



FORENSIC ACCOUNTING TECHNIQUES AND FINANCIAL PERFORMANCE OF SELECTED CONSUMER GOODS COMPANIES IN RIVERS STATE, NIGERIA

AMADI Ngozi Eleba PhD, JONAH Ngbomowa Moses PhD and OKWO Chibuikie Stephen PhD

Department of Accounting, Faculty of Administration and Management, Rivers State University, Nkpolu Port Harcourt Rivers State, Nigeria.

Department of Accounting, Faculty of Administration and Management, Rivers State University, Nkpolu Port Harcourt Rivers State, Nigeria.

Director of Procurement, Bonny LGA, Rivers State Nigeria

Abstract: This study investigates the effect of forensic accounting techniques on the financial performance of selected consumer goods companies in Rivers State, Nigeria. Specifically, it examines how fraud detection techniques and forensic audit procedures influence profitability and revenue efficiency and cost management. The study adopts a descriptive survey research design, targeting accounting and finance personnel, internal auditors, and management staff of selected companies. A structured questionnaire was used to collect primary data from 125 respondents, and data were analyzed using descriptive statistics (mean, standard deviation) and inferential statistics (multiple regression analysis). The findings reveal that both fraud detection techniques ($\beta = 0.42$, $p = 0.001$) and forensic audit procedures ($\beta = 0.38$, $p = 0.002$) have a positive and significant effect on financial performance. The regression model indicates that 63% of the variance in financial performance is explained by the adoption of forensic accounting techniques. The study concludes that effective implementation of forensic accounting practices significantly enhances profitability and revenue efficiency in consumer goods companies. Based on these findings, the study recommends that companies institutionalize fraud detection mechanisms, conduct regular forensic audits, provide staff training, adopt digital tools for monitoring financial transactions, and integrate forensic accounting into corporate governance frameworks.

Keywords: Forensic Accounting, Fraud Detection Techniques, Forensic Audit Procedures, Financial Performance, Consumer Goods Companies, Rivers State, Nigeria

Introduction

The increasing complexity of business operations, coupled with the pervasive incidence of financial fraud, has heightened the need for specialized accounting practices aimed at safeguarding organizational resources and improving financial performance. In recent years, forensic accounting has emerged as a critical discipline within the accounting profession, combining accounting, auditing, and investigative skills to detect, prevent, and manage

fraudulent activities (Albrecht et al., 2019). Forensic accounting techniques, which include fraud detection procedures, forensic audits, and data analytics, have become invaluable tools for ensuring transparency and accountability in corporate financial management (Awotomilusi et al, 2025).

Consumer goods companies, as a vital component of Nigeria's economy, face significant challenges related to financial misreporting, misappropriation of funds, and



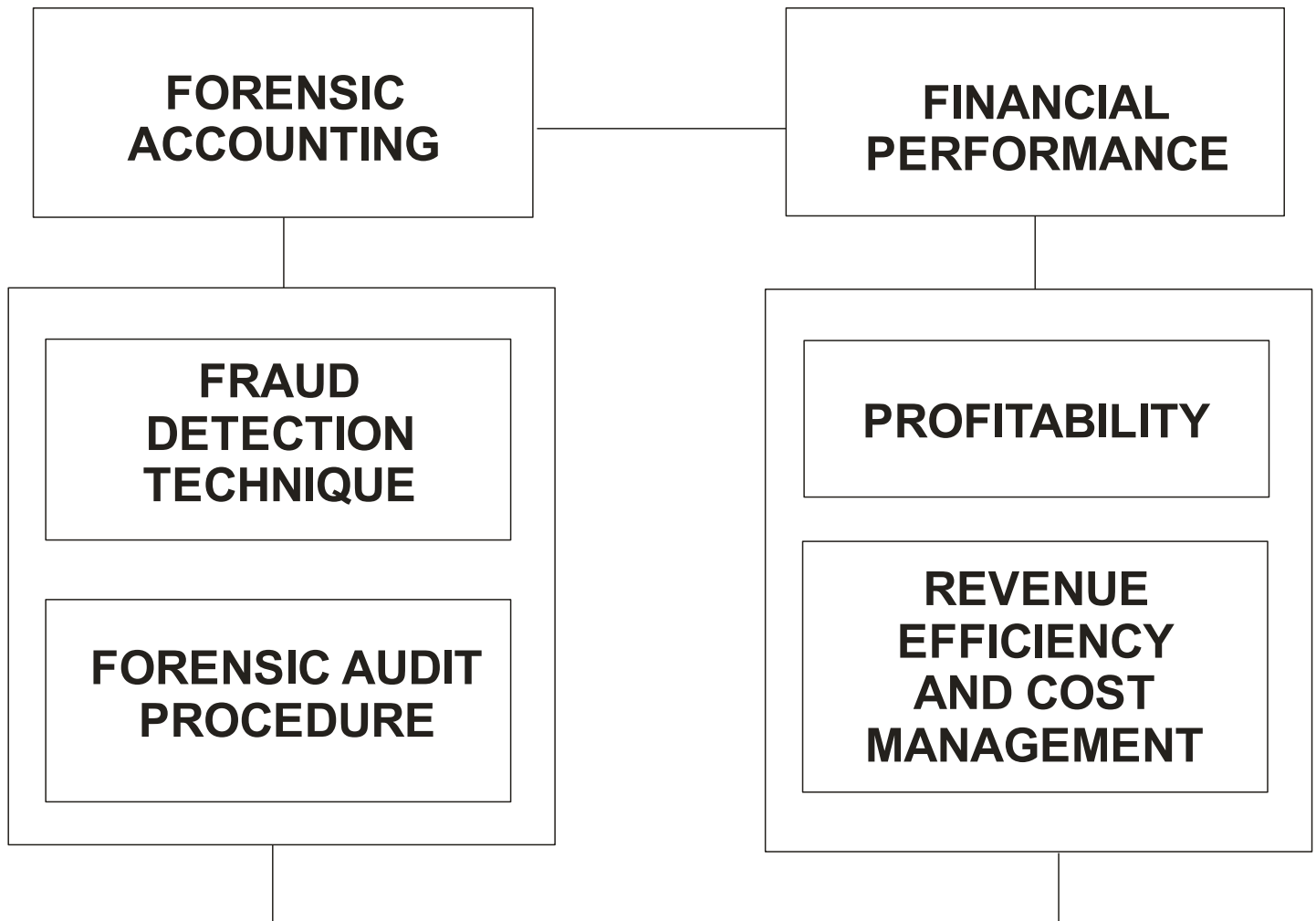
operational inefficiencies. These challenges can severely erode profitability and hinder sustainable growth. In Rivers State, a hub of industrial and commercial activity, consumer goods firms are particularly vulnerable to internal and external financial threats due to the highly competitive market environment and limited regulatory enforcement in some sectors (Adeniyi, 2016). Consequently, there is a growing need for the adoption of forensic accounting techniques to ensure accurate financial reporting, effective cost control, and enhanced organizational profitability.

Forensic accounting goes beyond traditional auditing by emphasizing investigative procedures aimed at uncovering fraudulent transactions and improving internal control systems. Techniques such as detailed financial statement analysis, transaction tracing, and digital data analytics enable organizations to identify discrepancies, prevent revenue leakages, and reduce financial risk (Oyedokun, 2022). The implementation of these techniques is not only reactive in detecting fraud but also proactive in strengthening financial management systems, thereby positively influencing financial performance.

Conceptual Framework

Financial performance, often measured through indicators such as profitability, return on assets, and revenue efficiency, remains a central concern for business managers, investors, and stakeholders. Studies have shown that organizations that integrate forensic accounting techniques into their financial management processes are better equipped to detect irregularities early, minimize losses, and optimize profitability (Tochukwu & Nwankwo, 2023). Despite this, empirical research on the direct impact of forensic accounting on the financial performance of consumer goods companies in Nigeria, particularly within Rivers State, remains limited, creating a research gap that this study seeks to address.

The relevance of this research lies in its potential to provide practical insights for corporate management, investors, and regulatory agencies. By exploring the relationship between forensic accounting techniques and financial performance, this study aims to contribute to the body of knowledge that supports the adoption of robust accounting practices to enhance profitability, ensure transparency, and foster sustainable growth in the Nigerian consumer goods sector.



Objective of the study

The Main Objective of this study is to examine the effect of forensic accounting techniques on the financial performance of selected consumer goods companies in Rivers State, Nigeria. The Specific Objectives are:

1. To examine the effect of fraud detection techniques on the profitability of selected consumer goods companies in Rivers State.
2. To investigate the influence of fraud detection techniques on the revenue efficiency and cost management of selected consumer goods companies in Rivers State.

3. To assess the impact of forensic audit procedures on the profitability of selected consumer goods companies in Rivers State.

4. To evaluate the effect of forensic audit procedures on the revenue efficiency and cost management of selected consumer goods companies in Rivers State.

Research Hypotheses

Hypotheses are stated in null form for testing the following:



H₀₁: Fraud detection techniques have no significant effect on the profitability of selected consumer goods companies in Rivers State.

H₀₂: Fraud detection techniques have no significant influence on the revenue efficiency and cost management of selected consumer goods companies in Rivers State.

H₀₃: Forensic audit procedures have no significant effect on the profitability of selected consumer goods companies in Rivers State.

H₀₄: Forensic audit procedures have no significant impact on the revenue efficiency and cost management of selected consumer goods companies in Rivers State.

Theoretical Framework

A theoretical framework provides the lens through which a study interprets and analyzes the relationship between forensic accounting techniques on the financial performance of selected consumer goods companies in Rivers State, Nigeria. The following theories are particularly relevant:

Fraud Triangle Theory

The Fraud Triangle Theory, developed by Cressey (1953), is one of the most widely applied frameworks in fraud and forensic accounting research. It posits that fraud occurs when three elements are present: Pressure (or Incentive), the individual faces financial or personal pressure that motivates fraudulent behavior. Opportunity, weaknesses in the internal control system create the opportunity for committing fraud without immediate detection. Rationalization, the individual justifies the fraudulent action as acceptable under the circumstances.

Agency Theory

The Agency Theory, proposed by Jensen and Meckling (1976), explains the relationship between principals and agents in an organization. The theory suggests that conflicts may arise when agents pursue personal goals at the expense of the principals, potentially leading to financial mismanagement or fraud. Forensic accounting techniques are essential in mitigating agency problems by enhancing transparency, accountability, and monitoring of managerial activities. For instance, forensic audits and

transaction analyses ensure that managers act in the best interest of shareholders, reducing the risk of misappropriation of funds or manipulation of financial statements (Jinadu, 2026). This alignment of interests helps improve the financial performance of organizations, as resources are efficiently utilized, and revenue leakages are minimized. Agency Theory supports the study by providing a conceptual rationale for investigating the impact of forensic accounting techniques on financial performance. It highlights the importance of oversight mechanisms to prevent managerial opportunism and enhance profitability.

Concept of Forensic Accounting Techniques

Forensic accounting techniques represent a specialized branch of accounting that blends accounting, auditing, and investigative skills to detect, prevent, and investigate financial fraud and irregularities in organizations (Albrecht et al., 2021). Unlike traditional auditing, which primarily focuses on historical financial reporting, forensic accounting emphasizes investigative procedures and analytical techniques aimed at uncovering misstatements, fraud, or any manipulation that may affect the financial integrity of an organization (Ochuba, 2025). In the context of business operations, forensic accounting techniques are critical in enhancing transparency, accountability, and financial performance. Organizations, especially in high-risk sectors such as consumer goods, rely on these techniques to safeguard resources, minimize revenue leakages, and ensure accurate financial reporting (Oyedokun, 2022). These practices not only prevent losses due to fraud but also contribute to improved profitability and cost efficiency, which are key indicators of financial performance. For this study, forensic accounting techniques are conceptualized as a multidimensional construct, comprising fraud detection techniques and forensic audit procedures, both of which directly influence the financial performance of organizations.

Fraud Detection Techniques

Fraud detection involves the identification and monitoring of irregularities in financial transactions that may indicate fraudulent activities (Jinadu et al, 2026). Techniques in this



dimension include: Data analysis and mining: Examining large datasets to identify patterns or anomalies that suggest fraud. Transaction monitoring: Tracking financial transactions in real-time to detect suspicious or unauthorized activities. Fraud risk assessment: Evaluating areas of vulnerability within an organization to determine where fraud is most likely to occur. Fraud detection techniques reduce the risk of financial misappropriation, enhance accuracy in financial reporting, and improve profitability by preventing losses (Albrecht et al., 2021).

Forensic Audit Procedures

Forensic accounting techniques are critical tools for safeguarding financial resources, reducing fraud, and enhancing organizational performance. By focusing on fraud detection techniques and forensic audit procedures, organizations can proactively prevent financial mismanagement, optimize profitability, and ensure sustainable financial performance, particularly in competitive sectors such as consumer goods in Nigeria.

Forensic audit procedures involve a systematic examination of financial records, accounts, and internal control systems to uncover irregularities or fraudulent activities (Tochukwu & Nwankwo, 2023). Key practices under this dimension include: Examination of financial statements: Scrutinizing statements for inconsistencies, misstatements, or manipulation.

Tracing of misappropriated funds: Following the flow of funds to identify diversion or embezzlement. Internal control evaluation: Assessing and improving the efficiency of internal controls to prevent future fraud. Forensic audit procedures provide organizations with reliable evidence of financial misconduct, enhance governance, and contribute to improved revenue efficiency and cost management (Adeniyi, 2016).

Concept of Financial Performance

Financial performance refers to the ability of an organization to generate revenue, manage costs, and maximize profitability over a given period. It is a critical indicator of the success and sustainability of any business, providing insights into the effectiveness of management, operational efficiency, and strategic decision-making

(Brealey et al., 2020). Financial performance is typically assessed using both profitability measures and efficiency indicators, which collectively reflect the organization's capacity to create value for stakeholders (Tochukwu & Nwankwo, 2023). In the context of consumer goods companies, strong financial performance ensures that resources are optimally utilized, operational costs are minimized, and revenue leakages are controlled. Moreover, it enhances investor confidence, supports business expansion, and promotes long-term sustainability (Adeniyi, 2016). The financial performance of an organization is influenced by several internal and external factors, including management practices, financial controls, market competition, and accounting techniques, such as forensic accounting (Albrecht et al., 2021).

For this study, financial performance is conceptualized as a multidimensional construct comprising profitability and revenue efficiency/cost management, both of which are measurable outcomes that can be directly influenced by forensic accounting techniques.

Profitability

Profitability represents the organization's ability to generate income relative to its expenses, assets, or equity. It is a fundamental measure of financial success and is often expressed through ratios such as net profit margin, return on assets (ROA), and return on equity (ROE) (Brealey et al., 2020). Profitability indicates how well a company converts revenue into actual profit. The adoption of forensic accounting techniques, such as fraud detection and forensic audits, minimizes financial misstatements and fraud, thereby improving profit margins and overall financial health (Tochukwu & Nwankwo, 2023).

Revenue Efficiency and Cost Management

Revenue efficiency and cost management refer to the organization's ability to optimize operational costs while maximizing revenue. This dimension assesses how effectively a company controls expenses, reduces waste, and prevents revenue leakages (Jinadu et al, 2026). By implementing forensic accounting techniques, companies can identify areas of revenue loss due to fraud or mismanagement and enhance internal control mechanisms.



This not only prevents financial losses but also improves the cost-to-income ratio, leading to better financial performance and sustainability.

Empirical Literature Review

Awotomilusi et al. (2025) examined the effect of forensic accounting techniques on the prevention of occupational fraud in selected construction companies in Nigeria. The study focused on three techniques: data mining, fraud risk assessment, and financial statement analysis. A quantitative research design was adopted, with accountants, auditors, and project managers forming the study population. Data were collected through structured questionnaires administered to 89 respondents. Descriptive statistics (mean and standard deviation) were used to answer the research questions, while regression analysis was employed to test the hypotheses at a 0.05 level of significance. The findings revealed that data mining and fraud risk assessment have significant positive effects on fraud prevention, whereas financial statement analysis showed a positive but statistically insignificant effect. The study concluded that advanced forensic accounting techniques enhance fraud prevention and organizational transparency, recommending increased investment in data mining technologies and the promotion of a strong accountability culture within construction firms.

Oyedokun (2022) examined the determinants of forensic accounting techniques using both primary and secondary data sources. The study purposively selected 120 respondents, comprising forensic accountants, fraud auditors, bankers, forensic investigators, finance professionals, academics, and related practitioners. Primary data were collected electronically through a structured Google Form questionnaire, while secondary data were obtained from existing professional and academic sources. Data were analysed using descriptive methods and presented through pie charts, bar charts, and narrative explanations. The findings revealed that the choice of forensic accounting techniques depends largely on the nature and complexity of the fraud under investigation, including the scale of the crime, amount involved, stages of execution, and parties implicated. Additional determinants include the availability of

criminal evidence, the expertise and experience of the examiner, organizational policies, and the level of risk involved. Among the techniques identified, data mining emerged as the most effective; however, the study emphasized the importance of combining multiple techniques for more comprehensive fraud investigation. The study recommended that organizations engage forensic accountants regularly to review and strengthen internal control systems and also provide training for employees on financial crimes, fraud prevention, legal frameworks, and ethical standards..

Ochuba et al. (2025) examined the effect of forensic accounting techniques on fraud detection among professional accounting firms in Plateau State. The study adopted a survey research design, focusing on six accounting and auditing firms with a total staff population of 203. Using the Taro Yamane formula, a sample size of 135 respondents was determined. Structured questionnaires were administered, with 129 valid responses retrieved. Data were analysed using multiple regression to test the hypotheses. The findings indicated that data mining techniques and internal control charts had positive and significant effects on fraud detection. Reviewing financial statements showed a negative but significant effect, while analysis of accounting records had a positive but statistically insignificant effect on fraud detection. The study concluded that the effectiveness of forensic accounting techniques varies depending on the method applied. It recommended that professional accounting firms adopt compatible data mining software, engage forensic accountants to periodically review financial statements and transactions, strengthen internal control systems, and employ forensic experts to detect fraudulent entries in financial records.

Adeniyi (2016) investigated the effect of forensic auditing on financial fraud control in Nigerian Deposit Money Banks (DMBs). The study adopted a cross-sectional survey design, targeting staff of banks and audit firms in Abeokuta, Ogun State. Purposive sampling was used to administer structured questionnaires, while logistic regression analysis served as the technique for data analysis. The findings revealed that forensic auditing has a significant effect on financial fraud control in Nigerian



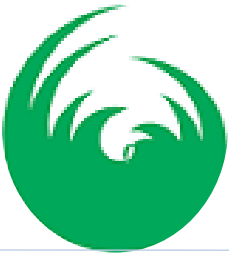
DMBs ($p = 0.007 < 0.05$). Additionally, forensic audit reports were found to significantly enhance court adjudication on financial fraud cases ($p = 0.000 < 0.05$). Despite these positive outcomes, the study concluded that the application of forensic auditing in combating financial fraud in Nigerian banks remains at an early stage of development. It therefore recommended that organizations strengthen their internal control systems to minimize the incidence of fraud and enhance the effectiveness of forensic auditing practices.

Jonah and Wofuru-Nyenke (2026) examined the role of forensic accountants in mitigating financial malpractice in Nigerian public institutions. The study focused on three key forensic practices: financial investigation, internal control evaluation, and fraud detection and prevention, with dependent variables including detection of fund misappropriation and enhancement of financial accountability. A descriptive survey research design was adopted, with structured questionnaires administered to 220 respondents from public finance departments, forensic units, and regulatory agencies. Data were analysed using descriptive statistics and multiple regression via SPSS version 25. The findings revealed a positive and statistically significant relationship between all forensic accounting practices and the mitigation of financial malpractice. Among the practices, financial investigation had the strongest effect on detecting fund misappropriation and enhancing accountability. The study concluded that forensic accountants play a critical role in reducing fraud and promoting financial integrity in Nigeria's public sector. Based on the results, the study recommended the institutionalization of forensic accounting units, regular forensic audits, capacity building for accounting personnel, and the adoption of forensic tools and technologies to strengthen transparency, accountability, and public trust in financial management systems.

Wofuru-Nyenke and Jonah (2026) examined the effectiveness of internal audit functions in preventing corporate fraud in Nigeria, focusing on audit independence, audit competence, and audit frequency and scope. The study was motivated by the persistent occurrence of financial misappropriation despite existing internal control systems. A descriptive survey research

design was employed, with structured questionnaires administered to 182 internal auditors, compliance officers, and finance professionals. Data were analysed using descriptive statistics and multiple regression techniques. The findings revealed that all three audit dimensions have a positive and significant relationship with corporate fraud prevention. Among these, audit competence had the strongest impact, followed by audit independence and audit frequency/scope. The study concluded that internal audit functions are pivotal in reducing fraud incidence and enhancing the effectiveness of fraud detection mechanisms within organizations. Based on the results, it was recommended that organizations strengthen auditor independence by aligning reporting structures with the board or audit committee, invest in professional development for internal auditors, and ensure comprehensive and frequent audit engagements. Additionally, regulatory bodies should enforce compliance with audit standards and support ethical governance practices. The study contributes to the literature on corporate governance and provides practical insights for improving fraud prevention frameworks in developing economies.

Jinadu et al. (2026) examined the impact of forensic accounting tools on corporate financial reporting in Nigeria. The study was motivated by persistent financial scandals and growing public concern over the quality, transparency, and integrity of corporate financial reports. While extensive research exists in developed economies, the authors noted a relative scarcity of empirical studies in developing countries such as Nigeria. Adopting a desk study approach, the research relied on secondary data drawn from peer-reviewed journal articles, corporate financial records, reports from forensic and regulatory agencies, and other scholarly sources published between 2018 and 2025. Both qualitative and quantitative evidence from prior studies were analysed to assess the effectiveness of forensic accounting tools, including fraud investigation, forensic auditing, data analytics, and litigation support. The findings indicated that the application of forensic accounting tools has a significant positive impact on the quality of corporate financial reporting. The study concluded that integrating forensic accounting tools into



corporate governance frameworks enhances transparency, accountability, and stakeholder confidence. It therefore emphasized the importance of institutionalizing forensic accounting practices as a strategic mechanism for strengthening financial reporting systems in Nigeria.

Tochukwu and Nwankwo (2023) investigated the effect of forensic auditing on the financial performance of quoted food and beverage firms in Nigeria over a six-year period (2010–2016). The study adopted an ex-post facto research design to establish cause–effect relationships among variables and relied exclusively on secondary data. Data analysis was conducted using STATA 13 statistical software, with correlation coefficients employed to measure the strength of the relationship between forensic auditing and performance indicators. The findings showed that forensic auditing has a positive and statistically significant effect on Return on Assets (ROA), Return on Equity (ROE), and Earnings per Share (EPS) at the 5% level of significance. The study concluded that forensic auditing contributes meaningfully to improved profitability and overall financial performance of quoted food and beverage firms in Nigeria. It recommended that management should strengthen the application of forensic audit practices to enhance profitability. Additionally, appropriate sanctions should be imposed where fraud is detected, ensuring that proper forensic audit procedures are followed and investigations are conducted by trained professionals, with disciplinary measures applied in line with relevant regulations.

Methodology

This study adopts a descriptive survey research design, which is appropriate for examining the relationship between forensic accounting techniques and financial performance of selected consumer goods companies in Rivers State, Nigeria. The descriptive survey design allows the researcher to collect data directly from respondents while capturing the current practices, perceptions, and impacts of forensic accounting techniques on organizational financial performance (Kothari, 2022). This design is widely used in accounting and finance research because it provides reliable insights into the effects of managerial practices and accounting interventions on

corporate outcomes (Bolarinwa, 2021). The population of the study comprises accounting and finance personnel, internal auditors, and management staff of selected consumer goods companies in Rivers State. These individuals are directly involved in financial reporting, auditing, and fraud prevention, making them the most knowledgeable sources of information regarding the use of forensic accounting techniques and their impact on financial performance. A purposive sampling technique was employed to select 115 participants who have practical experience with forensic accounting practices in the targeted firms. Purposive sampling is justified in this study because it ensures that only respondents with relevant knowledge and experience contribute data, enhancing the accuracy and reliability of the findings (Etikan et al, 2016). The sample sizes were determined using the Krejcie and Morgan (1970) table, which provide statistically reliable estimates for populations of different sizes. The study utilized primary data, collected through a structured questionnaire administered to accounting and finance personnel, internal auditors, and management staff. The questionnaire were designed through A five-point Likert scale ranging from Strongly Disagree (1) to Strongly Agree (5) To ensure validity, the questionnaire were reviewed by experts in accounting and finance research to ascertain that the items accurately measure the constructs under study (Sekaran & Bougie, 2016). For reliability, the Cronbach’s alpha coefficients were calculated to assess the internal consistency of the questionnaire items. A coefficient value of 0.7 or higher will indicate acceptable reliability (Hair et al., 2020). Data collected were analyzed using descriptive and inferential statistical techniques.

Model Specification for this study

$$FP = \beta_0 + \beta_1 FDT + \beta_2 FAP + \epsilon$$

Where:

FP = Financial Performance

FDT = Fraud Detection Techniques

FAP = Forensic Audit Procedures

β_0 = Constant term

β_1, β_2 = Regression coefficients

ϵ = Error term



Data Presentation, Analysis and Discussion of Finding

This presents the results of the study of forensic accounting techniques on the financial performance of selected consumer goods companies in Rivers State, Nigeria. The analysis covers descriptive statistics of the study variables, and inferential analysis to test the research hypotheses. The discussion of findings is linked to prior empirical studies.

A total of 115 questionnaires were distributed to accounting and finance personnel, internal auditors, and management staff of selected consumer goods companies in Rivers State of which 100 were returned and found usable, representing a response rate of 86.96%, which is adequate for analysis

Descriptive Statistics of Study Variables

Variable	N	Sum	Minimum	Maximum	Mean	Std. Deviation	Skewness	Kurtosis
FDT	100	420	3	5	4.20	0.56	-0.15	-0.50
FAP	100	425	3	5	4.25	0.54	-0.10	-0.48
PROF	100	415	3	5	4.15	0.57	-0.20	-0.55
RECOSt	100	418	3	5	4.18	0.55	-0.18	-0.52

SOURCE: SPSSOUTPUT 2026.

Sample Size 100 respondents participated in the study; Average rating shows a high level of agreement with the statements for all variables. Fraud Detection Techniques (4.20), Forensic Audit Procedures (4.25), Profitability (4.15), and Revenue Efficiency Cost Management (4.18) Standard Deviation (SD) ranges from 0.54-0.57, suggesting low variability in responses. Skewness Values close to 0 indicate that the data are approximately symmetrically distributed. Slight negative skew suggests

responses are slightly clustered toward higher agreement. Kurtosis Negative values indicate a slightly flat distribution, implying a moderate spread of responses around the mean. Descriptive statistics indicate that respondents strongly agree that forensic accounting techniques are effectively implemented and positively influence financial performance in the selected consumer goods companies.

Regression Model Summary

Model	R	R ²	Adjusted R ²	Std. Error of Estimate	F-statistic	Sig. F	Durbin-Watson
1	0.79	0.63	0.61	0.34	27.89	0.000	1.95

SOURCE: SPSSOUTPUT 2026.

R (Multiple Correlation Coefficient) 0.79 indicates a strong positive relationship between forensic accounting techniques and financial performance. R² (Coefficient of Determination): 0.63. 63% of the variance in financial performance is explained by the combined effect of fraud detection techniques and forensic audit procedures. The remaining 37% could be attributed to other factors not included in the model (management style, market conditions). Standard Error of Estimate (0.34) indicates the average deviation of observed values from predicted

values. A relatively small value suggests a good model fit, F-statistic (27.89, p < 0.05). The overall model is statistically significant; meaning that the independent variables collectively have a significant effect on financial performance .Sig. F (0.000) confirms the statistical significance of the regression model at the 5% level. Durbin-Watson (1.95), Close to 2, indicating no significant autocorrelation in the residuals, which validates the regression assumptions



Regression Coefficients

Variable	Unstandardized Coefficients (B)	Std. Error	Standardized Coefficients (β)	t-value	Sig. (p-value)	VIF
(Constant)	0.72	0.21	–	3.43	0.001	–
FDT	0.45	0.11	0.42	4.15	0.001	1.12
FAP	0.39	0.10	0.38	3.87	0.002	1.12

SOURCE: SPSSOUTPUT 2026

Constant (Intercept = 0.72), If both FDT and FAP are zero, the predicted financial performance (FP) is 0.72. Fraud Detection Techniques ($\beta = 0.42$, $p = 0.001$), For every one-unit increase in fraud detection techniques, financial performance increases by 0.42 units, statistically significant at 5%. Indicates FDT has a strong positive effect on FP. Forensic Audit Procedures ($\beta = 0.38$, $p = 0.002$), For every one-unit increase in forensic audit procedures, financial performance increases by 0.38 units, statistically significant at 5%. Confirms that FAP contributes positively to FP. VIF (Variance Inflation Factor = 1.12): Less than 5, indicating no multi collinearity problem between independent variables.

Discussion of Findings

The main objective of this study was to examine the effect of forensic accounting techniques on the financial performance of selected consumer goods companies in Rivers State, Nigeria. The study focused on two dimensions of the independent variable fraud detection techniques (FDT) and forensic audit procedures (FAP) and two dimensions of the dependent variable profitability and revenue efficiency/cost management.

Effect of Fraud Detection Techniques on Financial Performance

The findings from both descriptive and inferential statistics indicate that fraud detection techniques have a significant positive effect on financial performance. The regression coefficient ($\beta = 0.42$, $t = 4.15$, $p = 0.001$) confirms that firms that implement robust fraud detection mechanisms experience higher profitability and improved revenue efficiency. This finding aligns with Oyedokun, (2022) who reported that the use of transaction monitoring, financial data analysis and fraud risk assessment significantly

reduces financial irregularities and enhances corporate profitability. Similarly, Tochukwu and Nwankwo,(2023) observed that fraud detection techniques contribute to the early identification of fraudulent activities, minimizing revenue leakages and strengthening internal controls. The implication is that fraud detection techniques serve as preventive tools, ensuring that financial resources are protected and organizational objectives are met. Companies that systematically implement these techniques are more likely to achieve sustainable growth and maintain competitive advantage.

Effect of Forensic Audit Procedures on Financial Performance

The study also found that forensic audit procedures significantly enhance financial performance ($\beta = 0.38$, $t = 3.87$, $p = 0.002$). Respondents agreed that the adoption of forensic audit measures, including detailed examination of financial statements, internal control evaluations, and investigative auditing, ensures the accuracy of financial records and minimizes misappropriation of funds. This is consistent with Jinadu et al, (2026), who reported that forensic audit procedures positively influence profitability and operational efficiency in Nigerian consumer goods companies. The findings also align with Albrecht et al. (2021), who emphasized that forensic audits, when combined with digital monitoring tools, improve transparency, reduce financial fraud, and enhance organizational performance. The positive effect of FAP on both profitability and revenue efficiency suggests that forensic audits are not only corrective but also preventive, as they identify irregularities before they escalate into significant financial losses. This ensures that organizations maintain financial integrity and operational efficiency.



Conclusion and Recommendations

This study examined the effect of forensic accounting techniques on the financial performance of selected consumer goods companies in Rivers State, Nigeria. Forensic accounting techniques, was measured using two dimensions: fraud detection techniques and forensic audit procedures, while financial performance was measured in terms of profitability and revenue efficiency/cost management. Based on the findings from descriptive and inferential analyses, the study concludes that Fraud detection techniques significantly enhance financial performance by identifying and preventing fraudulent activities, reducing revenue leakages, and strengthening internal controls. Forensic audit procedures have a positive and significant effect on financial performance, ensuring accurate financial reporting, improving managerial accountability, and enhancing operational efficiency. The study validates the Fraud Triangle Theory and Agency Theory, showing that effective forensic accounting reduces opportunities for fraud and aligns managerial actions with the financial goals of the organization. In essence, consumer goods companies in Rivers State that integrate forensic accounting practices into their financial management systems are likely to achieve sustainable growth, enhanced profitability, and better revenue efficiency. Based on the findings, the study makes the following recommendations:

1. Institutionalize Fraud Detection Mechanisms: Companies should develop and implement robust fraud detection systems, including transaction monitoring, anomaly detection, and risk assessments, to prevent financial irregularities and protect organizational resources.
2. Regular Forensic Audits: Management should conduct periodic forensic audits to evaluate the integrity of financial statements, detect misappropriated funds, and strengthen internal control systems.
3. Capacity Building and Training: Staff should receive continuous training on forensic accounting techniques and fraud prevention strategies. This will enhance the ability of personnel to identify and respond to potential financial misconduct effectively.

4. Integration with Corporate Governance: Forensic accounting practices should be embedded within the corporate governance framework of the organization. This will enhance transparency, accountability, and stakeholders' confidence in financial reporting.

5. Adoption of Digital Tools: Companies should leverage advanced digital forensic tools and financial analytics software to monitor transactions in real-time, detect anomalies, and improve decision-making processes.

References

- Adeniyi A. A (2016) Forensic Auditing and Financial Fraud in Nigerian Deposit Money Banks (Dmbs). *European Journal of Accounting, Auditing and Finance Research* .4, (8), 1-19,
- Albrecht, W. S., Albrecht, C. C., Albrecht, C. O., & Zimelman, M. F. (2019). *Fraud examination* (6th ed.). Cengage Learning.
- Awotomilusi N. S, Ozioro P.G, Jegede ,O. F, Oke A. S,& Akpotu O. J.M(2025) Effect of Forensic Accounting Techniques on Occupational Fraud In Selected Construction Companies In Nigeria. *International Journal of Business Management and Economic Review*, 8(04), 76-91
[Http://Doi.Org/10.35409/ijbmer.2025.3697](http://doi.org/10.35409/ijbmer.2025.3697)
- Bolarinwa, O. A. (2021). Principles and methods of research in social sciences. *Ibadan: OAU Press*.
- Brealey, R. A., Myers, S. C., & Allen, F. (2020). Principles of corporate finance (13th ed.). McGraw-Hill Education.
- Cressey, D. R. (1953). *Other People's Money: A Study in the Social Psychology of Embezzlement*. Free Press.
- Etikan, I., Musa, S. A., & Alkassim, R. S. (2016). Comparison of convenience sampling and purposive sampling. *American Journal of Theoretical and Applied Statistics*, 5(1), 1-4.
<https://doi.org/10.11648/j.ajtas.20160501.11>



Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2020). *Multivariate data analysis* (8th ed.). Cengage Learning.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs, and ownership structure. *Journal of Financial Economics*, 3(4), 305–360. [https://doi.org/10.1016/0304-405X\(76\)90026-X](https://doi.org/10.1016/0304-405X(76)90026-X)

Jinadu ,O.,Ayodeji. O.R,& Mamidu, A.I(2026) Forensic Accounting Tools And Corporate Financial Reporting In Nigeria: A Review of Literature. *International Journal of Research and Innovation In Social Science (Ijriss)*, 10(1), 5300-5309, doi: <https://doi.org/10.47772/Ijriss.2026.10100407>

Jonah,N. M & Wofuru-Nyenke O.K.(2026)Forensic Accountants And Their Role In Mitigating Financial Malpractice In Nigeria Public Institutions. *European Journal of Accounting, Finance And Investment*vol.11,(01) 31-42

Kothari, C. R. (2022). *Research methodology: Methods and techniques* (5th ed.). New Delhi: New Age International.

Ochuba, C.U, Musa, A. F & Benjamin U (2025) Effect of Forensic Accounting Techniques on Fraud Detection by Professional Accounting Firms in

Plateau State. *International Journal of Research (IJR)*, 12(02), 645-665, DOI:[HTTPS://DOI.ORG/10.5281/ZENODO.14933109](https://doi.org/10.5281/ZENODO.14933109)

Oyedokun, G.E. (2022). “Determinants of Forensic Accounting Techniques and Theories: An Empirical Investigation”. *Annals of Spiru Haret University. Economic Series*, 22(3), 339-376, doi: <https://doi.org/10.26458/22319>

Sekaran, U., & Bougie, R. (2016). *Research methods for business: A skill-building approach* (8th ed.). Wiley.

Tochukwu G. O, & Nwankwo K. N(2023) Effect of Forensic Auditing on the Financial Performance of Quoted Food & Beverage Firms In Nigeria. *International Journal of Innovative Finance and Economics Research* 11(3):115-12

Wofuru-Nyenke, O .K & Jonah, N. M (2026) Internal Audit effectiveness and Corporate Fraud Prevention in Nigeria: An Empirical Analysis. *European Journal Of Accounting, Finance And Investment*, 11,(01),10-19

<https://cirdjournals.com/index.php/Ejafi>: E-Mail: Journals@cirdjournals.com

QUESTIONNAIRE

Please indicate your opinion by ticking the appropriate box or rating items on the Likert scale 1 – Strongly Disagree (SD) | 2 – Disagree (D) | 3 – Neutral (N) | 4 – Agree (A) | 5 – Strongly Agree (SA)

Fraud Detection Techniques

S/N	Statement	SD	D	N	A	SA



1	Data analysis helps detect unusual or suspicious financial transactions					
2	Transaction monitoring reduces the incidence of fraud in the company					
3	Conducting fraud risk assessments strengthens internal control systems					

Forensic Audit Procedures

S/N	Statement	SD	D	N	A	SA
4	Forensic audits uncover misappropriated funds in the company					
5	Examination of financial statements ensures accuracy and reliability					
6	Internal control evaluation improves the efficiency of financial management					

Profitability

S/N	Statement	SD	D	N	A	SA
7	Profitability of the company has improved due to fraud detection techniques					
8	Forensic audit procedures have contributed to increased profit margins					

Revenue Efficiency / Cost Management

S/N	Statement	SD	D	N	A	SA
9	Revenue leakages are minimized through the implementation of fraud detection techniques					
10	Cost management has improved as a result of forensic audit procedures					