure that employees indicted in fraud be allowed to face prosecution and bear the steep penalty for these. In this way, other
employees will be deterred. In this context, manufacturing companies can learn some valuable lessons from the banks on how consistently punish employees involved in fraud as deterrence to others.

CONCLUSIONS AND RECOMMENDATIONS
From the findings, we conclude that fraud investigation practices are very important for the prevention of fraud in manufacturing companies. This is because the prospect fraud investigation acts deterrence for fraudulent activities. Thus, when staffs are aware that forensic accountants will be called in on any suspicion of fraud, they will be more cautious and avoid any activities that will place them at the centre of a fraud investigation in the organization. Similarly, fraud litigation practices are an important factor in the prevention of fraud as fear of being embroiled in fraud investigation and prosecution will deter certain individuals from getting involved in fraudulent activities especially where the organization makes it a point to ensure that the prosecution of fraudulent staffs is publicized to deter other in the future. Based on the above, it is recommended that manufacturing companies in Nigeria step up their forensic accounting practices in order to deter fraud. This they can achieve by making forensic auditing of financial records a regular and routine activity. Manufacturing should also ensure that any staff involved in fraud is promptly investigated and prosecuted and doing so in full glare of the public to serve as a deterrence to others in the future. Finally, it is recommended that manufacturing companies retain the services of qualified forensic accountants who are versed in the use of appropriate fraud deterrence methods in order to prevent fraud before it occurs.

REFERENCES


## APPENDIX

### QUESTIONNAIRE

**FORENSIC ACCOUNTING AND FRAUD PREVENTION IN MANUFACTURING COMPANIES’ IN NIGERIA**

<table>
<thead>
<tr>
<th>S/N</th>
<th>ITEMS</th>
<th>SA</th>
<th>AG</th>
<th>UN</th>
<th>DA</th>
<th>SD</th>
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<tbody>
<tr>
<td>A</td>
<td>FORENSIC FRAUD INVESTIGATION</td>
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<tr>
<td>1</td>
<td>The company has financial forensic investigators on its payroll</td>
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<td>2</td>
<td>Where fraud involving employees is reported, the company’s forensic accountants will be involved in the investigation</td>
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<td>3</td>
<td>Investigative accountants are involved in all categories of fraud in the company</td>
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<td>4</td>
<td>The misuse of non-financial resources are also investigated by investigative accountants where loss is substantial</td>
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<td>5</td>
<td>Proposals made by the company's investigative accountants in the course of their job are duly implemented</td>
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<td>6</td>
<td>Fraudulent activities uncovered in the course of their jobs are properly investigated and where necessary litigation processes started</td>
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<td>B</td>
<td>FORENSIC FRAUD LITIGATION</td>
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<td>7</td>
<td>The company has a well staffed and funded litigation support unit within the accounting and legal departments</td>
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<td>8</td>
<td>The company utilize the services of litigation consultant in prosecuting fraud cases involving staff</td>
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<td>9</td>
<td>The company's forensic accountants are routinely involved in reviewing the opposing expert's reports on fraud cases the company is involved in</td>
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<td>10</td>
<td>The company incur substantial litigation costs in the course of fraud litigations involving the company</td>
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<td>11</td>
<td>The company's forensic accountants routinely function as experts witnesses in the fraud cases involving the company</td>
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<td>12</td>
<td>The forensic accountants in the company have been involved in assisting in securing documentation necessary to support litigation processes</td>
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<td>C</td>
<td>FRAUD PREVENTION</td>
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<td>13</td>
<td>The company has recorded appreciable reduction in fraud since the implementation of forensic accounting measures</td>
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<td>14</td>
<td>Staff of the company are noticeably apprehensive whenever forensic accountants are called in</td>
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<tr>
<td>15</td>
<td>It is my opinion that the activities of forensic investigators is directly responsible for the reduction in fraud in the company</td>
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<td>16</td>
<td>Recommendations on fraud prevention strategies proposed by the company's forensic investigators have led to red flagging of some fraudulent behavior by staff</td>
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