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# The impact of basic forensic accounting skills on financial reporting credibility among listed firms in Nigeria.

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**Abstract:** The paper aims at evaluating the impact of basic forensic accounting skills viz: communication skills, technical & analytical skills, accounting & auditing skills and psycho-social skills on the financial reporting credibility of listed organisations in Nigeria. The scope of the study is composed of firms quoted on the Nigerian Stock Exchange as at January, 2018 while the study population is the users and auditors of the financial reports produced by these entities. The users of financial reports are represented by investment advisers which a segment of capital market operators while the auditors are represented by the Big 4 Audit Firms operating in Nigeria as at January, 2018. The research design employed is the survey approach by which primary data was collected from the sample respondents described above while the multivariate analysis was conducted to highlight the impact of the selected independent variables on financial reporting. It was found that, with the exception of communication skills which exhibited a negative but significant impact, all the other basic forensic accounting skills exert positive and significant impact on the methods by which an organization reports her financials. It is prescribed that aspiring forensic accountants should be adequately trained to be able to practice the profession satisfactorily.

**Keywords:** Auditing skills, basic forensic, financial reporting credibility, multivariate psycho-social skills.

## 1. Introduction

It is essential for an organization to present its score card to its owners and other stakeholders at the end of a business period. Apart from the need to measure the ability, effectiveness and efficiency of the enterprise managers to execute the objectives entrusted to them, the information provided by the financial report is also required by other individuals and entities for critical decision-making purposes. It is important, therefore, for the financial report to be factual and represent the true financial health during a given period under consideration [9] [10].

The accuracy of the financial report is important not only for internal but also for external purposes [25], [26]. For internal purposes, there is need for corporate stewardship to identify good projects which will ultimately increase investment efficiency and share values [8]. For outer purposes, precise announcing will likewise help capital suppliers to survey the company's venture open doors just as screen administrative activities [7]. Additionally, accurate financial reporting also assists corporate lenders to assess the quality of the credit while capital providers will better compare the returns on their investment as a basis for either additional investment or divestment. Unfortunately, however, over the past few decades, the issue of accuracy of financial reporting has become problematic.



This is apparent from the public feature getting instances of financial summary misrepresentation which have pulled in the consideration of universal network and shocked the capital markets. These frauds have constituted a challenge and made a negative impact not only on investors' confidence but have also dealt a devastating effect on corporate reputation while also jeopardizing its going-concern profile [19]. For instance, [6] qualities the breakdown of Enron, WorldCom, Tyco, Adelphia, to corporate money related revealing extortion where over \$460 billion was said to have been lost. In Nigeria, Cadbury Nig Plc whose books were creatively controlled by the board, Cadbury was credited to have lost N15 billion. On account of nine banks in Nigeria, around one trillion naira was additionally said to have been lost through various sorts of budgetary control and ill-advised detailing [13].

The level of confidence reposed on financial report is determined by the quality and reliability of such reports. However, there are two factors that underpin the credibility of financial reports. As observed by [12], the first is the quality of the report prepared by the management of the enterprise while the second is the care and skill displayed by the auditors and other gatekeepers in their statutory duties. The former is the obligation of management while the latter is the duty of the gatekeepers, especially the statutory auditor.

The whole essence of forensic accounting practice is to be able to improve on these two conditions. This is in line with the observation of [12], "the validity of financial summaries arranged by management of constrained risk organizations and reviewed by outer examiners remain the essential methods for illuminating the investors and different partners about the money related execution, advancement and position of a firm". Hence, financial statement credibility depends not only on management readiness to display transparency but also on the independence, objectivity, efficiency and effectiveness of the statutory auditors in applying their training and experience to discharge their statutory responsibilities when financial statements are submitted to them for audit. It stands to reason that the objective of accurate financial reporting will not be attained unless each of the two parties perform their duties satisfactorily [13]. In other words, while forensic accounting techniques can be deployed to prevent fraudulent practices in the preparation of the accounts, statutory auditors are also at liberty to avail themselves of forensic accounting skills to ensure a better quality audit which will ultimately improve the confidence level inherent in the attestation function. It is a complementary arrangement and the desired result will not be achieved unless each party plays its own role satisfactorily. This is essentially the rationale for the confidence-building, "genuine and reasonable" see frequently communicated by the outside reviewer which is intended to energize clients of budget reports who wish to settle on a speculation or different choices. In any case, by the developing spate of corporate money related revealing outrages referenced before, the significance of the believability building provision as contained in this 'genuine and reasonable view' sentiment is being called to address lately. The issue of credibility is, therefore, a fundamental challenge currently facing the accounting profession world-wide.

What is fraudulent financial reporting and why does it occur? According to [4], financial summary extortion is a cognizant twisting of the real monetary position of an endeavor. This can come through misquoting or discarding sums or neglecting to unveil what ought to be uncovered, with the goal to delude clients who usually depend on the substance of the financial report for motivations to reach a beneficial conclusion. [4] adduced reasons for this fraudulent financial reporting. One of the reasons is inadequate accounting controls. Another one is the fact that enterprise executives are often under intense pressure to meet apparently unrealistic performance targets and expectations, either by way of earnings or profits. This is the motivation behind why most monetary detailing fakes are focused to demonstrate a superior budgetary viewpoint for the organization than depicting the real situation. In addition, a significant number of enterprise managers also enter into stringent performance covenants with their bankers and sundry capital providers which they would rather not default. Operating executives have also been found to have 'perks', incentives and bonuses that are dependent on the financial performance of the enterprise [25]. In specific industries, commissions and bonuses are also paid to sales staff if their performance is adjudged to be satisfactory. These are the issues that drive the temptation for these personnel to submit inflated sales figures to boost such commissions.

It is due to the consideration of the above stated issues that this research intends to evaluate the impact basic forensic accounting skills has on financial reporting credibility of quoted companies in Nigeria. The specific skills that have been identified for this study are viz: communication skills, accounting and auditing skills, technical & analytical skills and psycho-social skills.

## 2. Literature Review

While the Oxford Advanced Learners Lexicon characterizes the word 'forensic' as having a place with, utilized in, or appropriate to a court of judicature or for open exchange or discussion, [15] contended that forensic accounting is the procedure of deciphering, condensing and introducing complex money related issues unmistakably, concisely and genuinely in a courtroom as a specialist witness should the need emerge. Meanwhile, according to [20], from organisation, through government offices, regulatory authorities, and the judicial system, evidence abound to the effect that a high level of expertise is necessary to undertake the analysis of complicated financial transactions and events. The consensus here, therefore, is that forensic accounting has been tossed into the bleeding edge of the campaign against money related trickery.

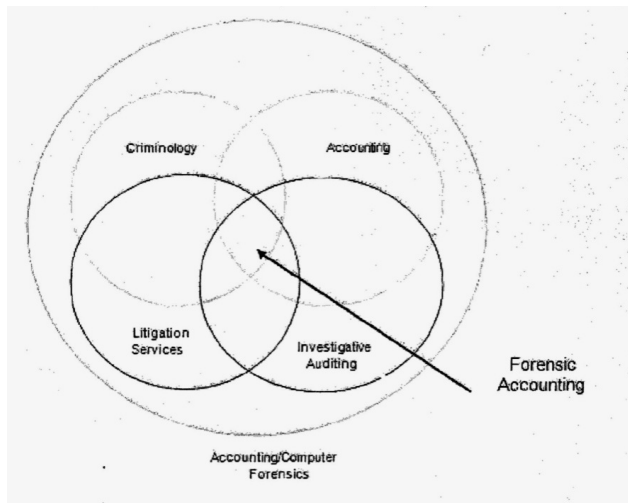
There are strong pointers to the fact that one in each three workers in corporate organizations gets involved in one type of fraud or another. This can be in form of book-keeping fraud, negative scheming, deception or even outright embezzlement which the auditors, whether internal or external, is not in a position to detect. Unfortunately, such occurrences are inimical to accurate financial reporting because they distort the true picture of the enterprise. Forensic accounting practice aims at forestalling this development not only by assisting the external auditor to detect them but also by enabling the internal auditor to prevent them [16].

While commenting on Financial Statement Misrepresentation, The Association of Certified Fraud Examiners stated this definition: "The conscious deception of the money related condition and consequences of activity of an undertaking achieved through the purposeful error or exclusion of sums or exposures in the budget reports to hoodwink financial summary clients". [22] have also identified the target of financial report extortion: "Expanding the market estimation of the business to fulfill the over the top desires of the board, putting forth money related expressions predictable with earlier spending plans and getting unjustifiable profit by anticipating dishonestly the estimation of the business".

The Webster's Dictionary, likewise characterizes the word 'Forensic' as: "Having a place with, utilized in or appropriate to court, of judicature or to open dialogs, banter and at last question goals; it is additionally characterized as a bookkeeping investigation that is reasonable to the court which will frame the reason for discourse, banter and eventually debate goals". According to [10], forensic accounting is the coordination of bookkeeping, evaluating and insightful aptitudes. Forensic accounting has likewise been characterized as the assurance and foundation of truth in help of legitimate case just as the utilization of legal systems to distinguish and research a wrongdoing and to uncover the personality of hoodlums and guilty parties [14].

Meanwhile, [5] likewise characterizes forensic activity as the action that comprises of get-together, handling, breaking down, confirming of and providing details regarding information to get realities or proof in a palatable setting in the region of legitimate budgetary debate. [23] also maintains that since the approach in a statutory audit engagement depends on a standards and rules issued by residential administrative bodies and organizations, the assignment is designed to be less controversial than that of a forensic investigation. In his own definition [14] reasoned that a scientific evaluator is part cop, part legal advisor, part bookkeeper, and part analyst while [7] noticed that a legal scientific inspector ought to have a very much created proficient distrust ('sniffer' frame of mind and insightful personality), expository, coherent and individual respectability, aptitude in interior controls, and intuition in talking systems.

The model below by [24] clearly demonstrates the interconnectedness between forensic accounting and other specialized fields such as criminology, accounting, investigative auditing and litigation services, all of which are relevant skill sets for the practice of forensic accounting. Figure 2.3.1 also establishes the fact that forensic accountants also need a broad-based working knowledge of other professions in the business world to enable him function satisfactorily. These various skills and professional disciplines also impact positively on the practice of forensic accounting.



**Figure 1. Relationship between Forensic Accounting and Other Disciplines**  
 Source: [23].

In terms of specific tasks performed, there are distinct features between forensic accounting and traditional auditing function. Although they are inherently interrelated, Table 1 establishes the essential differences between forensic accounting and statutory audit activity. The table is seen on the next page and it highlights differences between both concepts.

**Table 1.** Comparison between forensic accounting and statutory auditing.

Items for analysis	Forensic Accounting	Auditing
Why, when and where the services take place	This proves fraud in the business in an apparent risk prone environment	Keeps on affirming the cutting edge of a business and consent to a proficient market hypothesis.
Extent of the activity	Reveal accounting related figures, ratios and financial information to support legal and administrative decisions	Opine on the accounting explanations of business substances considering all criteria utilized in the preparation.
Tasks performed	Itemized arranging of undertakings aimed at documenting deterministic and calculative analysis.	Sampled and/or probabilistic techniques to fill in as a base of finishing up the financial summary.
Periodicity	Whenever essential and especially as indicated by the stipulated by judge or customer	Covering the monetary year to substantiate the exercises of the accounting time frame.
Reporting	Analyzed or master reports	Fiscal reports, the board letters or auditors' report.

Historically, although [4] was the first to write about: “Forensic Accounting: Its Place in Today’s Economy”, [4] have archived the way that legal bookkeepers have been around for about 200 years. They contend that the most punctual reference to the subject was found in 1824 in a bookkeeper's promoting round in Glasgow, Scotland. These unique bookkeepers gave declaration in court and in assertion procedures. Nonetheless, enthusiasm for the field of measurable bookkeeping did not spread through the United States and England until from the get-go in the twentieth century.

One of the first users of the foundations to utilize the administrations of such insightful specialists was the Internal Revenue Service. This was the place the main prominent scientific bookkeeper, Frank J. Wilson initiated the battle to convict Alphonse "Scarface" Capone, the celebrated mobster who was gotten on a tax avoidance conspire in 1931[1]. In a different record by [4], Sherlock Holmes, the fake character made by Sir Arthur Conan Doyle is additionally viewed as the pioneer of scientific

bookkeeping. However, it is well documented that the FBI later decided to utilize them and went ahead to employ about 500 of them during World War II. Then, the scientific bookkeeping calling kept on developing amid the last 50% of the century, as GAAP and expense laws ended up across the board and compulsory. [3] likewise takes note of that the expert history of legal bookkeeping really initiated in 1992 when the American College of Forensic Examiners was set up while the American Board of Forensic Accountants began in 1997.

Inadequacies of traditional accounting birthed forensic accounting and this has helped to close the gap of dissuading, identifying and exploring cheats in the financial reporting function in all its ramifications [14]. This implies that, on consultancy basis, the forensic accountant can be engaged whether by management, users of financial services or even regulators, to clear whatever doubts exist concerning financial reporting integrity and collect evidence of wrong-doing accordingly. In words, their scope is not limited to the financial statement which is only the end product of financial processes; they will also assess the authenticity or otherwise of the transactions themselves, the people as well as the environment. All of these will help to establish the existence or otherwise of financial fraud, the people involved as well as the particular component of the business that is at risk.

In carrying out his function, a forensic accountant could be confronted with the situation in which he has to reconstruct incomplete financial in order to settle miscellaneous challenges such as insurance claims, over-valuation of inventories, money laundering and other sources of potential disputes [21]. Another difference between traditional auditing and forensic accounting has been alluded to by [4]. According to them, "the forensic accountant is a bloodhound (which the auditor is not) of accounting. These hunting dogs sniff out misrepresentation and criminal exchanges in bank, corporate substance or from some other association's monetary records. They dog for the indisputable confirmations. Outer reviewers discover the purposeful errors just however the scientific bookkeepers discover the misarticulations intentionally. Outside evaluators take a gander at the numbers however the scientific inspectors look past the numbers"

### **2.1 Basic Forensic Accounting Skills**

The thrust of this paper has to do with the requisite skills required by the prospective forensic accountant. As earlier mentioned, there are a myriad of miscellaneous skills required by the forensic accountant in order to distinguish himself from the pack of traditional accountants and auditors. According to [11], successful forensic accountants must have analytic abilities, strong written and verbal communication skills, a creative mindset, and business acumen. They must also be able to interview and obtain information from otherwise uncooperative people. He must also possess a large dose of internal professional watchfulness.

For [24], since the criminological bookkeepers are exceptionally put to probably reveal money related mis-directions, he/she needs an inside and out information of fiscal reports and the capacity to break down and censure them. He demands that scientific bookkeepers ought to most likely sufficiently comprehend the inward control and corporate administration frameworks of associations and have the capacity to survey their inalienable dangers and inadequacies. According to [24], the knowledge of sociology and psychology are also indispensable for the forensic accountant since he needs a working knowledge of impulsive criminal behaviour as well as the motivations for criminal and financial deception.

The contribution of [13] is in the area of possess research and information gathering skills, as well as knowledge of technological advancements, which he insists the forensic accountant also needs to enable him accumulate evidence from different sources. [13] does not discountenance the need for the forensic accountant to be up to speed with cybercrimes and a working knowledge of relevant standards, regulations and statutes for specific local jurisdictions. They also need to have a reasonable understanding of basic accounting and auditing skills to be able to appreciate the various ramifications of the environment in which data is processed and reported. [23] also happened extensively on the basic qualities already discussed above such as knowledge of financial statements, understanding of fraud schemes and internal control systems of corporations, including operational risks.

### **2.2 Hypotheses Development: Financial Reporting and Basic Forensic Accounting Skills**

Although there are numerous skill sets that will enhance the ability of the forensic accountant, four of the skills are fundamental to the practice of the profession. There are basic fundamentals to the practice of forensic accounting which, by implication, also affect financial reporting credibility.

Writing on Contextualizing the South African Forensic Accountant [20] expressed that the aptitudes expected of a legal bookkeeper incorporate the accompanying: essential bookkeeping abilities, composing aptitudes, verbal relational abilities, logical aptitudes, identity attributes, PC measurable abilities, information mining abilities, talking with aptitudes, and a foundation in law requirement [16], [18]. [22] additionally stressed the way that, so as to end up a fruitful criminological bookkeeper, one ought to have investigative capacities, relational abilities, an imaginative outlook and business information. These skills can be organized and discussed under the following headings to enable us develop appropriate theoretical hypothesis viz: technical and analytical skills, effective communication skills, accounting & auditing skills and psycho-social skills.

### *2.2.1 Technical and Analytical Skills*

The vast majority of forensic accounting techniques rely heavily on a working knowledge of information and communication technology. An aspiring forensic accounting practitioner therefore, needs to have technical and analytical skills. This is in line with the view expressed by the [9] on the desirable traits and characteristics of scientific and legal accountants. According to them, technical and analytical proficiency, detail-orientation, ethical mindset, responsiveness, insightfulness, intuitiveness, inquisitiveness, skepticism and persistence occupy the front burner on the niche grid with technical and analytical characteristics being the most critical of all the traits, an assertion that had earlier been made by [22]. Analytical skills are paramount as the forensic accountant often has to deal with unusual relationships that to be disentangled and explained. For instance, some forensic accounting experts opine that if that if the evaluators of HealthSouth had been versed in logical methods, they may have identified the over \$1 billion misrepresentation that they neglected to discover for a long time [3]. Further empirical impetus was given to the pre-eminence of this factor by the studies conducted by [14]. According to them, explanatory aptitude remains the principal characteristic that scientific bookkeepers are relied upon to have.

$H_0$ : There is no critical relationship between Technical & Analytical Skills and financial reporting credibility based on listed firms in Nigeria.

## **2.3 Effective Communication Skills**

### *2.3.1 Written Communication Skills*

There is doubt, whatsoever, that written communication is very vital as the need always arises for the forensic accountant to write down his work in a professional manner. A properly written findings can be a pivotal weapon in the course of prosecution and may help to impress the judge/jury [3].

### *2.3.2 Verbal Communication Skills*

Apart from composed correspondence, the scientific bookkeeper should likewise have the capacity to clarify his discoveries verbally. The need may likewise emerge for him to go into the field and address organization work force who could possibly be included with the speculated misrepresentation [3]. Moreover, measurable bookkeepers are regularly called to be master observers and affirm amid prosecution which is a key part of the training. He ought to almost certainly present complex proof to the jury in a reasonable way [23].

$H_0$ : There is no significant relationship between effective communication skills and financial reporting credibility among listed firms in Nigeria.

### *2.3.3 Accounting and Auditing Skills*

[22] expressed the view that bookkeeping is generally viewed as the "language of companies" hence the need for the forensic accountant to have strong basic accounting and auditing skills, in all its ramifications. This argument has been corroborated in the study conducted by [17] which concluded that there is requirement for scientific bookkeepers to have strong information and aptitudes in the zone of fundamental bookkeeping and examining.

$H_0$ : There is no critical relationship between basic accounting and auditing skills and financial reporting credibility among listed firms in Nigeria.

### 2.3.4 Psycho-Social Skills

Psycho-Social Skills has to do with a broad range of skills that are necessary for a successful practice of forensic accounting [15] personality traits, interviewing skills, psychology and social interaction, etc. These skills enable the forensic accountant to understand the mindset of the fraudster and be able to analyse and interpret his actions and inactions. It is psycho-social skills that enables the forensic accountant to understand the environmental factors around him. [1], argued that a forensic accountant must have interest and a solid distrust of the budgetary framework around him. He should most likely distinguish applicable actualities, assess judgment and translate plan; pursue a reasonable, moral and coherent way when playing out his work just as convey his discoveries and musings to companions and customers. As commented by [11], "An extortion bookkeeper (as forensic accountant are frequently called) ought to likewise watch and listen cautiously. By this, you build up an ability to recognize lies whether they include misrepresentation or not. Educationally, 'not all liars are fraudsters, however all fraudsters are liars'. Enlighteningly, in the expressions of [13], "systems, processes, technologies and institutions don't commit fraud, people do." It is absolutely necessary, therefore, to be able to fathom the psychology and sociology of human beings.

H<sub>0</sub>: There is no crucial relationship between psycho-social skills and financial reporting credibility among firms listed in Nigeria.

### 3. Research Methods

The research design adopted is the questionnaire, through which the impact of the various basic forensic accounting skills on financial reporting credibility was assessed. The questionnaire containing fifteen questions each were presented to a sample of forty users of financial reports who are corporate investment advisers operating within the Lagos metropolis as at January, 2018, out of which thirty one responded. The responses were obtained through a five-point Likert-type scale which was subsequently converted into quantitative data and used to do the chi-square analysis model and test the strength of the relationship between the dependent and independent variables which are as follows:

Where:

*Dependent Variable:*

Financial Reporting Credibility

*Independent Variables:*

Basic Forensic Accounting Skills

Technical & Analytical Skills

Communication Skills

Accounting & Auditing Skills

Psycho-Social Skills

### 4. Presentation And Discussion Of Results

This section is devoted to the presentation of the results obtained from the field work as well as discussion of same. The objective here assesses the effect of forensic accounting skills on financial reporting credibility through the Cross Tabulation Analysis as shown in Table 4.



Table 4. Presentation of results

Financial Reporting Credibility: Impact Assessment						
<b>Basic Forensic Accounting Skills</b>						
<b>Variable</b>	Strongly disagree	Disagree	Undecided	Agree	Strongly agree	Total
<b>Analytical skills</b>	Freq. (%)	Freq. (%)	Freq. (%)	Freq. (%)	Freq. (%)	Freq. (%)
	0	0	0	0	0	0
	0	0	0	1(100)	0	1(100)
	0	0	1(25.0)	3(75.0)	0	4(100)
	0	0	0	71(81.6)	16(18.4)	87(100)
	0	0	1(1.0)	82(79.6)	20(19.4)	103(100)
	$\chi^2 = 24.382(0.000)$ ; Correlation coefficient ( $R$ ) = 0.333 (0.000)					
<b>Communication Skills</b>	Strongly disagree	Disagree	Undecided	Agree	Strongly agree	Total
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	1(10.0)	5(50.0)	4(40.0)	10(100)
	0	0	1(0.9)	84(76.4)	25(22.7)	110(100)
	$\chi^2 = 17.970 (0.001)$ ; $R = 0.290 (0.001)$					
<b>Accounting &amp; Auditing Skills</b>	Strongly disagree	Disagree	Undecided	Agree	Strongly agree	Total
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	10(83.3)	2(16.7)	12(100)
	0	0	0	84(77.1)	25(22.9)	109(100)
	0	0	2(2.7)	63(85.1)	9(12.2)	74(100)
	$\chi^2 = 3.081 (0.079)$ ; $R = -0.133 (0.066)$					
<b>Psychosocial Skills</b>	Strongly disagree	Disagree	Undecided	Agree	Strongly agree	Total
	0	0	0	0	0	0
	0	0	0	0	1(100)	1(100)
	0	0	0	6(100)	0	6(100)
	0	0	2(2.0)	84(85.7)	12(12.2)	98(100)
	0	0	0	67(74.4)	23(25.6)	90(100)
	$\chi^2 = 13.022 (0.043)$ ; $R = 0.250 (0.043)$					

#### 4.1. Interpretation & Discussion of Results

By way of summary, the result of Table 4.1 shows that there is a critical positive relationship between basic forensic accounting skills and financial reporting credibility. The individual variables have also been subjected to analysis.

##### 4.1.1. Technical & Analytical Skills

Further analysis of the result shows a significant positive correlation, *chi-squared* ( $\chi^2$ ) = 24.382 (0.000); *Pearson Correlation coefficient* ( $R$ ) = 0.333; *P-value* < 0.01 between technical & analytical skills of the forensic accountant and financial reporting credibility. It is observed that as many as 82 (19.4%) of the respondents that strongly agree that a forensic accountant needs analytical skills to resolve both structured and unstructured issues also believed that financial credibility can be enhanced through analytical skills. However, while 71(81.6%) of the respondents supported both arguments, only one person (25.0%) of the respondents was undecided while 20 (19.4%) strongly agreed. 16(18.4%) of the respondents that agree on the need for analytical skill of the forensic accountant also strongly agree on the need for financial

reporting credibility enhancement. It is observed that although one of the respondents strongly supported the need for acquisition of analytical skills by the forensic accountant he was undecided about its impact on financial reporting credibility of listed companies. Based on the overwhelming support as shown by this analysis, it stands to reason that the null hypothesis is rejected, paving the way for acceptance of the alternate. This verdict is in line with the view of [3] both of whom argued on the critical gap to be filled by analytical skills in the practice of forensic accounting and how it can improve financial reporting credibility.

#### 4.1.2. Effective Communication Skills

In the case of communication skills of the forensic accountant, it was observed to be significantly associated with financial reporting credibility, *chi-squared* ( $X^2$ ) = 17.970, *p-value* < 0.01; *Correlation coefficient* ( $R$ ) = 0.290; *P-value* < 0.01. Further evidence from the result also shows that 84 respondents (77.1%) who agreed that forensic accountants need effective communication skill were also in support of the fact that it will improve the credibility of financial reporting by listed companies. They were also strongly supported by another 25 respondents (22.7% of the entire respondents). In addition, another 68 respondents (90.7%) who strongly agreed on the need for good communication skills by forensic accountants are also on the same page concerning its potential for positive impact on financial reporting credibility while 7 respondents (9.3%) strongly agreed on both issues. Evidently, 25 respondents (22.7%) who agree on the need for forensic accountants to have good communication, both oral and written, were in strong support its perceived effect on financial reporting. It is noteworthy that 5 (50.0%) and 4 (40.0%) of the respondents who were undecided about the need for communication skills by the forensic accountant, nonetheless, agree and strongly supported the argument on its impact on financial reporting credibility of listed companies respectively while one respondent (10.0% of the total respondents) was undecided about both issues. This conclusion paves the way for a logical rejection of the null hypothesis earlier formulated. While this conclusion is in line with the argument presented by [3] on the need for effective written communication ability, made a case for oral communication ability.

#### 4.1.3. Accounting & Auditing Skills

As observed from the result on Table 4.1, majority of the respondents (84 or 77.1%) who agreed that forensic accountants need to be skilled in basic accounting and auditing also agree on the need to improve financial reporting credibility and were also strongly supported by another 25 (22.9%) of the respondents. Further analysis of the result indicates that 63 (85.1%) who were in strong support of the need for accounting and auditing skills critical in forensic accounting also supported the need for financial reporting credibility improvement and 9 (12.2%) strongly agreed on the two issues though 2 (2.7%) were undecided about this particular skill in forensic accounting practice. Furthermore, 10 (83.3%) who were undecided about the importance of accounting and auditing skills and in forensic accounting were in support of the need to improve financial reporting credibility and were strongly supported by 2 (16.7%) of the respondents. Particularly, a significant and direct correlation could be found between accounting and auditing skills and credible financial reporting by listed companies, *Chi-squared* ( $X^2$ ) = 3.081, *P-value* < 0.10; *Correlation coefficient* ( $R$ ) = 0.133; *P-value* < 0.10. This empirical result leads us to reject the null hypothesis and accept the alternate which is in sync with the view of [17] on the importance of accounting and auditing skills to the forensic accountant

#### 4.1.4. Psycho-Social Skills

The result of the relationship between psychological and social (psychosocial) skill in forensic accounting practice and financial reporting credibility ( $X^2$  = 13.022; *p-value* < 0.05;  $R$  = 0.250 (*p-value* < 0.05) suggest a significant level of positive association. Detailed analysis shows that most of the respondents (84 or 85.7%) agreed on the impact of psycho-social skills in relation to financial reporting credibility among listed companies, However, 12 (12.2%) were in strong support while 2 (2.0%) were indeterminate about these issues. Also 23 (25.6%) of those who showed strong support on the impact of psycho-social skills on

financial reporting credibility were also supported by 67(74.4%) of the total respondents. However, 6(100%) who were undecided about psychosocial skill acquisition by forensic accountants displayed considerable support for the concern to improve financial reporting credibility. Here again, the null hypothesis is rejected and the alternate accepted and this is supported by several researchers on the subject [22]

## 5. Conclusion

The following findings are pertinent from this study:

1. There is a significant positive correlation,  $\chi^2 = 24.382$  ( $p < 0.000$ ); Correlation coefficient ( $R$ ) = 0.333;  $p < 0.01$  between technical & analytical skills of the forensic accountant and financial reporting credibility. An overwhelming number of respondents are united on the fact that possession of technical & analytical skills will improve financial reporting credibility.
2. In the case of communication skills of the forensic accountant, it was also observed to be significantly associated with financial reporting credibility,  $\chi^2 = 17.970$ ,  $p < 0.01$ ; Correlation coefficient ( $R$ ) = 0.290;  $p < 0.01$ . This is true for both verbal and written communication.
3. A significant and direct correlation could also be found between accounting and auditing skills and credible financial reporting by listed companies,  $\chi^2 = 3.081$ ,  $p < 0.10$ ; Correlation coefficient ( $R$ ) = 0.133;  $p < 0.10$ .
4. In the case of psycho-social skills, the result of the relationship between psychological and social (psychosocial) skill in forensic accounting practice and financial reporting credibility ( $\chi^2 = 13.022$ ;  $p < 0.05$ ;  $R = 0.250$  ( $p < 0.05$ )) suggest a significant level of positive association.

In view of the strong and significant association between these various skills and financial reporting credibility, it is advised that deliberate efforts should be made to develop these skills not only by the professional bodies but also the regulatory agencies charged with responsibility for financial reporting. This can be done either as a prerequisite to practice forensic accounting profession or as part of continuing professional education.

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