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Forensic Accounting: A Novel Paradigm and Relevant Knowledge in Fraud Detection and Prevention

Stephen Owusu Afriyie [a], Michael Owusu Akomeah [a], Gertrude Amoakohene[a], Benjamin Chris Ampimah[b], Chosniel Elikem Ocloo[c], and Michael Owusu Kyei[a]

[a]I.T. Business, Ghana Communication Technology University, Accra-North, Ghana; [b]Statistics, Mathematics & Computing, Cape Coast Technical University, Cape Coast, Ghana; [c]Marketing, Accra Technical University, Accra, Ghana

ABSTRACT

Forensic accounting is a new trend that goes beyond normal audit approaches and procedures for fraud identification. The practice applies reliable principles and methods to obtain sufficient facts or data that provide basis for prosecution in the law court. Forensic accountants characteristically need adequate know-how and skills for investigation and proactive audit to control fraud. With globalization of the economy, fraudsters can be found in any organization. These criminals take advantage of loopholes such as suspicious financial statement, defective internal controls, and poor corporate governance. Hence, there is a great need for skilled forensic accountants to detect, prevent and expose the weak system. The professionals can exercise their mandate by reporting the obvious cases of fraud committed to a law court for prosecution.

Introduction

The relentless series of alarming audit failures over the years have triggered a paradigm shift in accounting. However, a new area of accounting profession known as forensic accounting has emerged, and responsible for detecting the existence of material falsification, errors and fraud. In response to certain emerging fraudulent cases, forensic accounting is perceived to have evolved to fight against the menace. In recent times, the scandals that have affected the corporate organizations such as Enron and WorldCom brought the forensic accounting field to limelight and forefront (Petra & Spieler, 2020). Forensic accounting is the specialty area that uses accounting skills to investigate fraud, misappropriation or embezzlement and to analyze financial information suitable for use in a law court. Forensic accounting employs a tripartite practice utilizing accounting, auditing and investigative skills to detect fraud and assist in legal issues. Oyedokun (2016) expounds that forensic accounting is seen as solidifying all other accounting-related investigations to exhume financial fraud. The profession demonstrates engagements resulting from actual or anticipated discrepancies necessary for legal proceedings. Objectively, effective application of forensic accounting can serve as a safety measure for institutions and countries from embezzlement or fraud.

Therefore, there is the need for an operational forensic accounting to halt or minimize misappropriation to the barest minimum. This would have a positive repercussion on safeguarding resources. From the point of view of Akinbowale et al. (2020), "Forensic" relates to the application of systematic methods and procedures to investigate crime. The main steps involved in forensic analytics are data collection, data preparation, data analysis, and reporting. The forensic evidence received through detection of crime is susceptible to prosecution (Ocansey, 2017). Actions relating to criminal matters classically arise through the outcome of detected fraud. They commonly compose of assessment of accounts and accounting systems such that records reflect on reality. Nowadays, forensic accounting has been one of the fastest-growing areas in enforcement of law. The professionals specialized in uncovering of fraud are Forensic Accountants. Bhasin (2016) corroborated that the officers generally perform tests to detect malfeasances, blunders, wrongdoings and loopholes that exist in a business organization. They scrutinize tax and business records to detect irregularities that can influence civil and criminal cases against the culprit(s). Forensic accountants, also known as forensic auditors or investigative auditors are mostly expected to present professional evidence

CONTACT Stephen Owusu Afriyie ✉ owusuafriyie1@yahoo.com ☺ Ghana Communication Technology University, Accra-North PMB 100, Ghana

during trial of offenders. It is a specialized field of accounting that describes activities resulting from actual or expected discrepancies for lawsuit (Ibadov & Huseynzade, 2019). This is because forensic accountants are responsible for the application of fact-finding and analytical skills for the purpose of resolving financial irregularities in a way that meets standards essential for law courts. Forensic accountants are only not limited to utilizing their accounting and auditing skills, but also use their exploratory skills to determine events that actually take place in a financial setting of an organization. Larger and medium-sized business organizations, as well as government institutions have established forensic accounting units. Within the profession, there may be other sub-specializations. Some of the forensic accountants specialize in fraud, anti-money-laundering, royalty, insurance claims, construction audits. From the contribution of Lakshmi and Menon (2016), they exemplified forensic accountants as individuals who employ special skills in accounting, auditing, quantitative methods, finance, certain aspects of the law, research and analytical skills to gather, investigate and analyze the evidence produced, and to interpret and communicate detections or exposures. The forensic activities may also fall into some categories, which include securities fraud; warranty breaches; tax fraud; business valuation; bankruptcy, insolvency, restructuring etc. Some forensic accountants professionally concentrate on forensic investigations using information technology to identify or detect fraud and use data to support a legal claim on financial imprudence. These professionals could be involved in recouping crime proceeds, as well as related confiscation procedures regarding actual or suspected felonious earnings. As posited by Huber (2017), forensic accounting could possibly be seen as an essential feature of accounting that is offering a substantial level of assurance, and suitable for legal review. As a result of alarming financial fraud, forensic accounting should be added to the tools required to bring about the effective investigation and presentation of individuals involved in unlawful activities (Simeunović et al., 2016). These auditors attempt to control a fraudulent situation before something awkward happens in the organization. In this regard, forensic accountants are mostly hired when a firm suspects fraud, misappropriation, embezzlement or theft. They are hired after suspicion is raised. Even though, forensic accounting is preemptive for fraud detection and prosecution, the professionals should be able to relate their accounting knowledge to relevant legal issues. This is because forensic accountants are asked to write or produce expert reports, and

assist in both civil and criminal investigations. Apart from conducting fraud investigations, forensic accountants also assist in depositions, and attest as an expert witness in court.

Standpoints of forensic accounting practices

According to Botes and Saadeh (2018), the term forensic accounting is credited to Maurice E. Peloubet (1946), as it was originally seen in his essay entitled "Forensic Accounting: Its Place in Today's Economy." Even though, the history of forensic accounting can be traced back to the days of Pharaoh (ancient Egypt), the term 'forensic accounting' was coined officially in the 20th century (1946). Over the years, forensic accounting has become progressively important since the term was coined, with budding intricacies in the financial markets, business globalization and tax instrument enactment. The profession recognizes fields comprising accounting, auditing and investigative skills (Godwin et al., 2018). The forensic accounting involves fraud investigation, fraud prevention and anti-fraud control analysis, as well as gathering of non-financial information of an organization. The Forensic Accounting specialty is the practice area of accounting that describes engagements resulting from actual or predicted disagreements or lawsuit. The term "Forensic" means appropriate for court use, and it is by that standard (and possible outcome) that forensic accountants largely have to work conscientiously. Forensic accountants often render expert assistance to other professionals when they are assessing and commenting on their work done. At the eventual trial, the forensic accountants produce expert evidence in court concerning the matter under investigation. Professionals in the field utilize considerable knowledge of accounting and auditing standards, economic theories, financial reporting systems, business information, data management, data analysis methods for fraud detection, evidence gathering, fact-finding techniques, lawsuit processes and procedures to perform their functions. DiGabriele et al. (2020) asserted that forensic accountants increasingly playing more active roles in risk reduction by designing and executing extended procedures for statutory audit, advising audit committees, instituting fraud prevention engagements. As these experts assist in investment analyst research, they may also be involved in recouping earnings through wrongdoing as well as confiscation of crime proceeds or money

laundering. From the corroboration of Inyang and Goodwil (2020), forensic accountants examine and interpret evidence and facts in legal cases. In view of their mandate, they offer professional opinion concerning their findings in a law court. As a result, forensic accountants require proficient training to equip them with special skill to exhume corruption or crime. Typically, forensic accountants hold any of the following professional qualifications; Association of Chartered Certified Accountants (ACCA), Certified Management Accountants (CMA), Chartered Accountants (CA), Certified Forensic Accounting Professionals (CFAP), Chartered Professional Accountants (CPA), Certified Forensic Investigation Professionals (CFIP), Certified Fraud Examiners (CFE), Certified Forensic Auditors (CFA) etc. The responsibility of these experts amongst others includes identifying perpetrators of fraud (Van Akkeren & Buckby, 2017), as well as detecting money laundering and theft activities which include tax evasion and misappropriation of funds. That is why it is imperative for organizations to hire forensic accountants to detect crimes such as arson, cheque frauds, healthcare fraud, forgery, embezzlement, malfeasance, misuse, bribery and corruption. These fraud schemes could be characterized into the following categories: accounting fraud, asset misappropriation, data theft, identity fraud, payroll fraud and procurement fraud (overbilling/ payment fraud, fake supplier and personal purchases). The fear of fraud motivates a business entity to hire the forensic accountant and it is expected of him to detect fraud scheme where it exists (Khersiat, 2018). Whether an expert is contracted to conduct investigation in an organization for revenue procedures, insolvency, asset usage, syndicated fraud or dishonesty, the forensic accountant is mandated to ensure that the firm's resources are safeguarded. As the work goes on, forensic accountants identify doubtful transactions or irregular patterns pertaining to the business entity, analyze financial information and draw conclusions based on the evidence gathered. Engagements relating to criminal matters typically arise in the aftermath of fraud. They frequently involve the assessment of accounting systems and accounts presentation – in essence, assessing if the numbers reflect reality. They are engaged in business valuation, quantifying losses and financial damages, whether through misdemeanor or breach of contract. Moid (2016) believed these professionals often have to give expert evidence at the eventual legal trial. Forensic accounting covers two major areas: investigation and lawsuit support. The professionals do investigations to determine whether unlawful matters such as theft, fraud, fabrication of documents, embezzlement, misconduct or malfeasance have occurred. In civil matters, forensic accountants may be employed to investigate or search for concealed assets in a divorce case. In lawsuit support, forensic accounting specialists epitomize the factual presentation of financial or economic issues associated with pending or existing litigation reliable at the court (Ala'a Zuhair Mansour & Popoola, 2020). In this regard, the forensic expert computes damages sustained by parties involved in legal battle. He can also assist in resolving disputes before getting to the law court. When a disagreement reaches the courtroom, the forensic accountant may appear to testify for or against as an expert witness. In the courtroom, the forensic accountant is set apart from the usual or traditional accountant, when proceedings are heard for verdict to be taken.

Fraud in the picture

Kratcoski (2018) opined that fraud is a generic term that comprises all varied ways through which a person plans to discourteously take advantage over another or an organization in misdemeanor. Fraud can be defined as any act, expression, omission, or concealment calculated to deceive another to his or her disadvantage, specifically, a misrepresentation or concealment with reference to some fact material to a transaction that is made with knowledge of its falsity (Mansor & Abdullahi, 2015). As asserted by Omonyemen et al. (2017), fraud forms an act of dishonesty, intentionally practiced to illegitimately gain or unduly take advantage under the detriment of another entity. The Association of Certified Fraud Examiners (ACFE) defined fraud as "the use of one's occupation for personal enrichment through the deliberate misuse or application of the employing organization's resources or assets (Kou et al., 2004). Fraud is costly as an estimated $3.5 trillion worldwide has been lost due to fraudulent financial statements, asset misappropriation, and corruption (Griffin, 2012). From the point of view of May and Bhardwa (2017), modern day fraudulent activities perpetrated by organizations usually involve multifaceted web of scheme, deceitfulness and conspiracy to swindle. In whatever nature of appearance of fraud, it has to be detected first for prevention. This is because detection of fraud is a vital precondition of circumventing its existence. The origination of fraud has been attributed to the material

misstatement, misrepresentation, or omission by an applicant or other interested parties and relied upon to cheat. Munteanu et al. (2016) illuminated that fraud is expressed as an act of deliberate action made in bad faith by an entity, knowing that such action can result in a possession of unlawful benefits.

Prevention and detection of fraud through forensic accounting

Nowadays, there has been a strong emphasis on fraud prevention and detection during statutory audits. Professional bodies of international standards have increased the responsibility of auditors to factor in risks of fraud when conducting financial audits. There is a greater call for auditors to obtain forensic skills while discharging their duty. However, it is an undeniable fact that an auditor may not have total control to unearth crime, but he is expected to ensure true and fair reporting to safeguard the interests of stakeholders as well as the public (Rashid et al., 2018). As a result, business establishments should take interest to new approaches in auditing, rather than sticking to the traditional audit approach. In view of this, forensic accounting may subsequently be the best substitute in resolving financial disasters. Auditors involved in forensic accounting are certified to conduct investigation in an organization and present evidence in a law court. Preceding research works from Apostolou et al. (2016), Lawson et al. (2017) re-counted that forensic accounting education has advanced from being restricted through continuing sessions in professional education for practicing accountants, to a state of being offered as a credit course by accredited universities. The inclusion of forensic accounting as a course to the accounting curriculum can significantly benefit the three major stakeholders in accounting education namely, the academic institutions, students, and employers of accounting graduates (Fagboro & Ajibolade, 2019). Empirical evidence from incisive researchers [Alshurafat et al. (2020), Soleimany Amiri and Babaei (2020)] provided that the delivery of forensic accounting education is relevant for both academicians and practitioners. Results of the studies stipulate that the demand for or interest in forensic accounting is likely to continue and increase the confidence of industry players. Through the research of Boritz et al. (2015), it confirms that forensic accountants could really detect a higher amount of fraud than ordinary auditors. In their study, it was found that forensic audit procedures significantly have the tendency to lower fraud risks. Practical forensic data analysis using useful computer-based analytical tests can detect fraud that may have persisted unobserved for years. In view of

that, forensic accounting is relevant for business organizations in fraud detection and prevention, since its procedures prove to be effective to combat crime. The study conducted by Ozili (2020) specified that worldwide fraud survey by Ernst and Young in 2003 revealed that only 20% of organizations employed services of the forensic accountants; even though the satisfaction level for their work was appraised at 88% as against the use of conventional and statutory auditors. This justification has been corroborated by Okpako and Atube (2013) who substantiated that ordinary statutory audits should encompass some elements of forensic examination, since the evidence of fraud could easily be discovered if an in-depth assessment of adequacy or compliance of internal control features is made. Therefore, it is recommended that the increasing incidence of fraud in modern day business environment should demand the services of forensic accountants to exhume fraudulent activities within and outside a corporate entity. The basis of deceitful methods to commit crime includes voucher manipulation, devious substitutions, fictitious accounts, fake payment, impersonation, unauthorized borrowing, unlawful lending, lending to nonexistent borrowers, over invoicing, false contracts, false proceed collection, cheque or receipt book duplication, inflation of figures, false declaration of financial shortages, reserve tampering, misapplication of suspense accounts, imitations, fraudulent use of organizational documents, absolute theft, embezzlement etc. Many researchers have deliberated on fraud-related issues. The general view is that fraud detection and prevention should be the focal concentration (Joseph et al., 2016). Irrefutably, it is less costly and effective to prevent fraud from occurring, than to detect it after happening. Generally, by the time the fraudulent activity is revealed, the money lost could be irretrievable, or the probability to recoup the full amount of loss would be very lean. Additionally, it is time-consuming and costly to investigate frauds occurring in bigger or multinational firms. With this, focusing on fraud prevention helps to circumvent financial losses, crack down the culprit, and recover missing funds.

Fraud triangle

The Fraud triangle is a model designed to explain the motive behind a person's decision to commit occupational fraud. In the quest to fight fraud, a person must not only comprehend that it occurs, but also how and why it happens. One of the oldest and more fundamental concepts in fraud prevention and detection happens to be the "fraud triangle." The distinguished criminologist, Donald R. Cressey

propounded this theory in the 1950s to explain why individuals commit fraud when he was conducting his research work (Cressey Donald, 1953). Having a keen interest in the situations luring pilferers to temptation, he decided to explore and publish his investigation dubbed "Other People's Money: A Study in the Social Psychology of Embezzlement" in 1953. According to him, fraud is a violation of financial trust position that individuals take in good faith. After the extensive research, he then developed the Fraud Triangle. This theoretical concept has three key elements. He specified that for embezzlement to arise, there must be: (1) a non-sharable problem, (2) an opportunity for trust violation and (3) a set of rationalizations that define the behavior as appropriate in a certain situation. In his view, none of these elements alone could be sufficient for embezzlement to occur, but instead, all the three elements must exist. The three stages (in the fraud triangle) that motivate the individual to commit fraud can be summarized as pressure, opportunity and rationalization. Firstly, what is it in a person's life that pressurizes him to commit fraud? In this case, pressure is a driving force or motivation to commit fraud. Pressures stem from external and internal impetus. Generally, external pressure involves peripheral personal circumstances that create a craving demand for more money. Such conditions include lifestyle pressures, greed, illicit activities like drugs, gambling and other vices. Life events like an immediate family member who is in dire need of money is also contributory factor. Internally, pressure could arise from problems at the workplace (job-related pressure). This includes unrealistic performance targets set by employers or superiors. These employees are obliged to work too much or pressured to work beyond their capabilities. These factors may provide the necessary grounds to execute fraud.

The second component of the fraud triangle is the opportunity factor. Providing the opportunity to commit fraud is one of the most significant factors arising from criminal activities. In certain situations, it directly involves top management, directors or owners of the corporate entity to perpetuate fraud. If theft is to occur, there must be something to steal as well as a way to steal it. Officers are tempted to steal anything that is valuable or treasured. Anytime a system is weak, it paves way for people to steal. For instance, lack of oversight responsibility breeds opportunity for an officer to steal from the workplace. Out of the three rudiments of the fraud triangle, opportunity is often hard to identify, but somehow easy to control through adherence to corporate practices and procedural or organizational

changes. As the third component of the fraud triangle goes, 'rationalization' involves the charlatan trying to develop defensive mechanisms to justify the fraudulent action (Lokanan & Sharma, 2018). Rationalization is perceivable through observation of the fraudsters' attitudes or remarks. In rationalization, two aspects come into play. On one hand, the fraudster concludes with the defense that the gain to be realized from the fraudulent dealing weighs above the possibility for the crime to be detected. On the other hand, the criminal decides to justify the fraud committed. People put up justification character when they are dissatisfied on the job, due to unmet needs. Sometimes, they engage in fraud to save their position, station, possessions and family.

Basic essential skills of forensic accountants

Ideally, forensic accountants are required to work with standards to enhance potential outcome of the job embarked on. Forensic accountants, also referred to as forensic auditors or investigative auditors, generally have to give expert evidence at the eventual trial against the culprit (Onodi et al., 2015). Just as every profession demands proficiency, forensic accounting also requires knowledge and skills which include the following: finance, auditing, accounting, investigative skills, research, quantitative methods and law. However, Onodi et al. (2015) emphasized that forensic accountants must develop deep analytical aptitude, have critical thinking and knowledge in organizational behavior. In view of this, a set of competencies needed by forensic accountants has been identified by scholars in the profession. These vital skills include investigative proficiency, creative thinking skill, problem-solving dexterity, explicit legal knowledge, written communication competence, oral communication efficiency, exploratory flexibility skill, capable of working with different kinds of people, good composure maintenance, ready to learn the behavior of the organization, logical and analytical ability. Forensic accountants need to understand court room procedures as well as accurate communication skills, investigative skills, creative thinking to achieve expected results. Many scholars have expressed their opinions on essential skills of forensic accountants. While investigating the qualities of forensic accountants, Sumartono et al. (2020) identified required skills and competences that should be possessed by these professionals. It was discovered that a forensic accountant should be conversant with both criminal and civil law. On the requirements and expertise of a forensic accountant, the essential qualification that a forensic accountant should possess is

Chartered Professional Accountants (CPA) or Certified Forensic Accounting Professionals (CFAP). A forensic accountant should be investigative, analytical, ethical, insightful, cross-examiner, responsive, logical and insistent. Othman and Laswad (2019) believed that the most imperative skills of forensic accountants emanate from the acquired rich experience in accounting, auditing, internal controls, interpersonal relationships, business operations, communication and critical thinking. According to the study by Bassey (2018), skills required by a forensic accountant were identified to be three-fold. They include the base, middle and top layer. The base layer comprises mainly accounting knowledge. The middle layer has to do with knowledge in the fields of auditing, internal controls, risk assessment and fraud detection. However, at the top layer, a fair knowledge of the legal environment is required to be able to communicate effectively. Based on the research, a forensic accountant is expected to have competence in a broad spectrum of disciplines such as accounting, law, auditing, criminology, information technology and communication skills.

Methodology

This study relied on questionnaires as survey instruments to collect data that measure the proclivity of fraud detection and prevention in forensic accounting. The closed-ended questionnaires were categorized into four groups. The first group of questions covered respondents' demographic profile. The second set of questions collects information about acquaintance of forensic accounting and contributors' thoughts about the mandate of forensic accounting. The next group of questions amasses information about respondents' views on the benefits of forensic accounting. The fourth set of questions gathers information about participants' views on the importance of incorporating certain forensic accounting areas into training of Boards, CEOs, Managers and other staff members. This approach helped the investigators to evaluate the procedure and relate the findings with different variables employed (as found in Table 1) in order to increase data validity and results indication. A total of six hundred (600) pre-coded questionnaires were disseminated purposively to only respondents in the public service institutions in Ghana who were prepared to contribute in the investigation. Out of this figure, a total of 573 questionnaires were retrieved representing 95.50% response rate. However, out of the 573 responses, 517 were usable since they were wholly and appropriately filled, yielding

Table 1. Variable Labels.

Labels	Variables
Dependent variables:	
FRAUDD	Fraud Detection
FRAUDP	Fraud Prevention
Independent variables:	
ANALYT	Analytical Proficiency
EFFECO	Effective Oral Communication
EFFECW	Effective Written Communication
UNDORG	Understanding Organizational Behavior
INVEST	Investigative Intuitiveness
SPELEG	Specific Legal Knowledge
AUDITS	Auditing Skills

Table 2. Socio-demographic indicators of respondents (n = 517).

Variable	Characteristics	Frequency	Percent
Gender	Male	453	87.62
	Female	64	12.38
Age	18–30	16	3.09
	31–43	123	23.79
	44–56	268	51.84
	57–69	105	20.31
	70+	5	0.97
Marital status	Married	339	65.57
	Divorced/Separated	16	3.09
	Single	130	25.15
	Widowed	27	5.22
	Cohabitation	5	0.97
Educational level	Undergraduate	256	49.52
	Masters	61	11.80
	PhD	25	4.84
	Other Degree	103	19.92
	Non-Degree	72	13.93
Working Experience	0–6	61	11.80
	7–13	218	42.17
	14–20	117	22.63
	21–27	87	16.83
	28+	34	6.58

86.17% of the distributed questionnaires. The authors also did preliminary tests such as descriptive statistics, reliability, validity and multicollinearity tests to check if the data collected was feasible for the study and would fit the proposed model. The data collated was evaluated, analyzed, and the information gotten was used to draw inferences for the study.

Findings and analysis

From Table 2, the findings showed that out of 517 respondents, 87.62% of them were males, while 3.09% aged 18–30. Majority of the respondents (65.57%) were married at the time of the survey. 4.84% acquired PhD, and 42.17% had a working experience of 7–13 years.

As displayed in Table 3, the results of the regression model estimation for the observations produced considerable effects. With a Confidence Interval level of 95.0%, we considered models that could reasonably or strongly predict fraud detection and prevention through competency skills of Forensic Accountants. The p-values produced for

Table 3. Competency Skills for Fraud Control.

Independent Variables	Dependent Variables			
	Fraud Detection (FRAUDD)		Fraud Prevention (FRAUDP)	
	B	t-Statistic	B	t-Statistic
ANALYT	0.652	7.027 (0.000)	0.923	7.051 (0.003)
EFFECO	0.336	8.350 (0.002)	0.980	8.875 (0.001)
EFFECW	0.195	1.112 (0.267)	0.180	1.008 (0.341)
UNDORG	0.086	7.984 (0.003)	0.749	9.088 (0.000)
INVEST	0.604	12.789 (0.000)	0.828	8.053 (0.002)
SPELEG	0.008	1.169 (0.573)	0.071	0.585 (0.452)
AUDITS	0.259	4.014 (0.004)	0.980	9.694 (0.000)
R Square	0.895		0.951	
p-value	0.002		0.000	

The table above illustrates values for Coefficients, t-Statistics, R square and p-values of the study.
ANALYT, EFFECO, EFFECW, UNDORG, INVEST, SPELEG, and AUDITS epitomize Analytical Proficiency, Effective Oral Communication, Effective Written Communication, Understanding Organizational Behavior, Investigative Intuitiveness, Specific Legal Knowledge, and Auditing Skills respectively.

the models are as high as 0.002 and 0.000 for Fraud Detection (FRAUDD) and Fraud Prevention (FRAUDP) respectively. The Two models were designed to evaluate the relationship between competency skills and fraud control, using FRAUDD and FRAUDP as corresponding proxies for Fraud Detection and Fraud Prevention. For FRAUDD, the model suitably predicted 89.5% (R-square of .895) of the distribution, while that of FRAUDP momentously produced 95.1% (R-square of .951). This specifies that there was an impressive level of precision due to accurate estimation ability of the exploratory variables on the models. Statistically, the bigger the percentage of accurate predictions, the better the model fit for the investigation. The research variables have characteristics to measure the phenomenon or concept in a cogent way. However, a unit change in one variable results in having an influence on the other. Therefore, a rise in one variable produces an increase in the other variable, and vice versa. For example, if the variable ANALYT is to be enhanced, then there is the tendency that Fraud Detection and Prevention will also be heightened. From Table 3, the coefficient of ANALYT is found to be 0.652 and 0.923 for FRAUDD and FRAUDP, respectively. This shows that for every unit increase in ANALYT, there is an anticipated unit increase of 0.652 in FRAUDD and that of 0.923 in FRAUDP, holding all other variables constant. The results demonstrate that ANALYT has a positive effect on both FRAUDD and FRAUDP, with high statistically significant value of 0.000 and 0.003 respectively. This suggests that the variable ANALYT has a high propensity of controlling fraud. This result is in congruence with preceding findings

by Popoola et al. (2016). A forensic accountant in executing his function requires the ability to analyze a situation leading to fraud exposé and prosecution. This is aimed at fraud detection and prevention for systemic efficiency to run. Forensic accounting methods could be integrated by organizational practices in financial institutions, government agencies, police department. From this study, Effective Written Communication (EFFECW) and Specific Legal Knowledge (SPELEG) produced a positive relationship with Fraud Detection (FRAUDD) and Fraud Prevention (FRAUDP), but statistically insignificant. According to this research, a forensic accountant could be endowed with Effective Written Communication strategy and Legal Knowledge prowess, but cannot only exhume fraud. A forensic accountant needs to add up analytical and technological skills to help detect financial fraud perpetrated by staff or management to prevent corporate failure. A crime is unearthed through information-gathering dexterity. The result alluded that Investigative Intuitiveness (INVEST) has a positive influence on Fraud Detection and Prevention with high statistical significance. Auditing Skills (AUDITS) cannot be disregarded in fraud control. This variable reported a positive relationship with Fraud Detection (FRAUDD) and Fraud Prevention (FRAUDP), and highly significant in this research. Our study confirms earlier research works by Fadilah et al. (2019) which found that Auditing Skills has a positive effect on fraud control. Auditing skills seek to curtail and prevent unnecessary loss. Forensic accountants employ useful auditing methods that improve managerial efficiency in the organization. Shi et al. (2020) posited that fraud could be uncovered using the formal corporate mechanisms such as audits and control features. Audit staff exhibit investigative skills to prevent some fraud incidences, and weaken crime by collusion. This deters charlatans from committing fraud. Forensic accountant is required to have special auditing skills in inspecting documents for authenticity, alteration, forgery or counterfeiting. However, by possessing such skills, the forensic accountant in carrying out his duties can easily detect errors, fraudulent activities and omissions, thereby preventing and reducing fraudulent activities. Therefore, the need for the understanding of forensic accounting technique cannot be overemphasized.

Forensic Accountants require competency skills in their modus operandi to conduct investigations so as to detect and prevent fraudulent activities. Figure 1 depicts a structural model of competency skills necessary for combating fraud. The structure does valuation on path coefficients to evaluate the significance of the model relationships, and to assess the impact of exogenous variable on endogenous variable showing cross loading and path coefficient. From Figure 1, Competency
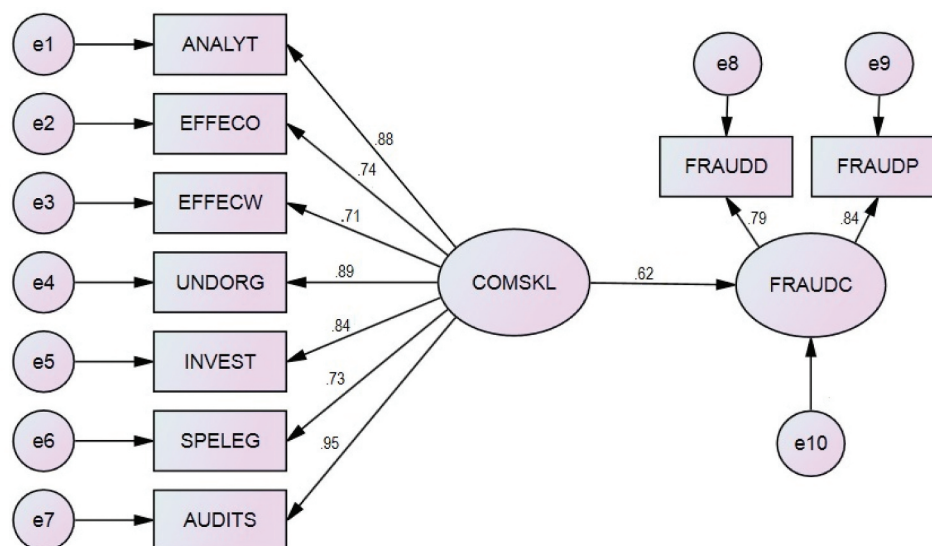
Figure 1. Structural model displaying path coefficient and cross loading.

Skills (COMSKL) has a direct and positive impact on Fraud Control (FRAUDC) at 0.62. It signifies that Fraud Control can be enhanced when Competency Skills of Forensic Accountants are improved. The structural model showing cross loadings between the implicit variables (latent) and explicit variables (observable) variables revealed fairly high scores. Cross loadings permit evaluation of correlation among factors of the constructs. According to Fornell and Larcker (1981), cross loading measurements have to be higher than 0.7. The constructs of this investigation achieved the extrapolation criteria, whereby the outer loadings produced in this study happened to be more than 0.70. As seen in Figure 1, the cross loadings of the structural model yielded for FRAUDC with FRAUDD and FRAUDP were 0.79 and 0.84 respectively. Also, the loadings between COMSKL and its indicators measured between 0.71 and 0.95. This implies that the constructs have strong relationships with their own indicators.

Conclusion and recommendation

Generally, it is expected that forensic accounting could offer a level of relief to the apparently susceptible conventional accounting and audit systems to unravel financial fraud perpetuated by people involved. A forensic accountant goes beyond the typical audit to unveil fraudulent activities through the use of improved procedures and forensic software tools to conduct and investigate transactions and events emanating from the organization. A forensic accountant carries out an investigation

on explicit contentions. He devotes much time for thorough investigations and analyses on specific fraudulent financial issues with emphasis of using such as evidence in a law court in case of dispute. As postulated by Rix (2020), a forensic accountant being a fraud investigator can be very much likened to a physician who requires substantial amount of diagnostic, analytical and explanatory task to discover what is really happening to the system and the symptoms. Therefore, it can be said that a forensic accountant is engaged by establishments to resolve claims or allegations and detect or prevent envisaged or suspected fraudulent activities in the institution. His mandate is a proactive audit that goes beyond normal audit procedures to minimize misuse, abuse, exploitation or manipulation risk. To prevent and detect fraud, organizations are encouraged to conduct thorough background checks on new employees before appointment. Also, institutions should rotate responsibilities of accounts employees; conduct random reviews and audits of business accounts; implement feasible checks and balances; keep cheques in a locked safe and destroy annulled cheques. Forensic accounting tends to evaluate business operations with proficient judgment, to circumvents legal hitches. The practice enhances business reputation and improves corporate goodwill. However, accountants need to improve the profession through forensic accounting practices such that they could help to advance on ways to unearth fraud with special skills. In order to achieve this objective, educational institutions must start or

improve the process of mounting up and teaching courses or programs in forensic accounting specialty. Such courses should equip students with skills to engage in fraud investigation.

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ORCID

Stephen Owusu Afriyie 🔟 http://orcid.org/0000-0002-8756-6378
Michael Owusu Akomeah 🔟 http://orcid.org/0000-0002-5823-8770

Ethical statement

Ethical approval was necessary for this research work.

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