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FORENSIC ACCOUNTING, A VERITABLE FINANCIAL TOOL FOR QUALITATIVE FINANCIAL REPORTING SYSTEMS IN THE 21ST CENTURY

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ABSTRACT

Purpose: The aim of this study was to examine the implications and effects of forensic accounting as a veritable financial tool for qualitative financial reporting in the 21st century. In this period, forensic accounting is playing a significant role in the trajectory efforts in building enduring confidence in the credibility of financial reporting systems.

Theoretical Framework: The quality of financial reporting is under critical threat as a result of reported financial scandals and the professional recklessness of a few unscrupulous individuals in the accounting profession. The objective of the financial reporting system is to galvanize the reporting procedures and true application of accounting standards to improve the general acceptance of accounting information. Forensic accounting bridges the gap as a veritable financial tool to enhance the quality of financial reporting.

Design/Methodology/Approach: The study employed used a survey research method, using a structured questionnaire administered through an online platform targeting a selection of forensic accounting investigators and forensic accountants. A total of 443 questionnaires were validated and used for the analyses. The reliability and validity of the instrument were confirmed with the use of Cronbach Alpha and descriptive statistics and inferential analysis were used for the study analyses of the data.

Findings: The result demonstrated that forensic accounting exerted significant effects on each of the qualitative characteristics and enhanced characteristics of financial reporting systems in the study. The study concluded that forensic accounting as a veritable financial tool significantly affected the quality of financial reporting systems in this 21st century.

Research Practical & Social Implication: The study with the possibility of application of forensic accounting during this contemporary period, the quality of financial reporting is enhanced. The implication of forensic accounting in safeguarding corporate financial risks should not be ignored, in providing novelty and oversight functions building quality and trust in reliance on the quality of financial reporting.

Implication/Originality/Value: The value of this study is assuring quality financial reporting in providing strong confidence and trust in the reliability and credibility of financial statements in making useful decisions capable of adding economic value to the stakeholders.

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CONTABILIDADE FORENSE, UMA FERRAMENTA FINANCEIRA REAL PARA SISTEMAS DE INFORMAÇÕES FINANCEIRAS QUALITATIVAS NO SÉCULO 21

RESUMO

Objetivo: O objetivo deste estudo foi examinar as implicações e os efeitos da contabilidade forense como uma verdadeira ferramenta financeira para relatórios financeiros qualitativos no século XXI. Nesse período, a contabilidade forense está desempenhando um papel significativo na trajetória de esforços para criar confiança duradoura na credibilidade dos sistemas de informações financeiras.

Estrutura teórica: A qualidade dos relatórios financeiros está sob ameaça crítica como resultado dos escândalos financeiros relatados e da imprudência profissional de alguns indivíduos inescrupulosos na profissão contábil. O objetivo do sistema de relatórios financeiros é galvanizar os procedimentos de relatórios e a verdadeira aplicação das normas contábeis para melhorar a aceitação geral das informações contábeis. A contabilidade forense preenche essa lacuna como uma ferramenta financeira genuína para melhorar a qualidade dos relatórios financeiros.

Projeto/Metodologia/Abordagem: O estudo empregou um método de pesquisa de levantamento, usando um questionário estruturado administrado por meio de uma plataforma on-line para pesquisadores de contabilidade forense e contadores forenses selecionados. Um total de 443 questionários foi validado e usado para análise. A confiabilidade e a validade do instrumento foram confirmadas por meio do alfa de Cronbach, e as estatísticas descritivas e a análise inferencial foram usadas para a análise dos dados.

Resultados: O resultado mostrou que a contabilidade forense exerceu efeitos significativos em cada uma das características qualitativas e aprimoradas dos sistemas de informações financeiras do estudo. O estudo concluiu que a contabilidade forense, como uma ferramenta financeira genuína, afetou significativamente a qualidade dos sistemas de informações financeiras neste século XXI.

Implicações práticas e sociais da pesquisa: O estudo com a possibilidade de aplicação da contabilidade forense durante esse período contemporâneo melhora a qualidade das informações financeiras. A implicação da contabilidade forense na proteção dos riscos financeiros das empresas, no fornecimento de novidades e funções de supervisão que criam qualidade e confiança na qualidade das informações financeiras não deve ser ignorada.

Implicação/Originalidade/Valor: O valor deste estudo é garantir a qualidade dos relatórios financeiros, proporcionando forte confiança na confiabilidade e credibilidade das demonstrações financeiras para tomar decisões úteis capazes de agregar valor econômico às partes interessadas.

Palavras-chave: Recursos de Aprimoramento, Contabilidade Forense, Detecção de Fraudes, Prevenção de Fraudes, Cálculo Preciso de Reivindicações, Detecção Qualitativa de Fraudes, Prevenção de Fraudes, Recursos Qualitativos.

LA CONTABILIDAD FORENSE, UNA VERDADERA HERRAMIENTA FINANCIERA PARA LOS SISTEMAS DE INFORMACIÓN FINANCIERA CUALITATIVA DEL SIGLO XXI

RESUMEN

Propósito: El objetivo de este estudio era examinar las implicaciones y los efectos de la contabilidad forense como verdadera herramienta financiera para la información financiera cualitativa en el siglo XXI. En este periodo, la contabilidad forense está desempeñando un papel significativo en los esfuerzos de trayectoria para crear una confianza duradera en la credibilidad de los sistemas de información financiera.

Marco teórico: La calidad de la información financiera se encuentra bajo una amenaza crítica como resultado de los escándalos financieros denunciados y de la imprudencia profesional de unos pocos individuos sin escrúpulos de la profesión contable. El objetivo del sistema de información financiera es galvanizar los procedimientos de información y la verdadera aplicación de las normas contables para mejorar la aceptación general de la información contable. La contabilidad forense tiende un puente como auténtica herramienta financiera para mejorar la calidad de la información financiera.

Diseño/Metodología/Enfoque: El estudio empleó un método de investigación por encuesta, mediante un cuestionario estructurado administrado a través de una plataforma en línea y dirigido a una selección de investigadores de contabilidad forense y contables forenses. Se validaron y utilizaron para los análisis un total de 443 cuestionarios. La fiabilidad y validez del instrumento se confirmaron con el uso del alfa de Cronbach y para el análisis de los datos se utilizaron estadísticas descriptivas y análisis inferenciales.

Resultados: El resultado demostró que la contabilidad forense ejercía efectos significativos sobre cada una de las características cualitativas y las características mejoradas de los sistemas de información financiera del estudio. El estudio concluyó que la contabilidad forense, como auténtica herramienta financiera, afectaba significativamente a la calidad de los sistemas de información financiera en este siglo XXI.

Implicación práctica y social de la investigación: El estudio con la posibilidad de aplicación de la contabilidad forense durante este período contemporáneo, la calidad de la información financiera se mejora. No se debe ignorar la implicación de la contabilidad forense en la salvaguarda de los riesgos financieros de las empresas, en la provisión de funciones de novedad y supervisión que crean calidad y confianza en la calidad de la información financiera.

Implicación/Originalidad/Valor: El valor de este estudio es asegurar la calidad de la información financiera al proporcionar una fuerte confianza en la fiabilidad y credibilidad de los estados financieros para tomar decisiones útiles capaces de añadir valor económico a las partes interesadas.

Palabras clave: Características de Mejora, Contabilidad Forense, Detección de Fraudes, Prevención de Fraudes, Cálculo Exacto de Siniestros, Cualitativa Detección de Fraudes, Prevención de Fraudes, Características Cualitativas.

INTRODUCTION

Internal and external stakeholders need to depend on the integrity of financial statements in order to make crucial management and investment choices with confidence. Financial statements offer essential information about a company's health and the underlying financial realities of the trajectory performance of firms over the years. Regrettably, erroneous reporting can occasionally happen, either as a result of inadvertent mistakes or, in the worst cases, material misstatements for financial gains or purposeful fraud. Inaccurate reporting can have expensive and severe repercussions, such as bad business and investment selections, sanctions and fines from the government, legitimacy forfeiture and reputational harm. Companies may prevent financial reporting errors and the issues they might create by understanding the causes, risks, and solutions to reduce resentment and discontentment. The institutional context of the financial reporting system is a complex infrastructure with several incentives that influence the financial reporting practice. Financial accounting systems contribute information directly to corporate control mechanisms and indirectly to corporate control mechanisms by influencing stock price information

Ewa et al. (2020) opined that a financial reporting system is the process of creating financial statements that reveal to stakeholders' management, investors, creditors, and regulatory agencies an organization's financial situation. A system is viewed as a whole having a purpose and is made up of pieces that interact to support that purpose (Navareete & Gallego, 2022). The complexity of the system increases with the number of its components and subsystems, some of which may be essential to the overall operation of the system (Franklin et al., 2022). The primary goal is to offer users of the financial statements with financial information about the reporting entity that is helpful in making decisions about allocating resources to the company as well as other financial decisions. The underlying financial data must adhere to accounting standards like the Generally Accepted Accounting Principles (GAAP), which are used in the US, or the International Financial Reporting Standards (IFRS), which are used in many other nations, whether it is used for external or internal reporting purposes. Regulatory authorities, GAAP/IFRS reporting requirements, and other necessary schedules and papers must all be complied with in order for the core financial statements to be reported externally (Afriyie et al., 2022; Sa'id & Azmi, 2020; Agyemang et al., 2022).

The system is also used to keep track of how well the company is doing and to facilitate the completion of pertinent transactions (for instance, many goods and services are offered on credit, giving the consumer a number of days or months to pay their obligation). Credit control needs information from the accounting system on who hasn't paid their bills and has to be pursued for payment as a result. A system that can gather information about the pertinent transactions and events that take place during the financial year, summarize them correctly, and display them in a way that the users can comprehend must be built in order to successfully report that information to the users. This is the mechanism for financial reporting (Evans, 2017; Abdulrahman, 2019). Klimovskikh et al., (2023) reported that employee awareness and desire to change is a crucial part of adopting Sustainable Development Goals in an organization, suggesting that forensic acconting can make a significant impact in the workplace. .

All parties engaged in financial reporting preparers, auditors, audit committees, and shareholders need to exert more effort if they want to see an improvement. This is not only a recommendation; rather, all of these parties are obligated by law, regulation, and other regulations to actively contribute to making sure that the financial statements, which form the basis of the system, pass the legal requirement that they provide a "true and fair" perspective (Alamry et al., 2022). The financial accounts must satisfy this test for all participants in the system, including shareholders, in various ways. This perspective is required since the interactions between these actors are not as simple as they could be. Akhidime (2020) posited that it may be true that directors prepare financial statements for the benefit of shareholders and that auditors report on those financial statements to shareholders, but in order to fully comprehend the dynamics of the relationships in the system and the pressures that contribute to dysfunction, such statements need to be dissected and put into context. Such straightforward statements imply, among other things, that shareholders are passive receivers of financial information and that only their interests are important. Both of those claims are untrue.

The underlying problem of this study situates on the financial reporting system and associated challenges and this includes misleading, resettlements and dissatisfaction of the users of the financial statements, as investors and other stakeholders no longer believe the veracity of the information contents of the financial reports of firms. The inherent trajectory of faulty processes, the prescriptive nature of accounting standards and selective compliance by managers in preparing financial statements have not met the least acceptable threshold to bring sanity and global approval in deepening economic value creation for investors and in making useful investment decisions (Gnanaweera & Kunori, 2018). The reported audit failures and infractions implicating audios in several reported financial scandals and fraud cases have heightened the obvious need for forensic accounting as a veritable financial tool for the qualitative financial reporting system.

According to Akinbowale (2018); Eko (2022), severe flaws in the accuracy of financial reporting have given birth to high-profile scandals that have caused investor losses as well as diminished trust in the financial system. Users of financial statements who could evaluate the quality of financial reporting properly were better positioned to prevent losses. These errors serve as an example of the difficulties analysts encounter as well as the possible implications of failing to spot behaviours that lead to misleading or erroneous financial reporting. An analyst might get insight into several signals that may point to poor-quality financial reports by looking at examples of misreporting. Nihal et al., (2023) posited that the influence of innovation on economic growth refers to the effect of innovation on a country's overall economic performance, hence application of forensic accounting deepens qualitative financial reporting among accounting firms.

Forensic accounting is deepening the underlying realities to raise the bar of acceptability and credibility of information contents of financial statements (Sule et al., 2019; Alshurafat et al., 2021). The goal of forensic accounting analysis is to determine if a company's stated performance and position accurately reflect its "actual" performance and situation. Evidence from the literature Aminu et al. (2022) has shown that forensic accounting is undoubtedly a veritable financial tool for qualitative financial reporting systems in the contemporary 21st century. Amahalu et al., 2017) posited that although it's simple (and maybe more thrilling!) to believe that forensic accounting by its analysis is just looking for proof of significant fraud, in fact, analysts are typically searching for proof of bias in the management's actions and judgments made when creating financial statements. Evidently, forensic accounting has become inevitably a required trajectory possibility roadmap in providing a lasting respite. Dada and Jimoh (2020) reported a positive and significant nexus between forensic accounting and corporate financial image of companies; Eko (2022); Oranefo et al. (2021) documented the significant effect of forensic accounting on the quality of financial reporting.

The major goal of this study is to examine how forensic accounting affects the quality of financial reporting, systems with a secondary goal of examining the interplay between forensic accounting and the quality, acceptability and realities of information contents of reported financial statements in adding economic value to stakeholders decisions relying on them in the 21st century from the Nigerian perspective. The perceptions of the stakeholders are gradually changing to mitigating effect and genuine intentions of forensic accountants to prevent further impediments and degenerating of values derivable from accounting numbers to all financial statements users and all the stakeholders (Arslan, 2020; Debajie, 2019). For instance, proof of aggressive revenue recognition or proof of funding post financial statements reporting could bring some distortions in the credibility of financial reporting. The financial and banking sectors increasingly rely on forensic accounting skills to spot and report fraud and misstatements (Chinyamunjiko et al., 2022). The presence of a forensic accountant is essential in the emerging economy of Sub-Saharan African countries for the investigation of illegal activity, the supply of arbitrary services, and the evaluation of instances involving professional negligence. The financial reporting of a firm is used by external stakeholders to assess its financial strength and creditworthiness, including shareholders, creditors, and investors. Although it can be tailored to the demands of internal stakeholders, internal financial reporting normally contains the fundamental financial statements. Although it can be tailored to the demands of internal stakeholders, internal financial reporting normally contains the fundamental financial statements (Debajie (2019; Esther et al., 2022).

Notably, while prior studies have considered the quality of financial reporting systems in various capacities (Ewa et al., 2020; Nandini & Ajayi, 2021; Modugu & Anyaduba, 2013), implications of misleading accounting information have not improved, rather it does appear that International Financial Reporting Standards (IFRS) and other financial standard setters appear overwhelmed by the gravity errors, misstatements and consequent scandals (Evas, 2017; Navarrete & Gallego, 2022). While small accounting firms are deeply involved in undermining the credibility of the information content of the financial statements audited by them, have been deeply entangled in unethical practices and lack professionalism in reporting biased financial reports that failed the test of integrity, the big-4 auditing firms are saints in this mess. Idris (2017) argued that the entire financial reporting systems and procedures deserve a considerable overhaul to give the financial reporting systems a well-deserved dignity, restoring credibility and reliability to accounting information contents. The rising competition from smaller, more specialized accounting companies that can provide more specialized services at a cheaper cost is anticipated to be one of the main issues confronting the big four accounting firms in the upcoming ten to twenty years. However, the conventional business models of the big-4 accounting firms may be threatened by the development of new technologies like automation and artificial intelligence.

In addition, there is a dearth of literature, which had failed to focus on the empirical effects of forensic accounting on the financial reporting systems from the emerging literature in Nigeria, this study bridges this gap. In addressing this problem, this study provides a novelty in research, the significance of forensic accounting as a veritable financial tool for qualitative financial reporting systems in the 21st century. While there is no uniformity so far established in the literature on the way forward in improving and mitigating the problem of the financial reporting systems and the challenges associated with misleading financial reporting systems and increasing economic losses relying on misrepresentative financial reports, this has created a wide empirical landscape for solutions. This study provides forensic accounting as a crucial fraud detection mechanism, criminal investigation, arbitrary services, and the further examination of infractions where auditors and accounting firms were implicated resulting from negligence, and lack of professional scepticism. This study aimed to ensure establish the empirical evidence of forensic accounting in enhancing the quality and a veritable financial tool for qualitative financial reporting.

Consequently, this study investigates the effect of forensic accounting as a veritable financial toll on qualitative reporting systems from the 21st-century perspective. In addressing this problem, the study decided to test the following:

Ho1: Forensic accounting does not possess a veritable significant effect on qualitative characteristics of the financial reporting system in the 21st century.

H02: Forensic accounting does not possess a veritable significant effect on enhancing the characteristics of financial reporting systems in the 21st century.

The rest of this study is fashioned as follows: Section 2 provides the literature reviews of pertinent forensic accounting and the theoretical framework. In section 3, the study showed the methodology illustrating the data information. In section four, the study presented results and discussions. Finally, in section five, the study provided the concluding remarks.

LITERATURE REVIEW

Quality of Financial Reporting System

The quality of financial reporting differs amongst businesses. Analysts must be able to evaluate the calibre of a company's financial reporting. Indicators of poor financial reporting may cause an analyst to read firm reports with greater suspicion, carefully consider disclosures when analysing financial statements, and make the necessary corrections to evaluations of previous performance and future performance (Aguguom & Olanipekun, 2021). The greatest level of financial reporting quality (which includes information that is pertinent, accurate, full, and unbiased) may be compared to the lowest level (containing information that is not just biased or incomplete but possibly pure fabrication).The issues of reporting quality as it relates to the information presented. High-quality reporting accurately reflects the business's operations during the reporting period as well as its financial standing at the conclusion of the period. The term "results quality" (also known as "earnings quality") refers to how well the company's actual economic operations performed in comparison to forecasts for its present and future financial performance in terms of profits and cash generated (Ekundayo et al., 2022). The perception of quality profits as sustainable gives projections a solid foundation.

The following infrastructure is necessary for an economically efficient public financial reporting and disclosure system: educating an audit profession with sufficient numbers, professional competency, and independence from management to reliably verify the accuracy of financial statements; establishing a system for setting and maintaining high-quality, independent accounting standards; separating as much as possible the systems of public financial reporting and corporate income taxation so that tax objectives do not distort financial information; reforming the structure of corporate ownership and governance to achieve an open-market process with genuine demand for reliable public information; and, perhaps most importantly of all, establishing an effective, transparent corporate governance system (Enofe et al., 2013; Nandini & Ajayi, 2021).

Relevance

In order for users to make and evaluate economic decisions, the information must, according to the feature of relevance, be both confirmatory and predictive. The type and substance of information have an impact on its relevance. Information is considered material if leaving it out or misrepresenting it might have an impact on decisions. Any information that is pertinent to a specific organization should be included in a financial report. Fundamental qualitative traits that are desired in accounting information are produced by the demand for accounting information from investors, lenders, and creditors (Franklin et al., 2022). Accounting information has six distinct qualitative traits. The remaining four qualitative features are improving, while the final two are basic (must have) (nice to have). For accounting data to be useful in making choices, certain qualitative features must exist. Relevance is a term used to describe how useful information is when making financial decisions. Accounting data must have the following qualities to be relevant: Value as a confirmatory factor - offers details about previous occurrences Predictive value - Offers insight into potential future occurrences. Consequently, accounting data is important if it can aid with past event analysis, future event prediction, or taking action to address potential future occurrences. When deciding whether to prolong or increase the amount of credit available to a firm, for instance, creditors may consider the company's performance during a great quarter (Okoye & Mbanugo, 2020).

Faithful Representation

According to the feature of faithful representation, financial information should accurately reflect the phenomena it claims to describe. This representation suggests that the financial data is accurate, impartial, and thorough. The degree to which information correctly reflects a company's resources, obligatory claims, transactions, etc. is referred to as representational fidelity, also known as dependability. Think of an image that represents something you see in real life (Unuigbokhai & Bagudu, 2022). How closely does the picture match what you see? Accounting information must meet the following criteria in order to be representationally faithful: Financial accounts should be entirely accurate and not leave out any transactions. Information that is to a certain extent impartial. Since financial statements entail subjectivity and judgement, information cannot be completely "neutral." But, if a business surveyed 1,000 accountants and averaged their responses, that would be seen as impartial and unbiased. Error-freeness is the degree to which information is error-free (Zhao, 2022; Widnyana & Widyawati, 2022).

Comparability

Users of financial statements must be able to compare elements of one entity over time and between entities over time, according to the comparability characteristic. Hence, the measurement and display of transactions and events inside an organization should be done consistently, or if they are measured or shown differently, properly explained. The consistency with which accounting principles and rules are implemented across time is known as comparability (Aguguom & Olanipekun, 2021). Users may make informed decisions regarding the patterns and performance of the organization over time by using comparable financial statements that apply uniform accounting standards and procedures throughout each accounting period. Moreover, the capacity to quickly compare a company's financial statements with those of other firms is referred to as comparability.

Verifiability

Verifiability is a quality that gives assurance that the information accurately depicts what it is supposed to (Zachariah et al., 2014; Onah et al., 2022). Verifiability is the degree to which knowledge may be repeated using the same set of facts and presumptions. For instance, an accountant should be able to obtain the same answer if they are given the purchase price, salvage value, depreciation method, and usable life of $1,000 worth of equipment owned by a corporation. If they are unable to, the information is regarded as being unverifiable.

Timeliness

All stakeholders may access accounting information in time for decision-making, according to the feature of timeliness. Timeliness refers to how rapidly accounting information is made available to consumers. Information is less helpful for decision-making when it is less current (resulting in older information). Information about accounting must be current since it must compete with other information. Users of financial statements could find it challenging to assess how well a firm is doing right now, for instance, if financial statements are released by a corporation a year after the accounting period (Oranefo &Egbunike, 2021; Onodi et al., 2015).

Understandability

This suggests that the information's creators have organized, described, and presented the data in a clear and understandable manner (Ozuomba et al., 2017). The financial reports are created with the presumption that their readers are familiar with the company and its economic operations. The ease with which information may be grasped is referred to as understandability. Corporate annual reports now can exceed 100 pages and contain a wealth of qualitative data. It is extremely desirable to provide information that the ordinary user of financial statements can grasp. In an effort to hide their underperformance, underperforming corporations frequently employ a lot of jargon and complex language in their annual reports.

Forensic Accounting

Investigative, accounting, auditing, and other abilities are used in forensic accounting to look into someone's or a company's financial situation. Forensic accountants are CPAs that search for criminal activity's supporting documentation and frequently work for insurance firms, banks, and law enforcement organisations. Expert witnesses in court proceedings sometimes call forensic accountants as they study financial documents and accounts that might be used as evidence. They could work on instances involving embezzlement and fraud and describe the characteristics of a financial crime in court. Companies need the help of forensic experts who can look into claims of accounting fraud, provide them with a thorough appraisal for a proposed sale or merger, or develop tax-planning strategies. Agyemang et al., 2022; Abuh & Acho, 20158). Digital forensic accounting approaches, such as obtaining, analyzing, and documenting evidence, are necessary for forensic accounting. Accountants evaluate various accounting schemes and frauds that are carried out using digital tools using a range of investigative approaches (Abdullahi & Mansor, 2018). These abilities will enable the accountant to assist companies in identifying and preventing accounting fraud as well as setting internal controls. Using the many red flags of deception, determine the most typical financial statement fraud; Recognize dishonest tactics, such as false assertions in financial statements; Recognize the consequences and impacts of making false statements in financial reporting; Provide tools and safeguards to avoid situations of misrepresentation and other financial statement fraud through early identification (Unuigbokhai & Bagudu, 2022; Zhao, 2022).

Fraud Detection

Fraud detection is a collection of evidence at the disposal of the forensic invigilators on specific and suspected actions performed to stop the acquisition of money or property under false pretenses (Oranefo et al., 2021). Several businesses, including banking and insurance and others, use fraud detection techniques as an effective tool in forensic accounting (Aminu et al., 2022). Forging checks or using credit cards that have been stolen are examples of fraud in banking. Other types of fraud could entail inflating losses or staging an incident just to receive a settlement. As forensic accounting in fraud cases frequently uses several repetitive tactics, looking for patterns is a common goal for fraud detection. By using algorithms to find trends and abnormalities, data analysts might, for instance, avoid insurance fraud (Ewa et al., 2020).

Fraud Prevention

Implementing a plan to identify fraudulent transactions or banking operations and stop them from harming the client and the financial institution's finances or reputation is known as fraud prevention (FI) (Afriyie et al., 2022). A solid fraud protection approach will only become more crucial as online and mobile banking channels gain popularity and FIs continue to digitize (Alamry et al., 2022). Cybercrime and fraud prevention are interrelated and dynamic fields. The criminals are networking, making money, and trading information on the Dark Web while fraud prevention experts create new authentication and fraud detection technologies. Today's fraudsters employ cutting-edge tactics and malware to be successful in their fraudulent operations Tien and Thanh (2023) opined that internal control is one of the planning and implementation strategies to enhance control systems and processes to reduce the impact of potential hazards. Management is responsible for creating, implementing, and monitoring an effective internal control system.

Fraud Case Reported

In the majority of these situations, the proof is provided by evidence of contradictory assertions of purpose delivered simultaneously to several parties as evidence in forensic accounting (Eko, 2022; Esther et al., 2022). The intent criteria is essential in fraud cases reported in order to establish fraud or deception, it is typically essential to show that the defendant intended to persuade a specific person or individuals to act in reliance on a false statement (Idris, 2017; Nandini & Ajayi, 2021).

Cost of Forensic Report

The cost of forensic reports is significant in forensic accounting. The term "forensic costs" refers to fair charges, fees, and outlays incurred to look into the origin, nature, severity, or presence of any data liability event, cyber business interruption event, or network security event (Nonye & Okoli, 2015). Any costs, fees, or expenses incurred to update or otherwise improve privacy or network security controls, policies, or procedures to a level greater than that which existed prior to the loss event or to be in compliance with any statute, law, or regulation that regulates personal data are not included in privacy forensic costs (Modugu & Anyaduba, 2013; Evans, 2017.

Accurate Claims Computation

The veracity of claims computation is important and strong toll in forensic accounting. Forensic accounting requires a detailed and accurate claims computation such that mere sampling methodology may not suffice in most cases (Navarrete & Gallego, 2022) The proportion of correctly processed claims is obtained by dividing that number by the total number of claims included in the sample. The degree of accuracy refers to how closely a computed or measured number resembles the real value (Ozuomba et al., 2016; Zachariah et al., 2014). In prior studies, accurate claims computations are significant in forensic accounting validity and investigators' reputations by comparing the measured value to the actual value, it calculates the statistical error and the range of such numbers reveals the measurement's accuracy (Widnyana & Widyawati, 2022; wayan

Theoretical Framework

In consideration of the theoretical framework of the study, this study is underpinned by fraud diamond theory as it affects forensic accounting and qualitative financial reporting. The fraud diamond theory was propounded by Wolfe and Hermanson in 2004 and fraud diamond theory is concerned with some essential traits that influence fraud in individual or group individuals (Umah et al., 2017; Zachariah et al., 2014). Al Samara et al. (2017) posited that the fraud diamond theory in resemblance of diamond considered four basic possibilities that influence fraud, these include pressure, opportunity, rationalization and capability. Apostolou et al. (2007) documented that in most cases, the quality of the financial reporting system is influenced by the pressure that comes to society and family members putting much pressure on the predators who want to please the benevolence, suggesting that he/she has the means to solve the pressing needs.

The tendency to manipulate and doctor financial information for financial gains by either then employees or corporate organizations with the assistance of some unscrupulous audit firms. Opportunity in this regard reflects when the control measures are weak or inefficiently enforced in an organization, such that the predators have unhindered access to sensitive documents or assets of the companies. According to Donald (2018), in some cases, auditors deliberately ignore financial spotted material misstatements, fraud cases and irregularities are unethical and deepen poor financial quality. This comes in various forms and manners, but the most prominent are the ones committed by employees within the company that result in financial losses and damage to the organizational image, capable of negating corporate competitive advantages in controlling market share among its peers. Fraud is perpetrated by those saddled with financial reporting who deliberately conceal facts that are of material nature, depriving innocent financial statements users true of facts (Domino et al. (2017); Odelabu (2016) noted that corporate insider dealings or insider trading activities, action aimed at manipulating corporate stock prices for corporate strategic intentions.

Widnyana and Widyawati (2022) studied the effect of forensic accounting on fraud detection and the association between the diamond approach and financial statements fraud detection. The study adopted a quantitative research approach, using documented evidence from a total of banking institutions listed in the Indonesian Stock Exchange for a period of 4 years covering from to accounting periods. The regression analysis conducted revealed that forensic accounting had a significant moderating effect between fraud pressure and the effect on financial statements fraud.

Onah et al. (2022) studied forensic accounting and its predictive abilities on the financial performance of telecommunications companies in Nigeria, as a case study of MTN Nigeria. The study collected performance indicators from World Bank publications and regression analysis was carried out from the collected data using Ordinary Least Squares. The result showed that forensic accounting had a positive significant effect on the financial performance of MTN Nigeria resulting from the predictive ability of forensic accounting. The study further showed that fraud cases discovered were with the help of forensic investigations.

Unuigbokhai and Bagudu (2022) examined forensic accounting and its effect on fraud detection control in Nigeria. The study employed a desk survey research approach in sourcing data. The data collected were analyzed using Pearson Product Moments Correlations statistical estimations for the study. The regression analysis carried out revealed that there was a close association between forensic accounting and fraud detection in Nigeria. The study further showed that there was a close relationship between forensic accounting and internal control in the areas investigated.

Oranefo and Egbunike (2021) studied the techniques of forensic accounting and their effect on mitigating and reducing fraud cases related to financial statements fraud in Nigerian firms. The study adopted a field survey research approach, as a selection of lecturers and qualified chartered accountants were selected for questionnaire distribution in the Anambra State of Nigeria. A total of 50 questionnaires were retrieved from the respondents. The study employed Pearson correlation analysis in conducting the study analysis and the result showed that there was a positive significant relationship between forensic accounting methods and compliance in corporate organizations in Nigeria.

Aminu et al. (2022) studied increasing financial fraud cases in the global landscape and the application of forensic accounting. The study sort to examine the effect of forensic accounting on the prevention of financial fraud and crimes in Nigeria. The study employed a field survey method, using a total of 45 selected respondents selected from accountants, management staff, practicing auditors and other relevant stakeholders. A regression analysis conducted on the collected data showed that there was a significant connection between forensic accounting and fraud control as established by the respondents. The study further showed that effective forensic accounting had significant effect on internal control.

Sule et al. (2019) considered economic growth from the perspective of effective governance in Nigeria. Time-series data from 1979 to 2018 covering 40 years accounting period was considered for the study. The regression analysis using Johansen Cointegration and Ordinary Least Square methods revealed significant effects were reported. This result suggested that effective corporate governance has the ability to impact the economic growth of a country. Effective governance can attract foreign direct investments and improve economic stability in the long run.

Dada and Fatai (2020) studied the association between forensic accounting and financial crimes using field survey research methods. The study used structured questionnaires administered to selected respondents in Lagos State who are employees of state ministries and government-owned establishments. Using appropriate linear regression analysis, the study established a negative significant association between litigations and the reduction of financial crimes. The study recommended the application and engagement of forensic accounting experts in an effort to reduce financial crimes in Nigerian public establishments.

Ewa et al. (2020) studied forensic accounting as one of the techniques in financial crimes and fraud prevention in Nigerian banking institutions. The study used survey research and structured questionnaires administered to selected respondents in the banking sector, the study based on the regression analysis revealed that forensic accounting techniques had a significant influence in reducing fraud and financial crimes in the banking sector in Nigeria.

Research Framework

This study investigated the effect of forensic accounting as a veritable financial toll on qualitative reporting systems from the 21st-century perspective. In addressing this problem, the study decided to test the following:

Ho1: Forensic accounting does not possess a veritable significant effect on qualitative characteristics of the financial reporting system in the 21^{st} century.

H21: Forensic accounting does not possess a veritable significant effect on enhancing the characteristics of financial reporting systems in the 21^{st} century**.**

MATERIALS AND METHODS

The study examined forensic accounting a veritable financial tool for qualitative financial reporting systems in the 21^{st} century. In consideration of the problem of the quality of the financial reporting system, the study employed a survey research design, and qualitative research, using primary data from structured questionnaires administered to selected forensic accounting investigators drawn from among forensic auditors and forensic accountants. Online data sourcing was explored as respondents responded to survey-reported. The reliability and validity of the instrument were confirmed with the use of Cronbach Alpha and results ranging between the maximum of 0.914 and minimum of 0.798 were obtained. This range confirmed the satisfactory consistency (reliability) of the instrument used and further suggested that the instrument was good for the study. Descriptive statistics and inferential analysis were used for the study analyses.

The financial reporting system is the baseline dependent variable of the study and this was measured using two surrogates of (i) qualitative characteristics and (ii) enhancing characteristics. Qualitative characteristics were measured using relevance and faithful representation. The enhancing characteristics were considered from the perspectives of comparability, verifiability, timeliness and understandability of enhancing characteristics.

Forensic Accounting is the independent variable of the study and measures using five variables of (i) fraud detection, (ii) fraud prevention, (iii) fraud case reported, (iv) cost of forensic report and (v) accurate claims computation.

Models

$$Yi = \alpha_0 + \beta_1 x_1 \ldots \beta xn$$
$$QC_i = \alpha_0 + \beta_1 FRD_i + \beta_2 FPR_i + \beta_3 FCR_i + \beta_4 CFR_i + \beta_5 ACC_i + \mu_i$$

$$EC_i = \alpha_0 + \beta_1 FRD_i + \beta_2 FPR_i + \beta_3 FCR_i + \beta_4 CFR_i + \beta_5 ACC_i + \mu_i$$

Where

QC = Qualitative characteristics, EC = Enhancing characteristics, FRD = Fraud detection, FPR = Fraud prevention, FCR = Fraud case reported, CFR = Cost of the forensic report, ACC = Accurate claims computations, α= Constant, i= Cross-sectional, β = Coefficients of the model, μ = Error terms.

Validity and Reliability of Research Instrument

Table 1: Results of the Reliability and Validity tests

Constructs	No of Items	Bartlett Test: Chi^2 (Sig)	Cronbach's Alpha
Comparability	5	911.32 (0.000)	0.772
Verifiability	5	901.13 (0.000)	0.894
Timeliness	5	118.44(0.000)	0.884
Understandability	5	152.30(0.000)	0.955
Fraud Detection	5	122.120(0.000)	0.877
Fraud Prevention	5	113.22(0.000)	0.912
Fraud Case Reported	5	129.71(0.000)	0.906
Cost of Forensic Reported	5	151.50(0.000)	0.911
Accurate Claims Computations	5	132.61(0.00)	0.945

Source: Pilot Study, 2023.

In Table 1, The Bartlett test results were all significant at a 5% level of significance, confirming the suitability of the data. Also, the validity result of the Cronbach Alpha coefficients has values between 0.772 and 0.955. The outcome further demonstrates that the understandability has the greatest Cronbach Alpha coefficient of 0.955 and the comparability has the lowest, with a coefficient of 0.772. Based on these findings, the scales created for this study were regarded as trustworthy and competent to deliver dependable results.

Demographic

The output in Table 2 presents the distribution of respondents by their demographic characteristics such as gender, age, education level, professional qualification, and work experience. The estimated frequency counts and percentages of each category are also presented in the output.

Table 2: Demographic information

	Category	Freq. Count	N %			Freq. Count	N %
	Male	296	66.8	**Prof.**	ACA/…	268	60.5
Gender	Female	147	33.2	**Qualificat**	Others	175	39.5
	Total	**443**	**100.0**	**ion(s)**	**Total**	**443**	**100.0**

Age	<26 yrs	97	21.9	**Work Exp.**	<2yrs	0	0.00
	26 - 35 yrs	251	56.7		2-5 yrs	252	56.9
	36 - 45 yrs	90	20.3		6-9 yrs	160	36.1
	> 46 yrs	5	1.1		>10 yrs	31	7.0
	Total	**443**	**100.0**		**Total**	**443**	**100.0**
Highest level of Education/ Qualification(s)	Dip/ND/NCE	0	0.0				
	HND/BSc	171	38.6				
	M.sc/M.Phil.	248	56.0				
	PHD	15	3.4				
	Others	9	2.0				
	Total	**443**	**100.0**				

Source: Field survey (2023)

In terms of gender, the majority of respondents (66.8%) were male, while the remaining (33.2%) were female. Regarding age, the largest proportion of respondents (56.7%) fell into the age range of 26 to 35 years, followed by 20.3% in the age range of 36 to 45 years. A smaller proportion of respondents were less than 26 years old (21.9%) or above 46 years (1.1%). In terms of education level, the majority of respondents (56.0%) held a master's degree or M.Phil, while 38.6% held a bachelor's degree or HND. Only a small proportion of respondents held a Ph.D. (3.4%) or other qualifications (2.0%), and no respondents held a diploma or NCE. Regarding professional qualifications, the majority of respondents (60.5%) held qualifications such as ACA, ACCA, or COREN, while the remaining (39.5%) held other professional qualifications.

In terms of work experience, the largest proportion of respondents (56.9%) had work experience between 2 to 5 years, followed by 36.1% with work experience between 6 to 9 years. A small proportion of respondents had work experience of fewer than 2 years (0.0%) or above 10 years (7.0%). Overall, the results suggest that the sample is predominantly male, aged between 26 to 35 years, and holding a master's degree or M.Phil. The majority of respondents also hold professional qualifications such as ACA, ACCA, or COREN, and have work experience between 2 to 9 years.

RESULTS AND DISCUSSIONS

Descriptive Statistics

The output in Table 3 presents the responses of the participants regarding the accounting reporting quality in relation to fraud detection and prevention as proxies for Qualitative Characteristics. The estimated frequency counts and percentages indicate the distribution of responses for each category, ranging from Strongly Disagree to Strongly Agree. The mean and standard deviation values provide additional insights into the central tendency and variability of the responses.

Table 3: Qualitative Characteristics

	SA	D	U	A	SA	Total	Mean SD
Relevance							
Fraud detection improves the value relevance of financial reporting systems	0 [0]	4 [0.9]	67 [15.1]	232 [52.4]	140 [31.6]	443 [100]	4.15 (0.69)
Fraud prevention increases the relevance of financial reporting systems	0 [0]	8 [1.8]	36 [8.1]	88 [19.9]	311 [70.2]	443 [100]	4.58 (0.72)
Faithful Representation							
Fraud cases reported effects the faithful representation of accounting information.	0 [0]	8 [1.8]	100 [22.6]	140 [31.6]	195 [44]	443 [100]	4.18 (0.84)
Faithful representation of the financial reporting system is enhanced when there are accurate claims computations.	0 [0]	2 [0.5]	125 [28.2]	143 [32.3]	173 [39.1]	443 [100]	4.1 (0.83)

Source: Field survey (2023)

Based on the results in Table 3, it appears that the participants generally agree that fraud detection and prevention can improve the value relevance and faithful representation of financial reporting systems. The mean values for each category are above 4, indicating a favourable response. However, the standard deviation values suggest some level of variability in the responses. Overall, the results indicate that fraud prevention and accurate claims computations are highly relevant and contribute to the faithful representation of financial reporting systems. The statistical values of the mean and standard deviation suggest that the responses are consistent and reliable.

Enhancing Characteristics

The output presented in the table represents the responses of respondents towards the accounting reporting quality of the organization, specifically related to enhancing characteristics. The frequency counts and percentages are provided for each response category, along with the total and mean scores. The statistical values for mean and standard deviation have been calculated to provide insight into the central tendency and variability of the data.

Table 4: Enhancing Characteristics

	SA	D	U	A	SA	Total	Mean SD
The cost of forensic cases reported improves the comparability of the financial reporting system	7 [1.6]	27 [6.1]	96 [21.7]	158 [35.7]	155 [35.0]	443 [100]	3.96 (0.98)
Accurate claims computation affects the comparability of financial reporting system	4 [0.9]	20 [4.5]	66 [14.9]	114 [25.7]	239 [54]	443 [100]	4.27 (0.94)
Verifiability							

The verifiability of the financial reporting system is enhanced with fraud detection	0 [0]	36 [8.1]	61 [13.8]	172 [38.8]	174 [39.3]	443 [100]	4.09 (0.92)
Fraud prevention is capable of improving the verifiability of financial reporting systems.	16 [3.6]	19 [4.3]	68 [15.3]	140 [31.6]	200 [45.1]	443 [100]	4.1 (1.05)
Timeliness							
The reported case of fraud affects the timeliness of the financial reporting system.	22 [5]	26 [5.9]	111 [25.1]	196 [44.2]	88 [19.9]	443 [100]	3.68 (1.02)
Accurate claims computations affect the timeliness of the financial reporting system.	0 [0]	20 [4.5]	51 [11.5]	148 [33.4]	224 [50.6]	443 [100]	4.3 (0.84)
Understandability							
Fraud detection has the ability to enhance the understandability of financial reporting quality.	2 [0.5]	30 [6.8]	114 [25.7]	129 [29.1]	168 [37.9]	443 [100]	3.97 (0.97)
The understandability of financial reporting is affected by fraud cases reported.	40 [9.0]	34 [7.7]	89 [20.1]	140 [31.6]	140 [31.6]	443 [100]	3.69 (1.24)

Source: Field survey (2023).

The results indicate that respondents generally agree that the financial reporting system can be improved through accurate claims computation and fraud prevention and detection. However, the impact of reported fraud cases on the timeliness and understandability of financial reporting is not seen as favourable. The responses related to faithful representation and verifiability of the financial reporting systems suggest mixed results. The mean values for each category range from 3.68 to 4.3, indicating an overall positive sentiment towards enhancing the characteristics of the financial reporting system. The standard deviation values range from 0.84 to 1.24, suggesting that the responses are relatively clustered around the mean. However, there are some notable variations in the responses, especially for reported fraud cases affecting the timeliness and understandability of financial reporting. In conclusion, the output provides valuable insights into the perceptions of respondents regarding enhancing characteristics for accounting reporting quality in an organization. The statistical values of mean and standard deviation suggest that the responses are reliable and consistent.

Forensic Accounting

The output presented shows the responses of the participants on various aspects related to forensic accounting. The estimated frequency counts and percentages indicate the number of participants that responded with each option. The mean and standard deviation of the responses are also presented, which provides insight into the central tendency and variability of the responses.

Table 5: Forensic Accounting

	SA	D	U	A	SA	Total	Mean SD
Fraud Detection							
Fraud detection affects the qualitative characteristics of relevance and faithful representation of the financial reporting system	0 [0]	6 [1.4]	29 [6.5]	117 [26.4]	291 [65.7]	443 [100]	4.56 (0.68)
Enhancing qualitative comparability, verifiability, timelines and understandability of financial reporting systems. are improved with fraud detection of forensic accounting	0 [0]	24 [5.4]	67 [15.1]	136 [30.7]	216 [48.8]	443 [100]	4.23 (0.9)
Fraud Prevention							
The qualitative characteristics of relevance and faithful representation are affected by fraud prevention in forensic accounting	0 [0]	6 [1.4]	54 [12.2]	104 [23.5]	279 [63]	443 [100]	4.48 (0.76)
Fraud prevention improves the enhancing qualitative comparability, verifiability, timelines and understandability of financial reporting systems.	0 [0]	16 [3.6]	87 [19.6]	167 [37.7]	173 [39.1]	443 [100]	4.12 (0.85)
Fraud Case Reported							
Reported fraud cases have an effect on the qualitative characteristic of the financial reporting system	12 [2.7]	48 [10.8]	80 [18.1]	179 [40.4]	124 [28]	443 [100]	3.8 (1.05)
Reported fraud cases have the ability to effectively improve the enhancing comparability, verifiability, timelines and understandability of financial reporting systems.	4 [0.9]	37 [8.4]	99 [22.3]	77 [17.4]	226 [51]	443 [100]	4.09 (1.07)
Cost of Forensic Reported							
The cost of forensic reported has an effect on qualitative characteristics of relevance and faithful representation of the financial reporting system.	14 [3.2]	18[4.1]	57 [12.9]	216 [48.8]	138 [31.2]	443 [100]	4.01 (0.94)
The cost of forensic reported has an effect on enhancing qualitative of comparability, verifiability, timelines and understandability of financial reporting systems of the financial reporting system.	8 [1.8]	16 [3.6]	67 [15.1]	84 [19]	268 [60.5]	443 [100]	4.33 (0.98)
Accurate Claims Computation							
Accurate claims computation can improve the relevance and faithful representation of financial reporting systems.	10 [2.3]	4 [0.9]	63 [14.2]	163 [36.8]	203 [45.8]	443 [100]	4.23 (0.89)
Accurate claims computation can improve the enhancing qualitative characteristics of comparability, verifiability, timelines and understandability of financial reporting systems.	8 [1.8]	12 [2.7]	66 [14.9]	140 [31.6]	217 [49]	443 [100]	4.23 (0.93)

Source: Field survey (2023).

Overall, the results suggest that participants strongly agree that fraud detection and prevention are important aspects of forensic accounting that improve the qualitative characteristics of financial reporting systems. In contrast, respondents are of the opinions that reported fraud cases and the cost of forensic reporting may influence qualitative characteristics of financial reporting systems adversely. Furthermore, accurate claims computation was found to be an important aspect of forensic accounting that can improve both the relevance and faithful representation of financial reporting systems and the enhancing characteristics of comparability, verifiability, timelines, and understandability. The statistical values, such as mean and standard deviation, provide insight into the variability of responses, indicating that participants generally held similar opinions on each aspect but also displayed some variability in their responses.

Regression Analysis

The regression model analyzes the relationship between the dependent variables, Qualitative Characteristics (QC) and Enhancing Characteristics (EC), and the independent variables, Fraud Detection (FRD), Fraud Prevention (FPR), Fraud Case Reported (FCR), Cost of Forensic Report (CFR), and Accurate Claims Computation (ACC), in the context of forensic accounting and qualitative financial reporting systems in Nigeria. The output model shows the estimated coefficients, standard errors, t-statistics, and p-values for each variable.

Table 6: Regression Analysis

	(1) Dependent Variable Qualitative Characteristics					(2) Dependent Variable Enhancing Characteristics				
Variables	**Coeff**	**aster**	**se**	**tstat**	**p-val**	**Coeff**	**aster**	**se**	**tstat**	**p-val**
FRD	0.0316		0.039	0.814	0.416	0.1504	**	0.066	2.268	0.024
FPR	0.2030	***	0.041	4.946	0.000	-0.0733		0.055	-1.323	0.187
FCR	0.1095	***	0.032	3.465	0.001	0.2342	***	0.040	5.911	0.000
CFR	0.0818	**	0.040	2.071	0.039	0.0775		0.049	1.597	0.111
ACC	0.1591	***	0.039	4.061	0.000	0.2962	***	0.041	7.182	0.000
Constant	1.7937	***	0.292	6.138	0.000	1.1628	***	0.327	3.552	0.000
Observations	**443**					**443**				
R-squared	0.231					0.292				
F-test	19.18					52.25				
Prob > F	0.000					0.000				
Het.chi2(1)	20.37					9.19				
Prob > Het.chi2(1)	0.000					0.002				

Source: Field survey (2023). Note: Fraud Detection (FRD), Fraud Prevention (FPR), Fraud Case Reported (FCR), Cost of Forensic Report (CFR), and Accurate Claims Computation (ACC), *** p<0.01, ** p<0.05, * p<0.1

The study considered two models. Model 1 and model 2 in Table 6. In Model 1, the results revealed the coefficients and their probability value as follows: (β_1 = 0.0316, p-value=0.416; β_2 =0.2030, p-value=0.000; β_3 = 0.1095, 0.001; β_4 = 0.0818, p-value =0.039; β_5 = 0.1591, p-value=0.000).the results indicate that FPR, FCR, and ACC have a statistically significant positive relationship with qualitative characteristics (QC), with FPR having the strongest relationship (coefficient = 0.2030, p-value = 0.000). CFR also has a positive relationship with qualitative characteristics (QC), but it is only significant at the 5% level (coefficient = 0.0818, p-value = 0.039). FRD, on the other hand, has no significant relationship with qualitative characteristics. Also in enhancing characteristics, FCR and ACC have a strong positive relationship (coefficients = 0.2342 and 0.2962, respectively), and both are statistically significant at the 1% level.

In model 2, the results showed the coefficient and their probability value as follows: (β_1 = 0.1504, p-value=0.024; β_2 = -0.0733, p-value = 0.187; β_3 = 0.2342, p-value = 0.000; β_4 = 0.0775, p-value =0.111; β_5 = 0.2962, p-value=0.000). The model revealed that FRD has a positive and significant relationship with enhancing characteristics (EC) at 5% level, but it is no strong (coefficients = 0.1504). FPR has a negative relationship with EC, but it is not statistically significant. CFR and FRD have no significant relationship with enhancing characteristics (EC).

In addition, the model has an overall fit of 0.231 and 0.292 for qualitative characteristics in model 1and enhancing characteristics in model 2, respectively, indicating that the independent variables explain 23.1% and 29.2% of the variation in the qualitative characteristics and enhancing characteristics respectively, while the remaining 76.9% and 70.8% were other factors not captured in each of the models. However, the F-statistics of 19.18 and 52.25 for QC and EC in model 1 and 2 respectively show that the overall model is significant at the 1% level.

Post Estimation Test

The heteroscedasticity tests with p-values less than 0.05 also indicate that the models do not have constant variances thus the regression models are estimated with robust standard error. In conclusion, the multiple regression model provides valuable insights into the factors that affect the quality of financial reporting in Nigeria. The model suggests that FCR and ACC are significant determinants of both QC and EC, while FPR and CFR are important only for QC and FRD is important only for EC.

The results in each of the two models were mixed. In model 1, the model revealed that fraud prevention, fraud case reported, cost of forensic report and accurate claim computations exerted significant effects on qualitative characteristics of the financial reporting system. Fraud detection exhibited insignificant effects. Also in model 2, the results showed that fraud detection, fraud case reported and accurate claim computation exerted significant effects, but each fraud prevention and cost of fraud report revealed insignificant effects. However, in each of the models, the joint statistics using the combination of the explanatory variables in each case revealed positive significant effects. The study then concluded that forensic accounting as a veritable financial tool positively affected the qualitative financial reporting systems in the 21st century. The recorded results were consistent with previous results (Data & Fatai, 2020; Ewa et al., 2020; Sule et al., 2019).

CONCLUSION

The present study investigated forensic accounting, a veritable financial tool for qualitative financial reporting systems in the 21st century. The study carried out the investigation using qualitative characteristics of relevance and faith representation and enhancing characteristics using comparability, verifiability, timeliness and understandability are measures. A survey research design was adopted and the analyses of the data retrieved demonstrated that in each of the two models forensic accounting had a positive significant effect on qualitative characteristics in the model I, and also that forensic accounting had a positive on enhancing characteristics. The study there concluded that forensic accounting as a veritable financial tool positively affected financial reporting quality systems in the 21st century.

Consequently, the study recommended that managers of corporate bodies should endeavour to adhere to prescribed quality standards in preparation of financial statements to ensure that the financial contents of the financial statements possible the expected qualities of relevance, faithful representation as well as the enhancing qualities of comparability, verifiability, timeliness and understandability capable of adding economic value to users. That fraud detection exerted an insignificant effect on qualitative characteristics of the present study in this 21st century suggested the danger of relying on such accounting information for decision-making. The hazards of false financial reporting include poor operational choices, reputational harm, financial loss, penalties, fines, legal action, and even bankruptcy. Given the injurious effect of misleading financing information, stakeholders should exercise caution as the application of forensic accounting is bridging the gap. Regrettably, erroneous reporting can occasionally happen, either as a result of inadvertent mistakes or, in the worst cases, purposeful fraud, hence forensic accounting becomes the second best option after auditors' level involvement in some reported financial scandals creates doubts in total reliance on audited financial statements.

The study provided the reality and significance of forensic accounting in reducing incidents of fraud, detection of fraudulent activities, and corruption that can harm a country's reputation and economic prosperity, forensic accounting is essential in Nigeria, considering the deepening resentments resulting from unreliable audited reports, misstatements in financial statements, and reported fraud cases and increasing asymmetric information. Notwithstanding, there were some limitations. One of the limitations of the study was not expanding the scope of the respondent beyond the forensic accounting investigators in Nigeria drawn from forensic auditors and forensic accountants. Besides, only 445 questionnaires were validated for the analysis as some were either wrongly filled or not completely answered, the study expected more respondents. Future studies may extend the scope of the study by administering questionnaires to knowledgeable persons beyond forensic accountants and to include all stakeholders who may have suffered financial losses relying on the faulty information content of financial.

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