

PERCEIVED ROLE OF FORENSIC AUDIT IN FRAUD DETECTION IN DEPOSIT MONEY BANKS IN NIGERIA

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Abstract

The prevalence of fraud in deposit money banks in Nigeria has reached an overwhelming crescendo, with far-reaching consequences; hence, the need to curb the tempo cannot be overemphasised. This study investigates the perceived role of forensic auditing in enhancing fraud detection within the Nigerian banking sector, with particular focus on selected commercial banks in Lagos State, Nigeria. Specifically, the study examines the relationship between key dimensions of forensic auditing, including litigation support services, arbitration, investigative accounting, and technological integration, and the effectiveness of fraud detection mechanisms. A cross-sectional research design was adopted, employing a quantitative approach to generate and analyse data. The target population comprised commercial banks operating within Lagos State. Using a convenience sampling technique, five banks, namely, First Bank of Nigeria Ltd., Guaranty Trust Bank Ltd., Zenith Bank Plc., Access Bank Plc., and Wema Bank Plc., were selected for the study. Primary data were collected through a structured questionnaire administered to relevant respondents. To ensure the reliability of the research instrument, Cronbach's Alpha was utilised, with results indicating a high level of internal consistency. The findings indicate a significant positive relationship between forensic auditing practices and respondents' perceptions of fraud detection effectiveness in Deposit Money Banks. Based on these findings, the study recommends the institutionalisation of dedicated forensic audit units within banking institutions. Such units should operate with a degree of independence to effectively manage and investigate fraud-related cases, thereby strengthening internal control systems and enhancing overall financial integrity.

Keywords: Forensic audit, fraud detection, litigation support services, arbitration, investigative accounting, technological integration.

1.0 Introduction

The incidence of fraudulent activities within the financial services sector has risen at an alarming rate, leading to substantial financial losses in the banking industry (Adesina et al., 2020; Bello et al., 2022; Mohammad et al., 2024). This trend poses a significant threat to the attainment of corporate objectives within the sector (Paymaster & Opinion, 2021). Fundamentally, business organisations are established to create value for their owners through their productivity to meet the demands of customers, but fraud limits this (Akujobi, Ogwueleka, Aimufua, & Bassey, 2026). The persistence and increasing sophistication of fraud undermine this objective by eroding financial resources, weakening stakeholder confidence, and disrupting operational efficiency within the banking system (Adesina et al. 2020).

Fraud has been widely conceptualised in the auditing and accounting literature as a deliberate act of deception undertaken to secure an unlawful or unjust advantage (The *International Standard on Auditing* No. 240, 2009). Within the Nigerian banking sector, fraudulent activities manifest in different ways, including money laundering, insider abuse, cyber fraud, and unauthorised transactions (Nwobia et al., 2020). Empirical evidence further highlights the magnitude of the problem; the Nigerian Inter-Bank Settlement System (NIBSS) Fraud Report (2025) indicates that Nigerian banks experienced digital payment fraud amounting to approximately ₦25.85 billion due to fraudulent activities in 2025 alone (Abimbola, 2026). Akujobi, Ogwueleka, Aimufua, & Bassey (2026) asserted that financial fraud poses an existential threat to Nigeria's banking sector; despite a decline in fraud incidents, financial losses rose sharply from ₦17.67 billion in 2023 to ₦52.26 billion in 2024. The increasing sophistication of banking fraud, coupled with the limitations of traditional audit mechanisms in preventing and detecting financial crimes, has underscored the growing importance of forensic auditing within Nigeria's banking sector (Egwanwor & Edori, 2025).

Khatri & Rajput (2022) define forensic auditing as the use of financial expertise combined with an analytical mindset to address complex or unresolved issues, while observing the rules of evidence strictly. Similarly, Okpo and Simeon (2023) conceptualise forensic auditing as a specialised field that focuses on providing financial information suitable for use as evidence, particularly in legal proceedings. It employs advanced techniques such as forensic data analysis, digital forensics, and asset tracing to detect and investigate financial crimes (Goldbarsht, 2023; Pavlidis & Satolias, 2019; Osanyinbola, 2024). This study examines the perceived role of forensic auditing in fraud detection in deposit money banks within Lagos State.

The significance of this study lies in its contribution to advancing both the understanding and practical application of forensic auditing as an effective tool for fraud detection by illustrating how key forensic auditing techniques, such as litigation support services, arbitration, investigative accounting, and technological integration, can be effectively deployed. In addition, the findings are expected to be of considerable relevance to regulatory authorities, including the Central Bank of Nigeria and other financial oversight bodies, in formulating and implementing policies that promote transparency, accountability, and integrity within the financial system. Consequently, the following hypotheses are formulated to guide the analysis:

H₀₁: Litigation support service has no significant relationship with fraud detection.

H₀₂: There is no significant relationship between forensic arbitration and fraud detection.

H₀₃: Investigative accounting has no significant relationship with fraud detection.

H₀₄: Technological integration has no significant relationship with fraud detection.

2.0 Literature review

This study is anchored on the Policeman Theory propounded by Peloubet in 1946 and the Deterrence Theory, whose proponent was Jeremy Bentham in 1781. Oladejo & Jack (2020)

draw a compelling analogy between the responsibilities of law enforcement officers and those of forensic auditors. It emphasises their shared duty to detect, investigate, and prevent financial crimes (Apalowowa, Omosebi, & Akinsete, 2025). Under this theoretical framework, forensic auditors are perceived as guardians of financial integrity, much like police officers serve as custodians of law and order in society. Through the application of specialised skills and investigative techniques, forensic auditors are able to identify irregularities, uncover fraudulent practices, and address breaches of trust within organisations. This perspective underscores the proactive and protective role of forensic auditing in safeguarding organisational assets and promoting trust (Oladejo & Jack, 2020). Deterrence Theory, on the other hand, suggests that individuals are less likely to engage in misconduct when they perceive a high probability of detection and punishment. Forensic auditors are involved in litigation support, which includes preparing evidence for prosecution, ascertaining financial losses, presenting expert testimony, and assisting law enforcement and courts. Moreover, arbitration support provides structured dispute resolution processes that can expose fraudulent activities. The stronger the litigation and arbitration support mechanisms, the greater the perceived risk of sanctions, thereby enhancing fraud detection effectiveness and discouraging future fraud.

Forensic Auditing

Forensic auditing is commonly conceptualised as a tripartite discipline that combines auditing, accounting, and investigative skills to support the resolution of legal matters (Asusu, 2019; Đukić, Pavlovic, & Grdinic, 2023; Inyada et al., 2019; Mandal & Amilan, 2023). It represents a specialised area of accounting practice typically associated with engagements arising from actual or anticipated disputes, particularly those requiring litigation support. Accordingly, forensic auditing may be regarded as a dimension of accounting specialisation that is tailored for legal scrutiny, offering a high level of assurance through the application of rigorous analytical and evidentiary standards (Dada & Jimoh, 2020). Its growing adoption exemplifies a broader acceptance that specialised proficiency in financial examination significantly boosts institutional capacity to detect, analyse, and respond effectively to financial indiscretions and misconduct (Obinna, Labaran, & Edeh, 2024).

Fraud Detection

Fraud detection is the act of recognising and discovering fraudulent activities or deceitful behaviour (Awotomilusi et al. 2023). Mumtaz et al. (2023) define fraud detection as the systematic process of identifying and investigating irregularities and suspicious activities in financial transactions or statements. It involves using various techniques and methods to recognise anomalies, patterns, or activities that deviate from expected norms and could indicate fraudulent actions. According to Akinadewo et al. (2024), fraud detection refers to an investigative approach that uses advanced analytical methods, including machine learning algorithms, statistical models, and big data techniques, to identify suspicious patterns and anomalies in large datasets. This approach aims to proactively spot potential fraud by analysing trends and irregularities in data. Forensic accountants use tools such as data analysis, financial statement reviews, and investigative procedures to detect and gather evidence of fraudulent activities.

Investigative Accounting

Investigative accounting, or investigative auditing, emerged as a response to the limitations of traditional audit systems in effectively curbing fraud within corporate entities (Naz & Khan, 2024). Consequently, investigative auditors draw upon a combination of auditing, accounting, quantitative, and legal expertise to scrutinise records, analyse financial data, and synthesise disparate pieces of information. This process enables them to present complex findings in a clear and comprehensible manner, facilitating the detection, investigation, and resolution of fraudulent activities (Kaur, Sood, & Grima, 2022).

Forensic Litigation Support Services

Litigation support refers to the delivery of specialised aid to legal advocates at any stage of a lawful proceeding, encompassing pre-trial, trial, and post-trial programmes (The American Bar Association [ABA], 2021; Bassey, 2018). Horsfall (2022) states that litigation support includes the use of accounting and auditing techniques to quantify economic damages with reference to the pursuit of existing or pending litigation. Effective litigation in fraud cases often involves complex accounting, taxation, and financial issues that demand specialised knowledge and expertise from well-trained accountants, finance professionals, and tax experts (Emani, 2023). In the preparation of such cases, legal procedures typically include the drafting and service of potential claims, followed by the submission of defences, counterclaims, and subsequent replies, ensuring that all relevant financial and legal matters are thoroughly addressed before the court (Dada & Jimoh, 2020).

Forensic Arbitration

Arbitration is an alternative dispute resolution mechanism that allows parties to settle conflicts outside the formal court system. In complex business disputes, particularly those involving the assessment of financial losses or damages, forensic accountants may be engaged as independent experts to provide objective and comprehensive evaluations of the amounts in dispute. In this capacity, they prepare detailed expert reports, participate in meetings with opposing experts, and advise clients on potential losses based on relevant financial and operational factors. Similarly, in mediation processes, forensic accountants perform comparable roles, assisting mediators in understanding and addressing intricate financial issues. Their expertise ensures that both parties have access to accurate and reliable financial analyses, facilitating fair and informed resolution of disputes.

Empirical Review

Forensic Audit in Fraud Detection

Perewari, Chukwu, Chukwu, and Akinna (2024) investigated the impact of investigative auditing on the reduction of financial information falsification (RFFI) within the Bayelsa State Civil Service, Nigeria, while also examining the moderating role of information and communication technology (ICT) in this relationship. Findings revealed that investigative auditing had a significant positive effect on reducing the falsification of financial information. Furthermore, ICT was found to exert a positive moderating influence, strengthening the

relationship between investigative auditing and the mitigation of financial information fraud in the Bayelsa State Civil Service.

Ebimobowei and Evans (2023) examined the impact of forensic audit on the mitigation of financial crimes in Rivers and Bayelsa States of Nigeria. The study utilised both primary and secondary data for its analysis. The result indicated a positive but statistically insignificant relationship between investigative review and the safeguarding of asset misappropriation, the control of occupational fraud, and the management of payroll fraud within Ministries, Departments, and Agencies (MDAs) in Nigeria. Okafor, Obiora, and Onuora (2022) examined the impact of forensic auditing on financial statement fraud in deposit money banks in Nigeria over the period 2016–2020. The study employed the Panel Least Squares (PLS) method for data analysis, using relevant variables extracted from the annual reports of the sampled banks. The findings revealed that data mining significantly reduces financial statement fraud in deposit money banks, while computer-assisted audit techniques also have a significant impact in mitigating such fraudulent activities. These results underscore the importance of integrating advanced forensic auditing tools and technologies in strengthening the integrity of financial reporting in Nigerian banks.

Aliyu and Solomon (2024) conducted an empirical investigation into the role of forensic auditing in fraud prevention among quoted agricultural firms in Nigeria. The study employed a correlational survey design, collecting primary data through a structured questionnaire. The research population consisted of 85 participants drawn from five agricultural firms listed on the Nigerian Exchange Group. Data analysis was performed using Pearson Product-Moment Correlation and multiple regression techniques with the aid of SPSS version 27. The findings reveal that both proactive and reactive forensic audit practices were positively and significantly associated with robust internal control systems and the promotion of an effective ethical culture within the sampled firms. Based on these results, the study concludes that the implementation of forensic auditing can play a critical role in preventing fraud in Nigerian quoted agricultural companies.

Paymaster and Opinion (2021) investigated the use of forensic auditing as a tool for fraud detection in Nigerian banks. The study conducted a census of all 27 Deposit Money Banks (DMBs) listed on the Nigerian Stock Exchange (NSE) as of 31st December 2019. Secondary data were collected from the 2019 annual report of the Nigerian Deposit Insurance Corporation (NDIC). The study covered ten years, spanning 2010 to 2019, providing a longitudinal perspective on the application of forensic auditing in detecting and mitigating fraud within the Nigerian banking sector. The findings revealed that a forensic audit has a significant negative effect on the number of fraud cases, the number of staff involved in bank fraud, and the actual amount of bank losses through fraud in Nigerian DMBs.

Bello, Mohammed, and Javan (2022) examined the impact of forensic auditing on fraud detection within the Nigerian banking sector to determine whether the application of forensic audit techniques significantly influences the detection of fraudulent activities. The study

sampled 10 respondents from each of 10 banks in Yola, yielding a total of 100 participants. The findings revealed that forensic auditing has a significant positive effect on fraud detection. Based on these results, the study recommends that deposit money banks in Nigeria implement regular forensic audits to enhance their capacity to detect and mitigate fraud, thereby strengthening the integrity and stability of the financial sector.

There have been mixed results in recent times, while some research has established positive relationships (Gideon and Omolara, 2024; Ojo-Agbodu et al., 2022; Adesina et al., 2020), others have reported negative outcomes. Another consideration is the influence of technology on forensic audit. Earlier studies focused on traditional forensic accounting techniques such as investigation, document examination, and expert testimony, but recent banking frauds increasingly involve cybercrime, electronic banking fraud, identity theft, and digital transaction manipulation. This is a major gap; hence, the need to integrate technology is imperative in this study. There is insufficient empirical evidence on how artificial intelligence, data analytics, machine learning, blockchain auditing, and continuous monitoring systems enhance forensic audit effectiveness in Nigerian deposit money banks.

3.0 Methodology

This study employed a cross-sectional research design, which involves data at a single point in time from a sample drawn from the population of interest (Awaiko, 2016). The population of the study are the staff in functional departments of internal audit, compliance, risk management, and finance control of the headquarters branch of five conveniently selected banks, namely First Bank of Nigeria PLC, Guaranty Trust Bank PLC., Zenith Bank PLC, Access Bank PLC., and Wema Bank PLC were conveniently selected for sampling. This study adopts convenience sampling because of the inaccessibility of fraud data due to the sensitive nature of fraud disclosure and its potential effects on banks. The choice of these departments is informed by their integral roles in identifying and mitigating financial irregularities, enforcing internal control measures, and maintaining institutional integrity. Table 1 shows the population of having a total staff strength of 430. Using the Taro Yamane model (1967), the study arrived at a sample size of 207. Primary data was collected via a five-point Likert linear scale questionnaire (Likert, 1932), and after considering the responses, out of the 207 respondents sampled in this study, only 136 responses were considered valid. To assess a potential common method bias, Harman's single-factor test was conducted, and the results indicated that no single factor accounted for the majority of the variance. The results revealed twenty-five factors/components with eigenvalues greater than one, and the first factor accounted for 24.23% of the total variance, which is below the recommended threshold of 50% (See Appendix 10).

Table 1:
Staff Strength of Functional Departments in Selected Banks

S/N	Bank Name	Headquarters Location in Lagos	Relevant Population	Sample Size Allocation
1	First Bank of Nigeria Ltd.	Samuel Asabia House, Marina, Lagos	90	$(90/430) \times 207 \approx 43$
2	Guaranty Trust Bank Ltd.	Plot 635 Akin Adesola Street, VI	85	$(85/430) \times 207 \approx 41$
3	Zenith Bank Plc.	Zenith Heights, Ajose Adeogun, VI	88	$(88/430) \times 207 \approx 42$
4	Access Bank Plc.	999c Danmole Street, VI	92	$(92/430) \times 207 \approx 44$
5	Wema Bank Plc.	54 Marina, Lagos Island	75	$(75/430) \times 207 \approx 36$
	Total		430	207

To analyse the role of forensic audit in fraud detection, the study employed the Pearson Moment Correlation statistics and regression analysis for testing the hypotheses, with the use of Statistical Package for the Social Sciences (v.25). Cronbach's alpha was used to determine the reliability of the research instrument. The instrument was considered reliable, as the results ranged from 0.57 to 0.86 (see Appendix 8), indicating a positive, adequate, satisfactory, reliable, and consistent instrument (Hair et al., 2021). To test the proposed relationship of forensic auditing on fraud detection, the following models were developed:

$$FD = \beta_0 + \beta_1 LSS + \varepsilon \quad \text{Eq. 1}$$

$$FD = \beta_0 + \beta_2 FARB + \varepsilon \quad \text{Eq. 2}$$

$$FD = \beta_0 + \beta_3 INVACC + \varepsilon \quad \text{Eq. 3}$$

$$FD = \beta_0 + \beta_4 TECINT + \varepsilon \quad \text{Eq. 4}$$

LSS, FARB, INVACC, and TECINT, which constitute the independent variables, represent Legal Support Services, Forensic Arbitration, Investigative Accounting, and Technical Integration. Whereas, FD, which constitutes the dependent variable, represents fraud detection. β_0 is the Intercept (constant), and $\beta_1 \dots \beta_4$ = Coefficients representing the strength and direction of the relationship between each forensic audit component and fraud detection. ε equals Error term.

4.0 Results

Descriptive statistics of responses to the questionnaire

Appendix 1-5 shows the results of the respondents' responses to the key indices of the measurement variables of forensic auditing and fraud detection in the Nigeria's money deposit banks. Five (5) indices each were used to measure the respective variables. The results show significantly high mean and standard deviation scores for litigation support services (4.29 and 0.755), forensic arbitration (4.04 and 0.810), forensic investigation (4.19 and 0.757), technology integration (4.16 and 0.812), and fraud detection (4.17 and 0.758), respectively. This means that respondents strongly agreed that litigation support services, forensic

arbitration, investigative accounting, and technology integration affect fraud detection in deposit money banks in Nigeria.

Inferential Statistics

A correlation analysis was carried out at 0.05 level of significance to examine the strength of the relationship between the variables used in the study and also to assess the nature of the relationship that exists between them. In addition, multiple regression analysis was used to test the study's hypotheses at 5% level of significance.

Litigation support services, arbitration, and investigative accounting have correlation coefficients of $r = 0.422$, $r = 0.494$, and $r = 0.420$, which indicate moderate correlations with fraud detection, but technical integration shows a high correlation coefficient at $r = 0.650$ (See Appendix 6). The results, however, show a positive and significant relationship at $p < 0.000$.

Test of Hypotheses One

H₀₁: Litigation support service has no significant relationship with fraud detection.

The regression coefficient of 0.422 indicates that litigation support services have a positive but moderate statistical relationship with fraud detection. The R^2 value of 0.178 implies that litigation support services account for approximately 17.8% of the variation in fraud detection, while the remaining 82.2% is attributable to other factors not captured in the model. Furthermore, the Adjusted R^2 of 0.172, though slightly lower, reinforces the robustness of the model by accounting for potential estimation bias. Overall, these results suggest that while litigation support services contribute meaningfully to fraud detection, their explanatory power is relatively modest, indicating the influence of additional variables in explaining variations in fraud detection outcomes.

Table 2:

Coefficients for regression analysis for hypothesis one (1)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	10.685	1.896		5.636	0.000
Litigation Support Service	0.473	0.088	0.422	5.384	0.000

a. Dependent Variable: Fraud Detection

Source: Research Survey (2025)

Table 2 shows that the relationship between litigation support services and fraud detection is positive, and it is also statistically significant with a coefficient of correlation, $r = .422$, t (5.384), $p < .01$. This means that a change in litigation support services would increase the possibility of fraud detection. Therefore, the null hypothesis is rejected while the alternative hypothesis is accepted.

Test of Hypothesis Two:

H₀₂: There is no significant relationship between forensic arbitration and fraud detection.

The correlation coefficient (r) of 0.494 suggests a moderate relationship between arbitration practices and fraud detection. The coefficient of determination (R²) is 0.244, implying that arbitration accounts for approximately 24.4% of the variation in fraud detection, while the remaining 75.6% is explained by other factors not included in the model. The Adjusted R² value of 0.238, though slightly reduced, further confirms the reliability of the model and underscores the meaningful contribution of arbitration to fraud detection outcomes. In general, these findings highlight the relevance of arbitration as a component of forensic auditing in enhancing fraud detection, albeit alongside other influential factors.

Table 3:

Coefficients for regression analysis for hypothesis two (2)

Model	Unstandardized		Standardized		Sig.
	B	Std. Error	Beta	t	
1 (Constant)	10.121	1.641		6.166	0.000
Forensic Arbitration	0.531	0.081	0.494	6.572	0.000

a. Dependent Variable: Fraud Detection

Source: Research Survey (2025)

Table 3 shows that the relationship between arbitration and fraud detection is positive and it is also statistically significant with a coefficient of correlation, $r = .494$, $t (6.572)$, $p < .01$. This means that a change in arbitration would increase the possibility of fraud detection. Therefore, the null hypothesis is rejected while the alternative hypothesis is accepted.

Test of Hypothesis Three:

H₀₃: Investigative accounting has no significant relationship with fraud detection.

The Moment Pearson correlation coefficient (r) of 0.420 suggests a moderate positive association, implying that improvements in investigative accounting practices are likely to enhance fraud detection outcomes. The coefficient of determination (R²) is 0.177, indicating that investigative accounting explains approximately 17.7% of the variation in fraud detection, while the remaining 82.3% is attributable to other variables not captured in the model. The Adjusted R² value of 0.170, although slightly lower, confirms the stability and reliability of the model after adjusting for potential estimation bias. These findings demonstrate that investigative accounting makes a meaningful, though modest, contribution to fraud detection within the study context.

Table 4:
Coefficients for regression analysis for hypothesis three (3)

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	11.245	1.800		6.246	0.000
Investigative Accounting	0.458	0.085	0.420	5.361	0.000

a. Dependent Variable: Fraud Detection

Source: Research Survey (2025)

Table 4 shows that the relationship between investigative accounting and fraud detection is positive and it is also statistically significant with a coefficient of correlation, $r = .420$, $t(6.572)$, $p < .01$. This means that a change in investigative accounting would increase the possibility of fraud detection. Therefore, the null hypothesis is rejected while the alternative hypothesis is accepted.

Test of Hypothesis Four

H₀₄: Technological integration has no significant relationship with fraud detection.

The relationship between technological integration and fraud detection was tested using the Pearson Correlation, and the result shows a correlation coefficient (r) of 0.650, which indicates a significant, strong, and positive relationship. The model summary shows the association between technological integration and the outcome variable. The R Square is 0.423, meaning technological integration explains 42.3% of the changes in the outcome, while the remaining 57.7% is due to other factors. The Adjusted R-Square is 0.418, which confirms that the model is still reliable after adjusting for accuracy. ($r=0.684$, $p<0.01$). The findings suggest that forensic auditing dimensions are significantly associated with fraud detection perceptions and explain a meaningful proportion of the observed variance. Nevertheless, the moderate R^2 values indicate that fraud detection perceptions are influenced by additional factors beyond those examined in the present study.

Table 5:
Coefficients for regression analysis for hypothesis four (4)

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	6.484	1.458		4.446	0.000
Technical Integration	0.689	0.070	0.650	9.907	0.000

a. Dependent Variable: Fraud Detection

Source: Research Survey (2025)

Table 5 shows that the relationship between investigative accounting and fraud detection is positive and it is also statistically significant with a coefficient of correlation, $r = .650$, $t(9.907)$, $p < .01$. This means that a change in technical integration would increase the possibility of fraud detection. In essence, this suggests that the null hypothesis is rejected while the alternative hypothesis is accepted.

Discussion of Findings

The study found that all components of forensic auditing, including litigation support services, forensic arbitration, investigative accounting, and technological integration, are significantly associated with improved fraud detection in Deposit money banks. The association between litigation support services and investigative accounting aligns directly with the empirical work of Agbata et al. (2022), who found that the investigative and litigation skills of EFCC auditors in Enugu significantly enhanced fraud detection. It also corroborates the conceptual assertion by Dada and Jimoh (2020) that litigation support provides the crucial accounting-legal interface needed to convert financial evidence into legally admissible proof, thereby improving the quality and success of fraud litigation. The study shows that forensic arbitration validates the theoretical perspective presented in the literature review, where arbitration was described as a means for forensic accountants to act as autonomous experts in dispute resolution.

The study also shows that technological integration has a significant relationship with fraud detection. This outcome empirically validates the claims by scholars like Osanyinbola (2024) and KPMG (2020) that the integration of data analytics, AI, and digital forensics is transformative. While studies like Asusu (2019) focused on broader forensic audit effectiveness, the study's findings specifically quantify the critical importance of the technological component within modern forensic auditing. This suggests that technology is no longer just an accessory but a central pillar that enhances the speed, accuracy, and scope of fraud detection, moving beyond the sampling limitations of conventional audits that were criticised by Nwobia et al. (2020).

Conclusion

This study revealed that forensic auditing significantly enhances fraud detection in commercial banks. Specifically, litigation support services help resolve fraud-related legal issues efficiently, while forensic arbitration aids in fair dispute resolution, mitigating fraud-related risks, and investigative accounting uncovers hidden financial discrepancies. The findings further indicate that technological integration significantly enhances fraud monitoring and detection capabilities within banking institutions. In this regard, the study recommends that commercial banks institutionalise dedicated forensic audit units to independently handle fraud-related investigations, thereby strengthening internal control mechanisms and investigative efficiency. Additionally, it is recommended that litigation support services and arbitration frameworks be formally embedded within banks' fraud resolution processes to ensure structured and effective dispute management. Furthermore, banks are encouraged to invest in advanced forensic technologies, including data analytics, blockchain-based monitoring

systems, and artificial intelligence tools, to improve the detection of sophisticated fraud schemes.

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