

**RELATIONSHIP BETWEEN FORENSIC ACCOUNTANTS'
COMPETENCES AND AUDIT EXPECTATION
GAP:EVIDENCE FROM NIGERIA DEPOSIT MONEY
BANKS**

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**Relationship between Forensic Accountants' Competences and
Audit Expectation Gap: Evidence from Nigeria Money Deposit
Banks**

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**Thesis Submitted in Partial Fulfillment for the Degree of Doctor of
Philosophy in Accounting in the Jomo Kenyatta University of
Agriculture and Technology**

2016

DECLARATION

This thesis is my original work and has not been presented for a degree in any other university.

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DEDICATION

This thesis is dedicated to my creator , God Almighty ,my parents Chief and Mrs Odelabu, my lovely wife Odelabu Olutola, my children: Oyindamola, Eniola and Akorede, my big brother Chief Odelabu Adegoke Kayode and my other siblings: Ajilesore Oluwaseun, Odelabu Anthony Oludare. And those who strive to improve human kind through innovation and research.

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ABBREVIATIONS

ACA	Association of Chartered Accountants.
ACFE	Association of certified fraud examiners
ACIBN	Association Chartered Institute of Bankers of Nigeria
AEG	Audit Expectation Gap
AICPA	American Institute of certified professionals Accountant
ANOVA	A one way analysis of variance
ASB	America Standard Board
BOFIA	Banks and Other Financial Institutions Act
C	Coercion
CAMD	Companies and Allied Matters Decree
CBLF	Cost of Building, Land and furniture
CBN	Central Bank of Nigeria
CCE	Cost of Cars and Equipment
CCFM	Cost of Children and family Maintenance
CFA	Certified Financial Accountants
CICA	Canadian Institute of Chartered Accountants
COT	Cost of Oversees
CPA	Certified Public Accountants
CRDAC	Capital Receipt and Drawing from Associate Companies
CSC	Cost of shares
CSR	Corporate social responsibility
CTC	Cost of Chieftaincy
Div	Divident
EXC	Expertise Competence
FITC	Forensic Information Technology Competence
GAAP	General Accepted Accounting Standard
Gt	Gift
GRI	Global Reporting Initiative.
I	Ideology

ICAZ	Institute of Chartered Accountants of Zimbabwe
KMO	KaiserMeyer-Olken
M	Money
MSC	Mindset Competence
NAVS	National Value System
PPT	Payment of Tax
PSC	Professional Skepticism Competence
RPC	Responsibility Competence
Rt	Rent received
S E	Salaries employment
SAR	Statement Audit Report
SAR	Statement of Audit Report
SAS	Statement of Accountant Standard
SBL	Sale of Buildings and Land
SCE	Sale of Cars and Equipment
SOX	Sarbanes-Oxley Act
OMI	Other Miscellaneous
UI	Undisclosed Income

DEFINITION OF KEY TERMS

- Audit Expectation Gap** Refers to the difference between what the public and other financial statement users perceive auditors' responsibilities to be and what auditors believe their responsibilities to entail (McEnroe & Martens, 2001).
- Digital forensic** Digital forensic also refers to as Automated forensic. It is a branch of forensic science pertaining to legal evidence found in computers and digital storage mediums. These tools are ideal for solving cyber-crimes, revealing accounting fraud, and more commonly, for the retrieval of accidentally deleted data (Forensic Focus, 2011).
- Data mining** Can be defined as a data search which is sophisticated and has the capability to use statistical algorithms to discover patterns and correlation in a data, with the intention to find an explicit, but potentially useful information which has been buried due to passage of time (Rygielski & Yen, 2002).
- Forensic Accounting** Is a discipline that has its own models and methodologies of investigative procedures that search for assurance, attestation and advisory perspective to produce legal evidence. It is concerned with the evidentiary nature of accounting data, and as a practical field concerned with accounting fraud and forensic auditing; compliance, due diligence and risk assessment; detection of financial misrepresentation and financial statement fraud (Dhar & Sarkar, 2010).
- Information Technology Competences:** It enable Forensic Accountant in the process of acquisition, restoration and analysis of digital data for evidence tenable in the court of law, which provide unique opportunities

for the forensic expert to uncover gaps in existing traditional fraud detection method (Sukamal ,2014).

Mindsets Competences Mindset can be described as “a positive mental attitude which influences individual’s cognitive behaviour towards a task performance fraud risk assessment” It represents a special way of thinking about accounting records (Mahadevaswamy & Mahdi ,2008)

Professional skepticism Professional skepticism is defined as “an attitude that includes a questioning mind and a critical assessment of audit evidence (Chi ,2006)

Proactive Forensic This audit helps businessmen to ensure that their processes stay robust, and it can be viewed from different aspects depending on its application (Ezeilo ,2010).

Reactive Forensic The objective of this audit is to investigate cases of suspected fraud so as to prove or disprove the suspicious and if proven, the person involved is to be identified, the findings are to be supported by evidence, after which it is presented in an acceptable format in any subsequent discipline or criminal proceedings (Ezeilo,2010).

Responsibility competence The responsibility of auditors is ‘an amalgamation of public policy consideration as a result of the deregulation movement demands for the profession to protect the public interest has grown rapidly (Mahadevaswayy ,2008).

Regulatory Compliance This technique is usually used by government departments or agencies to assess compliance with regulations governing payments or grants or subsidies. Performance auditors could

also use this technique while auditing such governmental programs (Ezeilo,2010).

Statutory Audit

In this case, auditing standard prescribe that internal control should be studied and evaluated in respect of safeguarding assets and resources when performing regularity and financial audit, and in assisting management in complying with laws and regulations when performing compliance auditing. (Adeniji, 2004).

ABSTRACT

Failure of statutory Auditor in meeting the reasonable expectation of users of accounting information for decision making in banking industry despite the clean report issued ; hence it has fuelled the need for the use of forensic accounting services in order to narrowing the audit expectation gap that statutory auditors default in it. The purpose of the study was to examine how forensic Accountants' competences can narrow audit expectation gap among Nigeria Money Deposit Bank .The objectives of the study was to determine the relationship between expertise competence, mindset competence, professional skepticism competence, responsibility competence and forensic information technology competence of forensic Accountants among Nigeria Money Deposit Bank. A census was carried out in twenty one Nigeria Money Deposit Banks which had operating licenses from the Central bank of Nigeria. Questionnaires were used to collect the data. The data were analyzed using SPSS. Factor analysis was used to retain the indicators which had a factor loading of above 0.4 for further study. The reliability of the data gathered from the field was measured using the cronbach's Alpha to give an unbiased estimate of the data generalizability. Descriptive statistics mainly percentages and frequency distribution were used for data presentation. Inferential statistics used were correlation and multiple regression analysis to test the relationship between the variables, also used *t*-test and F-test for that purpose The findings revealed that there was strong negative linear relationship between the Forensic Accountants' competences and audit expectation gap. It Implies that increase in forensic Accountants' competences reduce audit expectation gap. The study thus concluded that by applying the forensic accounting techniques in banks auditing through forensic accountants' competences improve the public confidence on bank's financial report. The study gives recommendations that application of forensic Accountants' competences proactively in bank auditing foster narrowing audit expectation gap in Banks.

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

The increasing in public expectation on the perceived performance of Auditors' duties as a result of series of financial failures that occurred during the recessionary years of the late 80's and the early 90's, despite the clear report issued by the statutory Auditors has subjected the accounting profession in developing countries under severe pressure (Ekwueme, 2000). Currently, some spectacular and well-publicized corporate collapses due to increasing frauds and financial malpractices in corporate organizations and the subsequent implication of the reporting auditors have highlighted the audit expectation gap. This has placed financial and accounting issues as top concern for both the international community and policy makers (Jonathan & Osasumwen, 2010)

Accountants and auditors may be expected to report financial irregularities in company's accounts by enhancing transparency, accountability and developing techniques for fraud detection and prevention. However, an emerging body of literature argues that accounting professionals have increasingly used their expertise to conceal and promote anti-social practices (Bakre, 2008). Most banks failure are a result of corporate financial frauds where management has fraudulently given loans without board approval and other unethical attitudes that hinder the good corporate governance that spread within banking industry among the management. The bank's failure has generated serious attention focused on the responsibility of accountants and auditors who have been involved in the preparation, presentation and auditing the financial report of the state affairs of the company (Sikka, 2009)

However, auditors have refused to accept the responsibility of preventing and detecting financial statement fraud, rather they claimed to only responsible credence to financial statement by confirming the compliance of the accounting records with the General Accepted Accounting Standards (GAAP), Auditing standards and

company accounting policy. This has generated expectation gap between the accounting profession and users of accounting information expecting auditor to prevent and detect frauds (Adeniji, 2004).

The corporate organization scandals at national and international dimensions has caused the credibility of audit practice became undermined. In addition, these scandals had severely damaged the banking system. The events of scandals not only caused an erosion of confidence in banking system but also created crises of credibility for accounting profession (Whittington & Pany, 2001). The widespread criticism of and litigation against auditors indicates that there is a gap between society's expectations of auditors and auditor's performance as perceived by society. The majority of research studies indicate that the audit expectation gap may be attributable to users' misunderstanding of what is reasonably expected from an audit, and of the actual quality of the audit work. In a nutshell, the auditor plays a centrifugal, as well as a centripetal role in the accounting world. The primary function of external auditors is to attest to the fairness of the financial statements of a company (Rulund & Lindbom, 1992).

Moreover, the need for forensic accountant has been ascribed to the fact that the audit system in an organization had failed to detect certain errors and fraud in the managerial system (Wilhelm, 2004). Failure of internal audit and audit committee to unearth hidden aspects of corporate fraud and also the apparent lack of independence of internal auditors are some of the major determinants responsible for the growth of forensic accounting which fuelled the audit expectation gap (Okoye & Akamobi, 2009). Hence the interest in audit expectation gap is propelled by the recent corporate failures, for examples the Enron scandal in United State and corporate fraud perpetrated in Nigeria by management of Cadbury Nigeria Plc, Lever Brothers, Union Dicon Salt and 14 distressed banks as exposed by forensic accounting services called by the Central Bank of Nigeria has shown the failure of traditional audit due to lack of professional skepticism and commitment. The failure to check the frauds and prevent the impending bankruptcies through an effective audit program has culminated in the interest on audit expectation gap in recent years. However, a

business failure is often interpreted to be an audit failure regardless of the level of procedures and tests performed by the traditional auditor.

Enyi (2012) highlighted that, the conventional audit methodology which was appropriate for industrial age may not be sufficient broad enough for the information technology age when assets are intangible, business activities are transacting electronically, markets are global and the pace of change is ever accelerating. Based on this assertion, it is high time to call for new field of forensic accounting to combat the fraud moving at high pace with the modern technology. The failure of traditional auditing to prevent and identify fraudulent activities in the corporate organizations had necessitate the need for forensic accounting which required technical skill that allow: ability to synthesize, critical thinking, ethical behavior, computer competence, analytical and ability to detect and investigate fraud evidence suitable as evidence in court of law (Ahadiat, 2010).

Enyi (2012) argues that a man is expected to know the trick of the monkey in order to catch it, but he should ensure that he did not become the monkey in the process and this embrace the need of forensic accounting in auditing. Impeccable character must be weaved around ethical considerations in forensic accounting for it to succeed. This implies that for effective investigation to be carried out the investigator must understand the tricks being employed by the perpetrator, hence forensic accounting skill is required. Forensic accounting is the integration of accounting, auditing and investigative skills. Meaning Forensic Accounting utilizes accounting, auditing and investigative skills when conducting any kind of investigation (Zysman, 2004).

Dhar and Sakar (2010) defined forensic accounting as the application of accounting concepts and techniques to legal problems. It demands reporting, where accountability of the fraud is established and the report is considered as evidence in the court of law or in administrative proceedings. The utilization of specialized investigative skills in carrying out an inquiry conducted in such a manner that the outcome will have application to a court of law is called forensic investigation.

Forensic audit is an examination of evidence regarding an assertion to determine its correspondence to established criteria carried out in a manner suitable to the court (Crumbley, Lary, & Apoustolu, 2002). The ability to respond immediately and to communicate financial information clearly and concisely in a courtroom setting is critical to forensic accounting, while auditors may not be required to report their findings in the courtroom, it is equally critical they do so to those engaging these services (Mehta & Mathur, 2007).

It's crystal clear that traditional auditors still issue reports that are materially fraudulent as true and fair views which it fails to divulge existing fraud and default in meeting public expectation as they perceived in other to narrow the audit expectation gap. However, the general expectation is that forensic accounting offer reliefs to the existing vulnerability of conventional accounting and auditing systems to financial fraud. Therefore, the incorporation of modern forensic accounting techniques in any industry is necessary in order to prepare the accounting profession to deal effectively with the problem of unearthing imaginative fraud. Injection of forensic accounting techniques in auditing could be used to reverse the leakages that caused corporate failure. This can be attributed to the fact that proactive forensic accounting seek out errors and deviant transaction before they crystallize into fraud (Center for Forensic Studies, 2010).

1.1.1 Audit Expectation Gap and Forensic Accounting in developed Countries

The responsibilities of statutory auditor is crucial in today's corporate world. This is especially due to the separation of ownership from management as a result of numerous shareholders in companies. The external auditors are usually perceived as independent and as a result users rely on audit reports because of they expect auditors are unbiased (Ozkul & Pamukc, 2012).The essence of statutory Auditor's role is to add credibility to the financial information released after the end of a company's financial year. The credibility is, however, called into question after some spectacular and well-publicized corporations collapsed shortly after an unqualified (in other words "clean") audit report had been issued (Lee, Gloeck, & Palaniappan,

2007). The epicenter was in the United States, highlighted by the downfall of Enron and WorldCom. Enron's shares dropped from \$90 to \$0.25 in the short space of 14 months, shareholders and debt holders lost tens and billions of dollars whilst 20,000 employees lost their retirement savings (Crumbley *et al.*, 2002).

The demise of WorldCom, which holds the record for the largest accounting fraud and bankruptcy in history, caused the loss of hundreds of billions of dollars in stock value and shook the foundations of the Wall Street. Based on this evidence, it will be essential for companies to heighten their effort in both the detection and prevention of fraud in order to meet at least reasonable expectation of users. Unfortunately, the pervasiveness and seriousness of fraud cannot be overcome with the present dated methods for fraud detection and prevention (Wells, 2004). This limitation of traditional auditors in fraud detection and investigation necessitated the need for forensic accountants in the crusade against financial deception (Ramaswamy, 2005).

The major reason for the increased demand for forensic accountants in the post – Enron era, where there is occurrence of strong shocking corporate scandals such as Enron (2001), Sunbeams (2001), Dynegy (2002), WorldCom (2002), Adelphia (2002). The direct result of Enron scandal and many others is the enactment of new accounting rules, regulations and legal framework incorporating the approaches and techniques of forensic accounting. Because of these new laws and regulations, nervous executives have been hiring forensic accountants to apply their competencies in narrowing the expectation gap defaulted by the traditional auditors. Forensic accounting is rooted in developed countries and it has spread in all aspect of business both private and public corporate organization (Iwata, 2003).

American Institute of Certified Professional Accountants (AICPA) has issued SAS 99 has a new standard in response to the recent Enron scandal. SAS 99 is unique because it claims that there is a risk of fraud in every business. The new standard, describes specific steps that auditors must follow during audit and audit engagement. These steps include: pre-audit brainstorming, increased professional skepticism, additional inquiries, consideration of risk factors, a determination of the response to

the risk factors and extensive documentation. SAS 99 also requires that the audit staff be evaluated to determine if they have enough forensic accountants (Wolosky & Howard, 2004).

The advent of new techniques of securities fraud in developed countries resulted in the enactment of Sarbanes-Oxley Act (2002). The act mandated to monitor activities of auditors and protect investors both in private and public corporate organization. It gives guideline that are meant to address internal control for detection and deterring fraud and other related financial malice which traditional auditing defaulted in narrowing the audit expectation gap. It thus, motivates forensic accountants to be more aggressive in searching for frauds. All the new rules and legal framework enacted after Enron scandal and many others in developed countries have been implemented forensic accounting as proactive approach which have the competence to narrow the audit expectation gap as against reactive approach of traditional auditing. The new law has increased the demand for forensic accountants in developed countries because of skills and expertise required to detect frauds (Arvedlund, 2003).

1.1.2 Forensic Accounting in Emerging Economies

The rapid advancement in modern technology has increased the complexity of current business transactions and information systems. Hence, the present era has to deal with the ever-changing landscape of fraud that has spawned vast new innovative pathways of opportunities for the often sophisticated, well educated, and skillful fraudster. Therefore, it has called for Auditors' responsibilities be increased to include fraud detection/prevention (PricewaterhouseCoopers, 2011). The internal or external auditors can no longer safeguard a company from fraud; instead, a new category of accountant specifically the forensic accountant is necessary for this purpose. Auditors are not trained to think like forensic accountants but unfortunately, they are called upon to use a set of forensic skills that they have not acquired (Wolosky & Howard, 2004).

Singleton and Singleton (2007) emphasized that it is unreasonable to rely on financial auditors to detect any fraud because they lack the intuition, experience and training vital to fraud auditing. Furthermore, financial audits cannot be relied upon to detect immaterial frauds and when controls are subject to management override and collusive manipulations. Extensive forensic procedures have to be included in audits to narrow audit expectation gap between the users of financial statement and the auditors. The development of forensic accounting is rapidly climbing among the developed countries, but is currently at the beginning stage in emerging economies where they started their research platform in the late 20th century (Singleton & Bologna, 2006).

Appah and John (2010) highlighted, the branch of forensic accounting has not got its recognition even after alarming increasing in organizations failure. The auditing and investigative services of most organizations in developing countries are usually handle by inexperience and lack of expertise techniques in fraud which has been generating audit expectation gap. Chartered Accountants that lack forensic accounting competence are called upon to take up investigative assignments in developing countries and very few Chartered Accountant firms have fraud examination as separate practice. The task of forensic accountants is handled by Chartered Accountants who apart from handling traditional practice of auditing as required under the Companies Act or Income Tax Act are called upon by the law enforcement agencies or the companies or private individuals to assist in investigating the financial crime or scam in developing countries (Zhang & Zhang, 2010).

Okoye and Akamobi (2009) commented on the application of forensic accounting in developing economies, the study notes that forensic accounting is faced with so many bottlenecks they reveal the following challenges confronting the application of forensic accounting in developing countries. These included among them were: (i) A significant challenge that faces a forensic accountant is the task of gathering information that is admissible in a court of law.(ii) The admissibility, of evidence in compliance with the laws of evidence is crucial to successful prosecutions of

criminal and civil claims. (iii) Globalization of the economy and the fact that a fraudster can be based anywhere in the world has led to the problem of inter-jurisdiction.

Mbogo (2003) commented on the application of forensic accounting services in fraud assessment in developing countries. They noted that, the service of a forensic accountant has been adopted as reactive approaches which are required at the end of the auditing process when fraud has already happened and report has already been issued by the auditors. The management of organizations believes that it is often expensive for a company to employ a full forensic accountant. Instead, companies choose to strengthen their internal mechanisms and controls to ensure that fraud does not happen and, therefore, avoid hiring the services of forensic accountants and fraud examiners. However, this does not meet the demand in narrowing the audit expectation gap because it lacks forensic accounting skills to prevent and identify the fraud properly.

Huber (2012) concluded that the generation of forensic accounting is closely related with the economic and social demand, development and change of economy and society will be the core force to push the advance of the forensic accounting in developing countries. Forensic accounting should undertake the function to deeply study the fraud rule, discover and govern the fraud and establish the communication bridge among different relative subjects in developing countries. The forensic accounting should be used as proactive not as reactive in the prevention and detection of fraud and should be used as a standard for internal audit system in banking industry and other organizations developing countries.

1.1.3. Nigerian banking industry: An Overview

The banking industry in Nigeria plays fundamental roles in the development and growth of the economy; it plays the crucial roles of lubricating the payment system, resources mobilization and credit allocation. The Nigerian banking sector has witnessed remarkable changes in given the increasing wave of globalization,

structural and technological changes and integration of financial markets (Adegbaju & Olokoyo, 2008).

The evolution of banking in Nigeria is divided into nine phases as shown in Table 1.1. The free banking era (up to 1952) was characterized by the absence of legislation and this resulted in a banking boom. The pre-central banking era (1952-1959), commenced with the enactment of the Banking Ordinance in 1952. The establishment of the Central Bank of Nigeria (CBN) in 1959 gave impetus to the era of banking legislation. The era of indigenization (1970-1976), marked the indigenization of expatriate banks operating in the country. The post Okigbo era (1977-1985), saw the implementation of the recommendations of the Okigbo panel on the review of the financial system. The de-regulation era (1986-1992), saw the privatization of government interests in various banks and the entry of more banks into the financial system. The era of banks distress (1993-2001), saw the emergence of illiquid and terminally distressed banks in the system. The era of universal banking (2002-2004), marked the commencement of universal banking in Nigeria and finally, the era of bank consolidation (2004- date), was characterized by the consolidation of banks through mergers and acquisitions (Nzotta, 2004)

Table 1:1 Evolution of banking in Nigeria

Phases	Date	Period
First	Up to 1952	Free banking era
Second	1952-1959	Pre-central banking era
Third	1959-1970	Era of banking legislation
Fourth	1970-1976	Era of indigenization
Fifth	1977-1985	Post Okigbo era
Sixth	1986-1992	De-regulation era
Seventh	1993-2001	Era of banks distress
Eighth	2002-2004	Universal banking
Nineth	2004-Date	Era of bank consolidation

Source: Nzotta (2004)

The reforms in the Nigerian banking sector marked another giant stride in the history and development of the Nigerian banking industry. Over the years the Nigerian banking industry has witnessed several reforms in search of an efficient and effective financial system. This has been fueled by several bank failures and crises which can be traced back from the 1930s when all indigenous banks, except one (National Bank), collapsed. Also between 1952 and 1954, 16 indigenous banks failed. In the late 1990s, 26 failed banks were liquidated at once while others went through various surgical operations ranging from, restructuring, renaming, acquiring and complete sales to new investors. One thing that is constant in all these failures was that statutory auditors failed to meet audit expectation of public.

Several legislations were put in place to reduce, alleviate and if possible eliminate the occurrence and incidences of fraud in the industry most popular and prominent among them were: Companies and Allied Matters Decree No 19, 1990. (CAMD 1990), Banks Employees Asset Declaration Act 1990, National Drug Law Enforcement Agency Act 1990, Special Tribunal (Miscellaneous Offences) Act 1990, The Central Bank of Nigeria (CBN) decree No 24 of 1995, Nigeria Deposit Insurance Corporation Decree No 22 of 1998, The Banks and other Financial Institutions Decree (BOFID) 1999, Economic and Financial Crime Commission Act 2004. The most recent reform was in an attempt to solidify the banking industry, consolidation (re-capitalization) programme was instituted by the Central Bank of Nigeria (CBN), which was concluded on December 31, 2005. The Central Bank of Nigeria's (CBN) recent reform to consolidate the banking sector through drastic increase to #25 billion as minimum capital base of any bank led to a remarkable reduction in the number of banks from 89 to 24 in 2005 and later from 24 banks to 21 banks in 2008 which changed their mode of operations and their contributions to the nation's economic development (BOFIA, 1991).

The primary objective of Nigerian banks' consolidation reform was to guarantee an efficient and a sound financial system. The reform was designed to enable the

banking sector develop the required capacity to support the economic development of the nation by efficiently performing its functions as the head of financial intermediation and compete favorably with international banks (Lemo, 2005) The Nigerian banks' consolidation reform also enacted to unveil the bank executives and management that they have incapacitated the bank resources in collaboration with Auditors that produced clean report (unqualified report) of the state affairs of the banks. And these have denied the confidence of public using the report, which instigate the audit expectation gap (Aluko, 2004). The Central Bank of Nigeria's (CBN) recent reform to consolidate the banking sector through drastic increase to #25billion as minimum capital base of any bank led to a remarkable reduction in the number of banks from 89 to 24 in 2005 and later from 24 banks to 21 banks in 2008 which changed their mode of operations and their contributions to the nation's economic development.

After the amalgamation of banks in Nigeria, most of the banks engaged in non-banking activities such as real estate, insurance, housing estate and many others to maintain their liquidity. All these non - banking activities made the banks lose focus from their main primary duties, that is taking money from supply economy to deficit economy because they all hide under the umbrella of commercial trade name known as commercial banks. In order to narrow the activities of banks, the bank regulators and Central Bank of Nigeria re-licensed the banks into: international license, national license and regional license and re-brand them as Nigeria Deposit Money Banks. Therefore, Deposit Money Banks are profit-making organizations acting as intermediaries between borrowers and lenders, attracting temporarily resources from business and individual customers as well as granting loans for those in need of financial support (Driga, 2012).

In this present era of Nigeria bank consolidation, this exercise excavate many anomalous of frauds committed by banks executive and other personnel in charge despite the auditors produce clean report for all these banks involved in bank crises. The large amount of frauds and other irregularities call for questioning the role of

auditors that produce unqualified reports for all this banks in Nigeria, which generate audit expectation gap perceive by the users of this report (Bakre, 2008).

1.1.4. Audit Expectation Gap and Forensic Accounting in Nigerian Banking Industry

In an effort to make Nigerian banks devoid of fraudulent practices, chief executives and other bank staff of some banks in Nigeria have been made to face the music by their involvement in financial crime of various dimensions. The large amount of frauds and other irregularities call for doubting the role of Auditors that produce unqualified reports for all this banks in Nigeria, which generate audit expectation gap perceive by the users of this report. In view of these financial improprieties which often render the Nigerian banks incapacitated, the literature has suggested that forensic accounting serves as a veritable weapon in the fight against financial crime (Okunbor & Obaretin, 2010).

Ojaide (2000) notes the alarming increase in the number of fraud and fraudulent activities in Nigeria banking system, requiring the visibility of forensic accounting services. According to the Center for Forensic Studies (2010) report the increasing need for forensic and investigative accounting in the banking sector results from the complexities of modern day banking with large volume of complex data. This makes it difficult to monitor transactions by applying manual audit processes and make the control utility of auditing ineffective. The general expectation is that forensic accounting may offer some respite to the seeming vulnerability of conventional accounting and audit systems to financial fraud (Popoola, Ahmad, Samsudin, & Hartini, 2013).

Consequently, the incorporation of modern forensic investigation techniques in audit in Nigeria is seen as timely in order to prepare the accounting profession to deal effectively with the problem of unearthing ingenious fraud schemes arising from audit failure to detect frauds in Nigeria. Center for Forensic Studies (2010) report in Nigeria states that if well applied, forensic accounting could be used to reverse the leakages that cause corporate failures. This can be attributed to the fact that proactive

forensic accounting practice seeks out errors, operational vagaries and deviant transactions before they crystallize into fraud (Degboro & Olofinola,2007). The focus of this study therefore is to examine the role and prospects of forensic accounting in curbing financial crimes in Nigeria with particular emphasis on the banking sector in other to narrow the expectation gap perceive by the public that traditional audit fail to meet up.

In other to leverage the menace of audit expectation of public in Nigeria banking industry the Nigerian Institute of Advanced Legal Studies organized successful and thought provoking Round Table in 2010, under the auspices of the Chukwudifu Oputa Centre for Forensic Studies on the pressing need for forensic and investigative accounting to support the effort at reducing criminality in the banking industry. The pivot of the discussion was center on adoption of forensic accounting into the recent crises of Nigeria banking industry and it was recommended that the development of professional standards, code of ethics and best practice guidelines for forensic accounting and investigations should be embarked upon. If forensic accounting competencies are well applied, it could be used to reverse the leakages that cause bank failures and so enhance trust and development in the banking industry. This can be attributed to the fact that proactive forensic accounting seeks out errors, operational vagaries and deviant transactions before they crystallize into fraud (Center for Forensic Studies, 2010).

Islam, Rahman and Hossan (2011) they confirmed that if forensic accounting is well applied in Nigeria banking industry by creating forensic account department to initiate internal measures for fighting financial crime. It could be used to reverse the leakages that cause corporate failures. This can be attributed to the fact that proactive forensic accounting practice seeks out errors, operational vagaries and deviant transactions before they crystallize into fraud. The focus of this study therefore is to examine the role of forensic accountants' competencies in curbing financial crimes in Nigeria with particular emphasis on the banking sector in other to narrow the expectation gap

1.2. Statement of the Problem

The widespread criticism of and litigation against auditors was postulated to be the manifestation of audit expectation gap despite unqualified (in other words "clean") report issued by the auditors and this connotes that, there is a gap between society's expectations of auditors and auditors performance as perceived by society. This criticism of auditors mostly in developing countries which Nigeria is not excluded by users of audited financial statements has stirred many a response both from the profession and statutes. It has been concluded that the expectation of both auditors and users differ and this is degenerating into a credibility problem for the accounting and auditing profession, because users want to be able to rely on audited financial statements for investment decision making. Also, due to changing in business environment, it has required that the auditors' responsibilities be increased to include fraud detection/prevention in order to meet public expectation. Absolute independence of the auditor desired by the users of financial statement is another problem considering by the study, because absence of it may reduce performance. Users also may have a different interpretation of the nature and meaning of audit report messages. The audit expectation gap has become a menace to the assignment of statutory Auditor because the greater this gap, the lower the confidence and reliability in the works of auditors (Sikka, 2009). Therefore, if an attempt to avoid loss of credibility, reliability, and confidence in bank auditing , the issue of expectation gap needs attention by injecting proactive approach of forensic accounting services into the auditing assignment of banks.

Auditing is a mandatory requirement for all public organizations and it is assumed that unqualified audit reports should be free fraud and material error which rise the confidence of users for decision making. The failure of conventional auditing to prevent and reduce fraudulent activities and increase in financial malpractices within banks have put much pressure on management of banks and other corporate organization to employ the usage of forensic accountants' competences as a better approach to curb fraudulent activities and give hope for the reasonable expectation of users. The injection of forensic accounting techniques in Nigeria Deposit Money

Banks' activities will ensure the integrity and reliability of financial information by proper prevention and detection of fraud control (NDIC, 2013)

Over the years, scholars have given attention to debate on the nexus between forensic accounting and audit expectation gap in countries ranging from the United States, United Kingdom, Australia, India to Egypt, Malaysia and even South Africa all pointing that audit expectation gap exist between auditors and users of financial statement (called users after now) within their various environment. Literature reviewed shows that the problem of audit expectation gap has always existed, but until recently it was not being given much attention. Many studies among are as follows; Liggio, (1974); Lin and Chen, (2004) established the existence of audit expectation gap and that of forensic accounting. For instance, (Martina et al., 2000) concluded that there is wide expectation gap on the issue of the Auditor's responsibility. While on the other hand there was a lesser expectation gap with respect to the reliability and usefulness of the audited financial statement. (Fazdly & Ahmed, 2004) investigated on the dimensions constituting the broad spectrum of audit expectation gap in India, he found that there was an expectation gap in several aspect of audit function. The study attributed this gap to the level of audit, auditor's obligation, audit effectiveness and independence. (Islam *et al.*, 2011) established that forensic accounting has relevance to efforts for combating fraud and corruption.

In the Nigerian context, Owojori and Asaolu (2009) study of forensic accounting vexed problems in the corporate world; found out that, forensic accounting is the best ever growing areas of accounting. Owojori and Asaolu (2009) argued, forensic accounting enables in enhancing the chances of success in day to day life of corporate firm. Further, Ebimobowei (2012) examined the effect of forensic accounting services in fraud detection, in the Nigeria banking sector. Based on the literature findings, most of the studies conducted have concentrated on forensic accounting services its influence on frauds and audit expectation gap. In fact no adequate studies have been conducted specifically to establish the relationship between forensic accountant's competences and audit expectation gap in Nigeria Deposit Money Banks. This study is indented to do what has not been explored by

prior researches, therefore this study sought to bridge this evident research gap by establishing the relationship between the forensic accountants' competences in narrowing audit expectation gap in Nigeria Deposit Money Banks.

1.3. Objectives

1.3.1 General Objective

The main objective of this study was to establish the relationship between forensic accountants' competences and the audit expectation gap evident from Nigeria Deposit Money Banks.

1.3.2 Specific Objectives

Specifically the study was designed:

- i. To establish the relationship between mindset competence and audit expectation gap among Nigeria Deposit Money Banks.
- ii. To examine the relationship between professional skepticism and audit expectation gap among Nigeria Deposit Money Banks..
- iii. To evaluate the relationship between responsibility competence and audit expectation gap among Nigeria Deposit Money Banks.
- iv. To determine the relationship between information technology competence and audit expectation gap among Nigeria Deposit Money Banks.

1.4 Research Hypotheses

In order to address the above objectives, this study considered the testing of the following hypotheses to investigate the relationship between forensic accountants' competences and audit expectation gap evidence from Money Deposit Bank in Nigeria.

- i. **H₀:** Mindsets competence has no relationship with audit expectation gap among Nigeria Deposit Money Banks.
- ii. **H₀:** Professional skepticism competence has no significant relationship with audit expectation gap among Nigeria Deposit Banks.
- iii. **H₀:** There is no relationship between responsibility competence and audit expectation gap among Nigeria Deposit Money Bank
- iv. **H₀:** Information and technology competence has no relationship with the audit expectation gap among Nigeria Deposit Money Banks.

1.5 Justification of Study

This research work has embarked upon to the relationship between forensic accountants' competence and auditor expectation gap among Money Deposit Bank in Nigeria. Audit expectation gap is one area that is given a lot of prominence all over the world precisely in financial institution, it has been widely researched. A lot of literature has been written on Audit expectation gap. External auditors normally place a lot of emphasis on internal controls as a yardstick to ensure sustainable and bridging the Audit expectation gap to give the stakeholders' confidence. However, it is the perception of the researcher that there are still gaps in the research so far done. It has been realized that no research has ever done on how forensic accountants' competencies can be used as a measure control in narrowing audit expectation gap. It is hoped that this study will assist in the closing of this audit expectation gap. The fact that auditors, as was the case in Enron, sometimes contribute towards the losses, certainly stir the emotions of those who suffer the losses. This research is intended to contribute towards more realistic expectations on the part of investors, creditors, all interested parties and the society at large in this regard.

Forensic accountants could benefit from findings of the study by improving their competences. They will also have a clear understanding and consensus of the role an auditor should play regarding their responsibilities and functions. The study also beneficial to the management of commercial banks: Money Deposit Banks and Non-

interest banks and also micro finance banks as they will make better decision on who to recruit to improve efficiency and competency in the accounting department.

The findings of this study could be useful to other scholars and researchers as they may use the results of this study as a source of reference. Future scholars could use the findings of this study to expand the body of knowledge in this area of Forensic Accountants' competencies and audit expectation gap. The findings of this study could be compared with relationship between Forensic Accountants' techniques and audit expectation gap in other sectors of the economy like: Insurance, oil and gas and other area where public depend on their report for decision making to draw conclusions on various ways an organization can use forensic accountants' competencies to improve the confidence of the public in narrowing the expectation gap. It could also benefit consultants who endeavor to provide assistance to successful running of organizations in developing strategic expert in reducing fraud and other malpractices in an organization that cause expectation gap .

1.6 Scope of the Study

The study attempted to establish the relationship between forensic accountant competence and the audit expectation gap using evidence from Nigeria Deposit Money Banks. The study population was all the twenty-one (21) Money Deposit Banks in Nigeria, but it was restricted to head-offices of all the twenty-one (21) Money Deposit Banks in Nigeria. In more specific terms, the study focused on the headquarters of all the Money Deposit Banks in Nigeria simply because the bulk of transactions are performed in the head office in this era of information technology transaction process period.

1.7. Limitations of the study

Several limitations were experienced in this study for example some respondents were not fervent to open up and provide information about their organisation because of fear of victimization. However the researcher sought to create a good relationship with them and ensured that they voluntarily gave the information. The

fact that the respondents were busy due to tight schedules and the nature of their work, getting information was a major challenge as it took several weeks to get the information. The researcher was persistent until he got the information from the respondents.

The fact that the data was collected using questionnaires may have provided inaccurate data as the researcher had no control over the respondents responses. The researcher however had several open ended questions to probe the respondents deeper on the issues. The nature of the study calls for confidential information related to the Money Deposit Bank respondents felt impostor when requested to complete a questionnaire which requires them to disclose such information. As a result of this situation the respondents were give assurance of confidentiality and ethical handling of the information.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter explores the literature that focuses the relationship between the Forensic Accountants' competence and audit expectation gap evidence from Money Deposit Bank in Nigeria. This chapter was segregated into; theoretical review, empirical review of variables and their implications; critical review of past studies and gaps in knowledge. The entire chapter reviews the literature related to the key study variables as represented in the conceptual framework. The chapter also looks into the nexus in addition to establishing the existing affiliation amongst these variables. Empirical studies related to the study variables were reviewed in the chapter in order to lay down ground for research. In other to groundwork and reinforcing the conceptual framework, the chapter also attempts to justify the study. In the final analysis, the chapter gives a brief summary of the entire activities that were previously captured.

2.2. Theoretical Literature

This section reviews theoretical foundations that discuss and explain the relationship between the Forensic Accountants' competence and audit expectation gap. The theoretical footing of this study is enriched by a number of theories that basically informed the various study variables. The theories discussed include: Diamond fraud theory, Role Conflict theory, Readers-Respond theory, mindset and problem representation theory, agency theory, Policeman theory, the moderator of claimants theory, The assurance theory, inspired confidence theory, and the lending credibility theory. These theories are basically enriched and explain my independent variables and dependent variable.

2.2.1 Diamond Fraud Theory

Wolf and Hermanson (2004) introduced the fraud diamond model where they presented another view of the factors to fraud. The theory adds fourth variable “capabilities” to the three factor theory of fraud triangle. Wolf and Hermanson (2004) believed many frauds would not have occurred without the right person with right capabilities implementing the details of the fraud. They also suggested four observation traits for committing fraud: authoritative position or function within the organization, capacity to understand and exploit accounting systems and internal control, confidence that he/she will not be detected, or if caught, he/she will get out of it easily, capability to deal with the stress created within and otherwise good person when he or she commits bad act.

Thus, forensic accountants have to keep in mind that pressure/motive to commit fraud can be either personal pressure, employment pressure, or external pressure and each of these types of pressure can also happen because of financial and non-financial pressure. Forensic accountants also need to understand the opportunity for fraud to help them in identifying which fraud schemes an individual can commit and how fraud virus occurs when there is an ineffective or missing internal control. The four factors to fraud as presented by (Wolf & Hermanson, 2004) in the fraud diamond are shown in figure 2.1



Figure 2.1 Fraud Diamond Model (Wolf & Hermanson, 2004)

However, it can be criticized that even though the fraud diamond added the fourth variable “capability” to the fraud triangle and filled the gap in other theories of fraud, the model alone is an inadequate tool for investigating, deterring, preventing and detecting fraud. This is because, the two sides of fraud diamond (incentive/pressure and rationalization) cannot be observed, and some important factors like national value system and corporate governance are ignored. The research suggests another model called “New Fraud Diamond.” In this model, motivation of fraud perpetrators, which is one of the sides in the fraud diamond, may be more appropriately expanded and identified with the acronym: NAVSMICE that stands for NAVS – National Value System; M = Money; I = Ideology; C = Coercion; and E = Ego. Our present National Value System in Nigeria is not good, little or no premium is put on things like honesty, integrity and good character. The society does not question the source of “wealth.” Any person who stumbles into wealth is instantly recognized and honoured. It is a fact of our time that fraud has its root firmly entrenched in the social setting where wealth is honoured without questions. Ours is a materialistic society which to a large extent encourages fraud. The desire to be with high and mighty caliber of the society’s extreme wants that is often characterized by need, cultural demands or cultivation of a life too expensive for the legitimate income of the individual.

The model also suggests the fraud scale to include personal integrity instead of rationalization and it is particularly applicable to financial reporting fraud where sources of pressure (e.g. analysts’ forecasts, management earnings guidance, a history of sales and earnings growth) are more observable. Personal integrity can be observable through observing both a person’s decisions as well as the decision-making process. The person’s commitment to ethical decision-making can be observed and this can help in assessing integrity and thus the likelihood of an individual committing fraud. The model further suggests corporate governance as the lock to all the factors that cause fraud to take place in Nigeria. An important theme of corporate governance is the nature and extent of accountability of people in the organizations. Corporate governance is the principle and value that guides an

organization in the conduct of its day-to-day activities and how stakeholders interrelate among one another (Anandarajah, 2001)

Good corporate governance is the missing link in developing countries, for instance Nigeria which is an index of fraud occurrence (Okoye, 2011). This situation can only change when the country achieves a positive change in the character and orientation of their government leadership. The leaders can bring this desired change by promoting good corporate governance in Nigerian economy through integrity, accountability and transparency, which would lead to attainment of strong internal control system in developing countries and thus the likelihood of an individual committing fraud. (Nwankwo, 2011). According to financial literature, it is important for forensic accountants to consider all the fraud models to better understand why fraud occurs and the reasons for not meeting audit expectation of public. Therefore, all other fraud models should be regarded as an extension to Wolf and Hermanson's fraud diamond and should be integrated in one model that includes motivation, opportunity, personal integrity, capabilities and corporate governance. This should be called "New Fraud Diamond Model." The theory of new fraud diamond theory maybe useful in explaining the reasons for not meeting public expectation and how forensic accountant can narrow the audit expectation gap by considering all the necessary factors contributing to the occurrence of public expectations. New Fraud Diamond Model help effectively in investigating and assessing fraud risk. The New Fraud Diamond Model is shown in figure 2.2

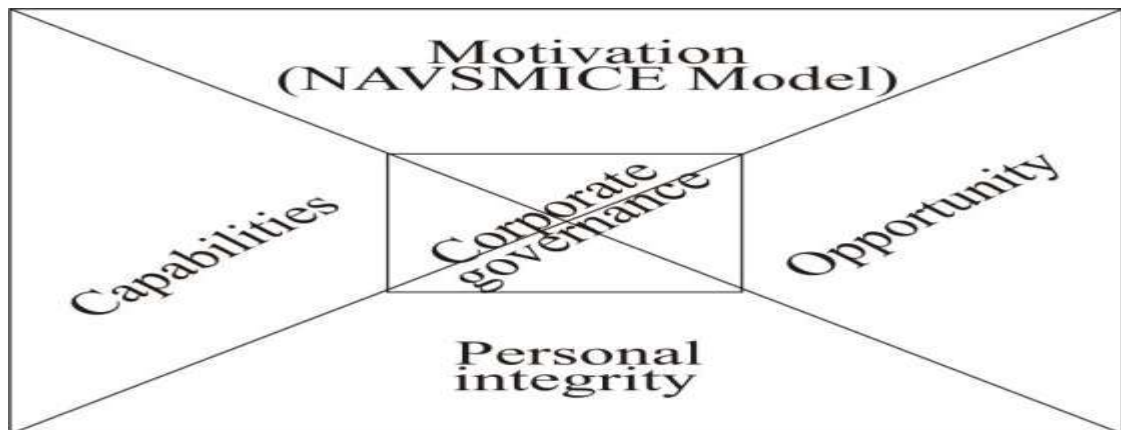


Figure 2.2: The New Fraud Diamond Model (Wolf & Hermanson, 2004)

2.2.2 Readers-Response Theory.

Scott (1994) suggested that the stakeholders' motives, wishes and preferences can affect their interpretations of the standard unqualified financial statement audit report (SAR) represents the auditor's communications of findings to various users of the financial statements. In the mass communication and marketing literature, it has been shown that advertising text interacts with the knowledge, expectations, emotions, and motives of the reader which can lead the same text to be subject to multiple interpretations. In the judicial arena, judges routinely make different interpretations of the same regulation, statute, or constitutional provision. Typically, it is also possible to predict with remarkable success the interpretation that a particular judge will reach based on political predisposition. Prior audit studies assume that the SAR contains claims accepted by the user. That is, the user is a passive reader of the message communicated by the SAR and research emphasis is on assessing the degree to which the user accurately understands the message (Elliot & Elliot, 2005).

This theory suggests the need for more research on the SAR considers the background that stakeholders bring to the interpretation task. Because auditors, bankers, and lenders have different backgrounds, they could, thus, view the SAR differently. Two conditions facilitate the multiple interpretation of the SAR. First, because the SAR may contain imprecise language, there is room to misunderstand, ignore, or selectively interpret the intentions of standard setters who prescribed the

language in the SAR. Second, because there have been known situations in which a SAR is issued when financial statements are materially misstated (e.g., Enron), the reader can reasonably engage in opportunistic interpretation. (Elliot & Elliot 2005).

Reader-response theory may be useful in explaining the audit expectation gap. For instance, the theory could explain the reasons for various expectation of stakeholders and how forensic accountant could assist in meeting those expectation of public that conventional auditors defaulted. The theory explain different background of the stakeholders which forensic accountant should consider. It leads to fundamental communication gap between the issuers and users of the SAR and is likely to lead to misinterpretation and potentially litigation as a result of audit expectation gap (Scott, 1994)

2.2.3 Role Conflict Theory

Role Conflict Theory provides a theoretical explanation for the existence of an expectation gap. The theory was developed by Rizzo, House and Lirtzman in 1970. Role Conflict Theory is based on the following assumptions: the auditor is required to monitor the client's financial statements and the public expects the auditor to faithfully carry out that role (Michael, Ronald, & Davidson, 2004).

The auditor is in conflict because he or she must firstly serve the professional regulations and rules governing auditor independence. Then, this must be balanced against his or her role as the 'watch dog' who should be serving the interests of the users and the client as well as looking after his or her own self – interest. The role of the auditor is subject to the interactions of the normative expectations of the various interest groups in the society having some direct or indirect relationship to the role position. He noted that these different groups may hold varying expectations of the auditor and these expectations may change from time to time depending on their specification of their own role requirements and the interaction of other forces in the society. Hence, the auditors are placed in multi-role and multi expectation situations (Alleyne & Devonish, 2006).

Koo and Sim (1999) argued that role conflict may arise because of the expectation gap that exists between the auditors and users. Users expect auditors to serve the public and to uncover management fraud. There is role conflict when the auditor is unable to satisfy all the responsibilities expected by the users. The internal auditor does not believe the prevention of financial misappropriation is his duty, while the management and owners of productive resources expectations is for the Auditor to prevent, detect and report fraud. This expectation gap if not closed by satisfying the reasonable expectations of the public, the Auditor as the role model will perform poorly. Taking footing from the role theory, the role model is the internal auditor, while the role set is the environment that provides the auditors job, the providers and the owners of the resources. The role set has expectations about the role model and if the role model performs up to the expectations set, perform will be rated good otherwise there will be role incompatibility and poor performance (Gaynor, McDaniel, & Neal, 2006). The relevance of this theory is that the audit expectation gap may arise out of a role conflict where the forensic accountant is expected to perform a role for which the Auditor is not competent with.

2.2.4 Mindsets and Problem representation theory

Mindset is a general cognitive orientation with distinct features that guide individuals in the collection and interpretation of information. It influences how individuals process information and shapes their thought production and way of thinking. Mindset impacts decision making through its effects on the way in which individuals process task-related information. Preliminary individuals with a particular way of thinking can cognitively evoke in them a focus on information consistent with the mindset and subsequently lead them to search for pertinent information. It is believed that the mindset of a forensic accountant has a direct influence on fraud related task performance (Gagne & Lydon, 2001). Given that fraud specialists (forensic accountants) are more likely than auditors to suspect wrongdoings in the company's reported financial statements, it is anticipated that they will tend to evaluate these statements as less reliable and at a higher risk level. The contention that mindset guides and influences the creation of a problem representation because individuals

are likely to focus on, remember, and even seek out an information that conforms to their mindset (Chui, Curtis, & Pike, 2012).

Mindsets and Problem representation theory is crucial in explaining audit expectation gap among Nigeria Deposit Money Banks. For instance, it may be argued that mindset of individual guides and influences the creation of problems representation, because individual focus on or seek out information that conform to their mindset. Therefore, the theory gives forensic accountant a direct influence on fraud related performance and other related unethical issues cause audit expectation of public. Forensic accountant is expected to has a higher propensity to investigation than statutory auditors (Armor & Taylor, 2003).

2.2.5 Agency Theory

Agency theory addresses the agency issue in which one party (the principal) delegates work to another (the agent), who performs that work (Jensen & Mackling, 1976). There is an agency relationship when the actions of one individual affect both his welfare and that of another person in an explicit or implicit contractual relationship. The individual who undertakes the actions is the agent and the person whose welfare (utility), measured in monetary terms, is affected by the agent's actions is called the principal (Akaranga, 2010). Jensen and Mackling (1976) define an agency relationship as a contract under which one or more persons (the principal(s) engage another person (the agent) to perform some service on their behalf which involves delegating some decision-making authority to the agent. The authors notice that if both parties are utility maximizers (opportunistic behavior); a good reason exists to believe that the agent will not always act in the best interests of the principal.

According to Jensen and Mackling (1976) agency problem emanated between the agent's decisions and those decisions which would maximize the welfare of the principal. Within this principal-agent relationship, owners have an interest in maximizing the value of their shares, whereas managers are more interested in

'private consumption of firm resources' and firm growth. It is this problem that transit 'Agency Costs' that arise because of the delegation decision-making authority from the principal to the agent, which is due to the 'separation of ownership and control' in modern corporations, are referred to as 'agency costs'. Jensen and Mackling (1976) define as the sum of the agency costs: Monitoring costs, Bonding cost and the residual losses. Agency costs (the agency loss) in addition, has exemplified as the extent to which returns to the owners are below what they would be if the principals, the owners, exercised direct control of the corporation (VanSlyke, 2006).

The relevance of this theory is that, it assists forensic accountant to determine the sources of the problem in principal-agent contract and the reason for inviting auditor into the principal-agent contract. The theory emphasis on the duties to be performed in agency relationship between the manager and the owners in order to meet up with public expectation (Muranda, 2006).

2.2.6 The Assurance Theory

The assurance theory can be categorized into five attestation services: audit of historical financial statements, audit of internal control over financial reporting, review of historical financial statements, attestation services on information technology and other attestation services that may apply to a broad range of subject matter. An assurance service is a service in which a public accountant expresses a conclusion about the reliability of a written assertion that is the responsibility of another party (Jeffrey, Cohen, & Roger, 2015). An Assurance service can be explain as an independent professional service that improves the quality of information for decision makers using modern techniques of forensic accounting services to analysis financial information. Individuals responsible for making business decisions seek assurance services to help improve the reliability and relevance of the information used as the basis for their decisions. (Elder, Beasley, & Arens, 2010).

Elder, Beasley and Arens (2010) highlighted that, one category of assurance services provided by auditors is 'attestation services'. Performing attestation services, the auditor issues a report about the reliability of an assertion used by another party which is tend to give reasonable assurance of the financial statement. In another study, specific subject matter information, including reporting on sustainability, internal control, greenhouse gas, and pro forma financial information included in prospectuses. Corporate social responsibility (CSR) reports (sustainability reports) for example, include information on the environment, social and economic performance of the reporting entity. The auditor is engaged to add credibility to sustainability reports. As basis for the sustainability assurance engagement, the auditor uses sustainability reporting guidelines, for example guidelines of the Global Reporting Initiative (GRI). An external assurance of sustainability reports can contribute to their quality, credibility, and reliability (Schelluch & Gay, 2006).

The assurance theory may be used to explain the soft elements that contribute to the audit expectation gap in Nigeria Money Deposit Banks and other financial institution. For instance, the modern audit of internal control over financial reporting in which forensic accountant competence is a major tool. This services form part assurance services in which the forensic Accountant evaluates management's assertion that internal controls have been developed and implemented following well-established criteria. The auditor's evaluation only gives a reasonable assurance of the state affairs of the organisation, where forensic accountant report increases user confidence about future financial reporting. Because modern auditing and investigation required in forensic accounting services, enhanced effective internal controls reduce the likelihood of future misstatements in the financial statements, which will definitely narrow the expectation gap in Nigeria Deposit Money Banks (Luowers, Ramsay, & Sinason, 2011).

2.2.7 Inspired Confidence Theory

The theory of Inspired Confidence was developed in the late 1920s by the Dutch professor Theodore Limperg. In contrast to the Assurance theory, Inspired Confidence theory addresses both the demand and the supply of audit services and try to create equilibrium of the services. According to Limperg, the demand for audit services is the direct consequence of the participation of outside stakeholders (third parties) in the company. These stakeholders demand accountability, transparency and confidence in their investment from the management, as a reward for their contribution to the company. Since information provided by management might be biased, because of a possible divergence between the interests of management and outside stakeholders, an audit of this information is required (Eilifsen, Knechel, & Wallage, 2010). With regard to the level of audit assurance that the auditor should provide (the supply side), Limperg adopts a normative approach. The auditor should act in such a way that he does not disappoint the expectations of a “rational outsider”, while, on the other hand, he should not arouse greater expectations in his report than his examination justifies. So, given the possibilities of audit technology, the auditor should do enough to meet reasonable public expectations. The Theory of Inspired Confidence relate the community's needs for reliability of financial information to the ability of audit techniques to meet these needs, and it stresses the development of the needs of the community and the techniques of auditing in the course of time (Theodore, 1985).

The biggest challenge in the theory of Inspired Confidence is based on merging expectation of the society and other stakeholders with the professional standard of the independent auditors, due to today's increasing complex business environment (Jonathan & Osasumwen, 2010). The Theory of inspired confidence may be useful in explaining the causes of audit expectation gap. In addition, it may be used to give indicators of audit expectation gap in commercial banks and other financial institutions by focusing on influencing public opinion on the role auditors should play to close the expectation gap by changing professional standards to ensure an audit designed to provide reasonable assurance that material errors, irregularities and

misstatement in financial statement will be detected and not absolute assurance as desired by the investors. Investors views should serve as a remainder to the professional and individual auditors that professional audit standard of absolute do not dictate public opinion. (Sidani, 2007).

Another contribution of this theory to this current study can be highlighted from the important citation of the theory (Inspired Confidence Theory) says, the accountant is obliged to carry out his work in such way that he does not betray the expectations which he evokes in the sensible layman; and, conversely, the accountant may not arouse greater expectations than can be justified by the work done. Therefore, the theory explain how forensic accountant can meet up the public expectation by balance the equilibrium between demand for audit services from stakeholders such as accountability, transparency and confidence on company's report and supply for audit services such as audit assurance that forensic accountant should provide in narrowing audit expectation gap (Carmichael, 2004).

2.2.8 Summary of the Model Adopted

The current study reviewed several models from where the conceptual framework was generated. The first reviewed model was by Savvy, as illustrated in fig 2.3. Fraud savvy model which is a better approach in fighting against fraud. There are six elements in fraud savvy model. The most important element is the establishment of moral rules. Two points are important in establishing these rules are: the developed rules must be embraceable by everyone working in the company and creating a proper behavior model. The second element in the model is training of employees on a series of consequences of fraud and how to act when fraud is suspected. This will provide benefit not only in detecting or investigating of fraud but preventing the incidence of fraud (Albrecht, Albrecht, & Dunn, 2001)

The third element in fighting against fraud includes risk assessment and a good internal control system. The important point in internal control systems is identifying where each fraud is stemming from, thus preventing possible frauds in the future

from its very source. The fourth element is the use of reporting and monitoring systems. Monitoring includes watching the performance of internal auditors, external auditors and managers, and audits and investigations (Lindborg, 2005).

The fifth element is the application of proactive detection methods. No matter how good the prevention efforts are, fraud could still be committed. Since the loss that fraud causes increases as time period gets longer, initial detection is important. Today computer software is used for initial detection of fraud. The last element in fraud savvy model is investigation and prosecution. In investigation procedure, the following issues must be determined: who will conduct the investigation? How will the event be communicated to management? Whether or not the law enforcing authorities should be brought in. Who will determine the scope of investigation? Who will determine the methods of investigation? Who will trace secret information in suspected fraud? Who will interview, examine documents, and undertake other stages of investigation? Who will determine the company's reaction against fraud? Doing nothing about the perpetrators should not be preferred; in contrast, taking lawsuit against the perpetrator should be preferred (Albrecht *et al.*, 2001).

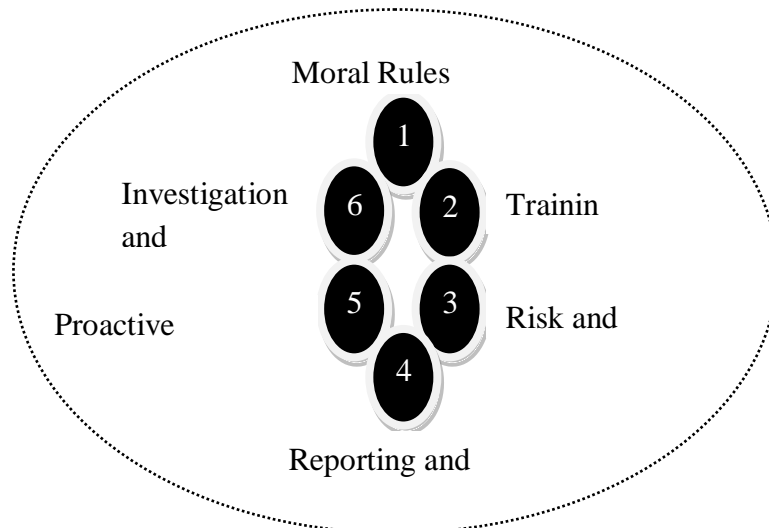


Figure 2. 3: Fraud savvy model (Savvy, 2002)

The second model reviewed was propounded by MacDonald Commission, 1998. As illustrated in Figure 2.4. MacDonald model describe the components of the audit expectations gap, it represents the full gap possible between the highest expectations of audits (point A) to public perceptions of what audits actually seem to provide (point E). Point C represents auditor performance and financial information quality called for by present standards. The line segment A to C represents public expectations that go beyond existing auditing and accounting standards. The line segment C to E represents public perceptions that auditor performance or audited financial information falls short of what is required by existing standards.

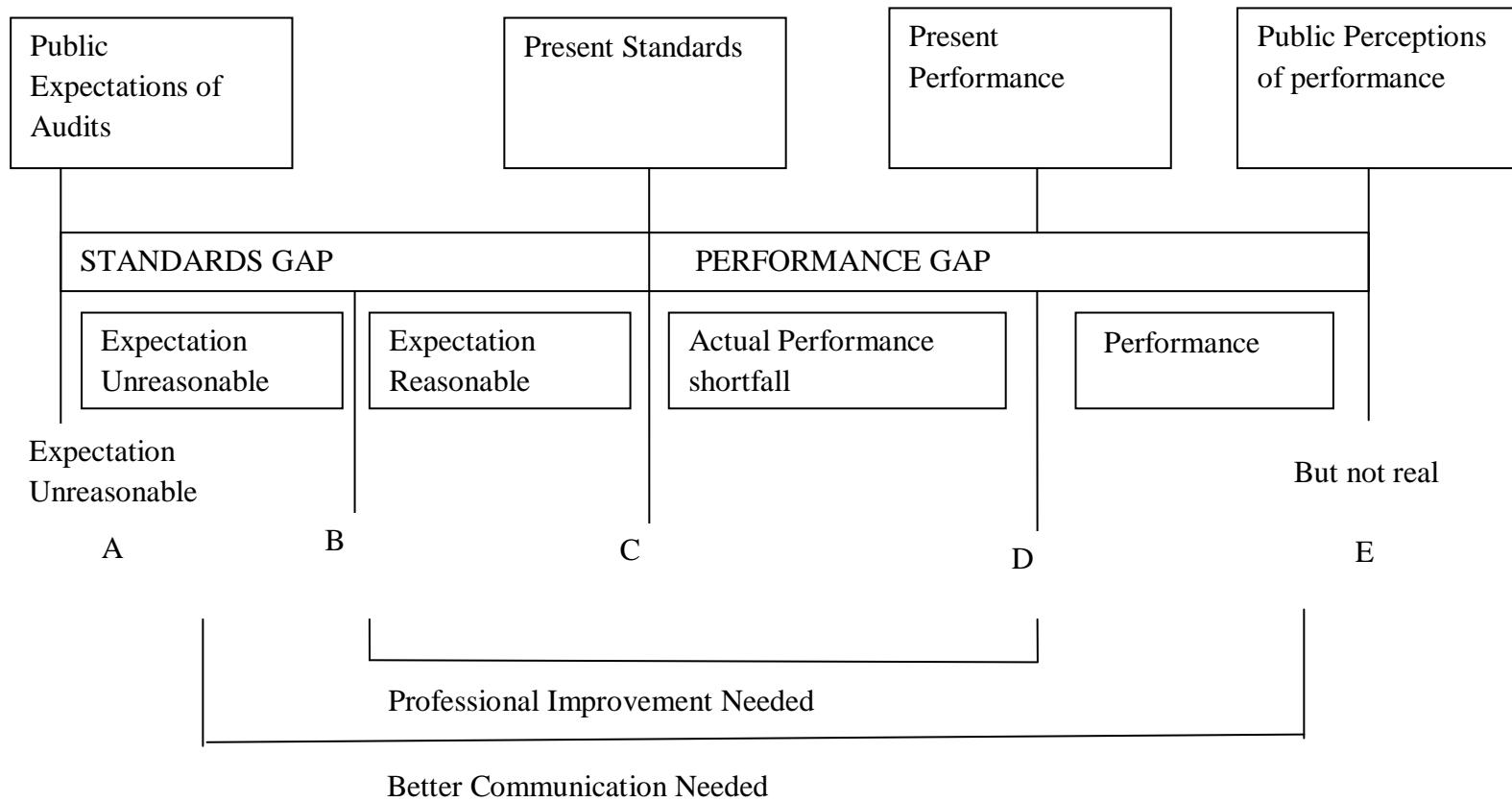


Figure 2.4: MacDonald Model (MacDonald, 1998)

MacDonald Commission (1998), emphasis that despite the multi- variance of the expectation of the public from the performance of the Auditor which is unreasonable expectation. The Auditor should also consider the reasonable aspect of public expectation and not only audit standard alone so that to balance the equilibrium of the public expectation and satisfy himself base on audit standard and not beyond his performance. (McDonald's & Starbucks, 1998) argue that the gap between the expectation of the profession and the public has been responsible for the crisis that took off in the last decade. The reasons for the audit expectation was specified by (Porter, 1993) illustrated in fig 2.5. This occurs from the communication gap, as a result of lack of education on the part of the public about auditor's role.

The Porter model of expectation gap identifies elements of the audit expectation gap as reasonableness gap; arises because people expected more audit than the auditor can give in practical terms, such as preventing and detecting all instances fraud, however small. Another element mentioned was performance gap; which involve gap between what can reasonably be expected of auditors and what they are perceived to do. This is itself split into two: deficient standard gap; which is the gap between what auditors can reasonably be expected to do what the profession and law asks them to do. Also, mentioned was deficient performance; described as rotten auditing gap. This is expressed as a situation where the auditors failed to perform up to the standard of what the profession has issued as bench mark standard.

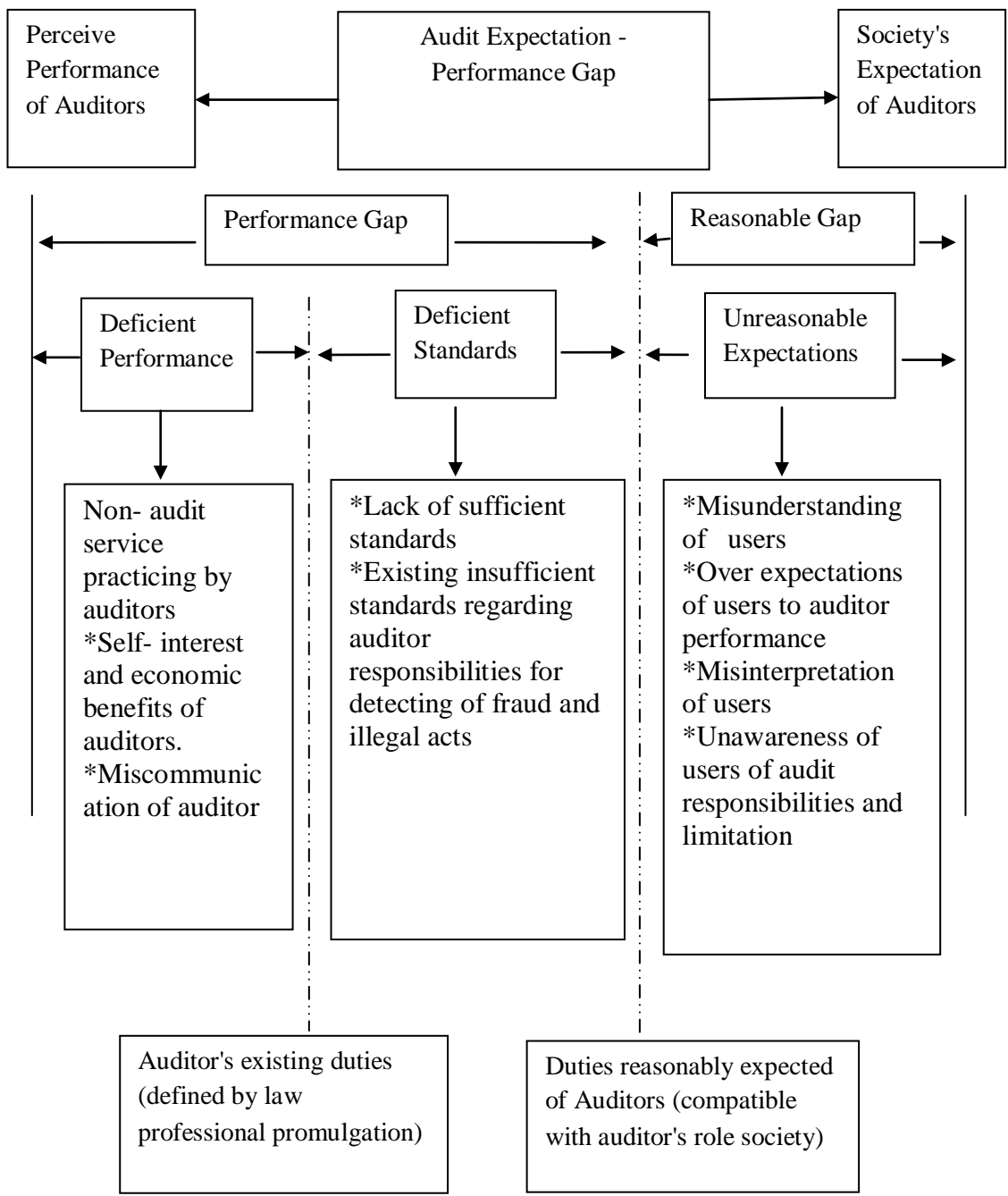


Figure 2.5: Reasons for audit expectation gap model (Porter, 1993)

Another reviewed model was model of undisclosed income propounded by Aderibigbe (2000) examined model that can be used to divulge income concealed by

culprits as illustrated in figure 2.6. It explains a situation where a bank personnel or civil servant is building houses, buying expensive clothes, cars, furniture and fittings, celebrating birthdays for wife(s), and children and even girl friends may demand a probe. Model of undisclosed income may be used to discover the fraud and income from bribes or direct stealing the management or any personnel that has the opportunity which generate expectation gap from the perceptive of the public.

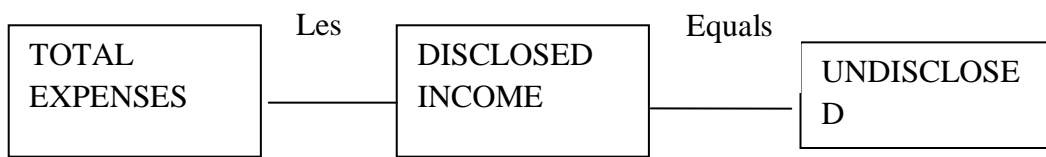


Figure 2.6. Aderibigbe’s Model of Undisclosed Income (Aderibigbe ,2000).

Expenses (CBLF +CCE +COT+ CSC+ CCFM+ CTC+ Gt +OME) Less: Income Declared (SE+CRDAC +Div +Rt + SBL + SCE+ SSC + OMI) Equals :Undisclosed Income (UI).Where expenses are: CBLF –cost of buildings and land, including furniture; CCE – cost of cars and equipment; COT- cost of oversees; CSC – cost of shares in companies; CCFM- cost of children and family maintenance; CTC- cost of chieftaincy title and ceremony; PPT- Payment to taxes; Gt – gifts to various people, churches and mosques; OME- other miscellaneous expenses proved by the forensic investigator. While Incomes are: SE – salaries from employment; CRDAC – capital receipts and drawing from associated companies; Div – dividend; Rt – rent received; SBL sale of buildings and land; SCE- sale of cars and equipment; SSC- sales of shares in companies; OMI- other miscellaneous incomes proved by the forensic investigator. Finally UI- Undisclosed income.

Incorporating the variables of the (Pavalko, 1988) from the model known attribute model and also called the taxonomy model together with fraud savvy model, the current study came up with a conceptual framework. The final conceptual framework for this study is presented in figure 2.7 which indicate that the independent variables for the study include: forensic accountants’ mindset competence, forensic

accountants' skills competency, forensic accountants' professional skepticism and commitment, forensic accountants' responsibility competence and forensic accountants' information technology competence while dependent variable for the study will be audit expectation gap in Nigeria commercial banks.

2.3 Conceptual Framework

According to (Kombo & Tromp, 2009) a concept is an abstract or general idea inferred or derived from specific instances. Conceptual framework is a hypothesized model identifying the model under study and the relationship between the dependent and independent variables. The goal of a conceptual framework is to categorize and describe concepts relevant to the study and map relationships among them (Creswell, 2003). The current study considered several conceptual frameworks by other scholars on the causes of audit expectation gap and how to narrow the gap, various variables were incorporated in the conceptual framework of the current study while others were discarded. The conceptual framework for this study is formulated in figure 2.7.

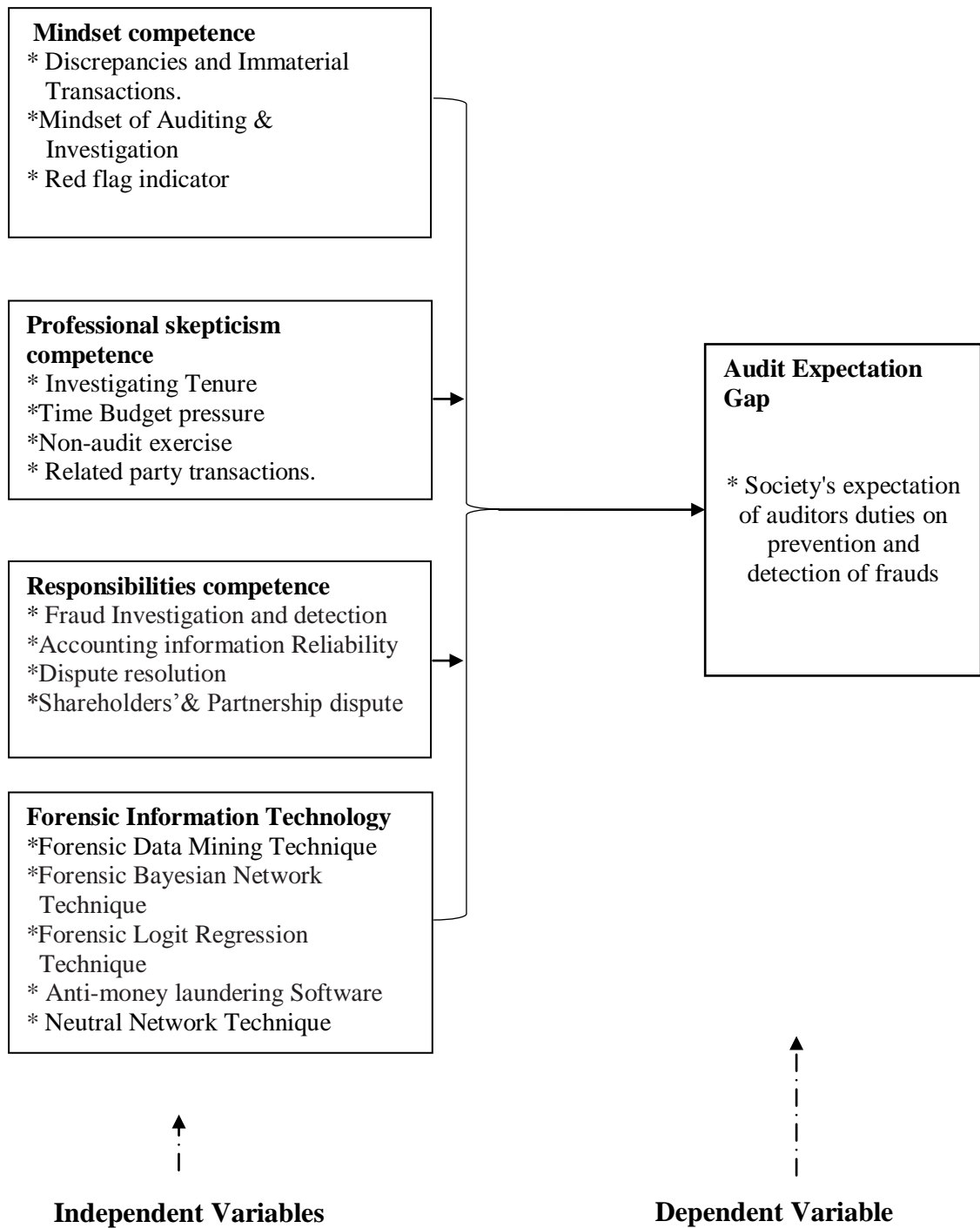


Figure: 2.7: Conceptual Framework

2.4 Empirical Literature Review

2.4.1 Forensic Accountants' Mindset Competence & Audit Expectation Gap

One of the critical success factors of forensic accountants' competences and difficult to define or measure, is mind-set competence. A successful forensic accountant has a certain mind-set that includes several abilities. This attribute is basically counter to the average auditor who has lived a life with integrity and believes strongly in honesty. The successful forensic accountant knows almost instinctively that something "does not pass the smell test." forensic accountant is able to sense the anomaly sometimes before actually knowing the nature of the anomaly, due to the great influence of forensic accountant's mindset of in meeting the public expectation via detecting and prevention of frauds (Oluwatoyin, Ayoib, & Rose, 2014)

Mindset competence possess a natural tendency character of questioning the substance behind transactions, documents, and testimony (written or oral) that others do not have. They also know, and have, the following mind-set factors: detection of frauds as well as discovered by accident or tip, financial audit methodologies and techniques are not really designed, to detect fraud but rather designed to detect material financial, misstatements, narrowing audit expectation is more of an art than a science, It requires innovative and creative thinking as well as the rigors of science, determination, persistence, and self-confidence are more important attributes for a fraud auditor than intelligence, Logic and problem-solving and detective skills are critical success, factors for forensic accountants (Knapp & Knapp, 2001).

Wyer and Xu (2010) highlighted that mindsets are the judgment criteria, cognitive processes, and procedures that produce a disposition or readiness to respond in a certain manner. For example, forensic accountants might find themselves in a mindset that encourages a broad consideration of information in order to make the best choice from a set of alternatives, or they might find themselves in a mindset that encourages a linear processing of obviously task-relevant information in order to complete a task quickly. Mindsets competences have two essential features: the

cognitive processes and procedures that make them up are more general than what is required for the task at hand and once activated, forensic accountant mindset remain active beyond the initial task to influence subsequent tasks (Popoola, Ahmad, & Samsudin, 2013).

In another studies Wyer and Xu (2010) explained that, mindsets are not merely a template for approaching a particular type of task; they represent a more global readiness to respond in a particular way. Indeed, mindsets are independent of the particular goal to which they are directed and of the semantic content to which the mindset's, processes and procedures are applied. A critical feature of mindsets is that they are not specific to the task at hand, but instead represent a global readiness to respond. Mindsets influence how individuals approach their tasks, including what aspects of the task they attend to and what their ultimate judgments will be. Thus, the influence of mindsets on judgments is profound. Moreover, once activated, a mindset persists for some time and across unrelated tasks without conscious awareness (Singleton *et al.*, 2006).

Silverstone and Davia (2005) confirmed that forensic accountants' mindset is one of the major determinant that contribute to the narrow of audit expectation gap as perceived by the public. Conventional auditors default in narrowing the expectation gap due to lack of high level mindsets competence. There is no doubt that differences exist between forensic accountant mindsets and auditor mindsets. A forensic accountant mindset represents a distinctive way of thinking about accounting records. Whereas, auditors think about the company's recorded transactions in terms of the availability, reliability of supporting documentations and the audit trail, they are not legally bound to authenticate accounting documentation (Dekker & Den, 2005).

On the contrary, forensic accountant presumes that a perfect audit trail does not mean that the recorded transactions are free from fraud since fraud perpetrators often try to deceive auditors by leaving behind a seemingly legitimate audit trail. Needless to say that the auditor has immunity from the auditing standard which states "an audit rarely

involves the authentication of documentation, nor is the auditor trained as or expected to be an expert in such authentication (PCAOB, 2008). Undoubtedly, forensic accountant thinking is based on authenticity of events and activities relating to accounting records. More importantly, forensic accountants are charged with the objective to make an absolute determination about the existence of fraud (Singleton & Singleton, 2007).

Previous research has shown that forensic accountants or fraud specialists are more sensitive and better able than auditors in discerning and discovering of fraud in an audit when fraud is present and also that forensic accountant's mindset is more significant than auditor mindset in fraud risk assessment task performance. Prior literature shows that a simple difference in mindsets can yield substantial performance differences as well as impact persons' confidence, determination, and commitment to accomplish decision making task. (Gowthorpe & Porter, 2004). In the context of this study, a forensic accountant mindset differs from an auditor mindset in terms of purpose, frequency, scope and objective.

The major objective of the conventional auditors is to reasonable assurance test for the compliance of the underline accounts with the General Accepted Accounting Standard (GAAP) and accounting policies. But forensic accountant objective is to discover fraud. The mindsets of forensic accountant stipulate that, when an individual has opportunity to commit fraud the fraud has been committed according to fraud triangle theory. Therefore, he bases his objective on this assertion that his going there to investigate fraud not compliance alone. (Boritz, Kotchetova, & Robinson, 2008).

2.4.2 Forensic Accountants' Professional Skepticism and Audit Expectation Gap

In today's financial reporting requirements seek to address information that is ever more relevant to users. As a result of this challenging environment, more judgment and increased subjectivity is involved in management's accounting and reporting decisions. These developments highlight the importance of professional skepticism

in audit exercise, which implies that auditors must exhibit a skeptical mindset, especially in areas of financial reporting that are complex or involve estimation. The need for professional skepticism in an audit cannot be overemphasized. Skepticism is an essential attitude that enhances the auditor's ability to exercise professional judgment in identifying and responding to conditions that may indicate possible misstatement. Professional skepticism includes a critical assessment of audit evidence. It also means remaining alert for evidence that contradicts other audit evidence or that brings into question the reliability of information obtained from management and those charged with governance. The consistent application of professional skepticism is imperative for auditors to draw appropriate conclusions in the conduct of their work. (Coram, Ng, & Woodliff, 2004).

Adeniyi and Mieseigha (2013) stated that an important component influencing the disposition of the auditor is the professional attitude, also known as professional commitment and professional skepticism. Skepticism is a very important part of the audit process. Professional skepticism during the audit process will improve the effectiveness of the audits with respect to the identification of fraud risk and the design of effective mitigating audit procedures (Cushing, 2000).

Bell and Justin (2008) highlighted that, professional skepticism is essential for the evaluation of (invalid) information and (invalid) evidence and therefore of great importance with respect to fraud identification in narrowing the audit expectation gap and also argued that ethical orientations can have professional commitment and professional skepticism. Bell, Peecher and Thomas (2005) further stated that if there would have been more skepticism on the part of the auditor this could have reduced the effects of major recent business 'improprieties'. The Enron scandal and corporate fraud perpetrated in Nigeria by management of Cadbury Nigeria Plc, Lever Brothers, Union Dicon Salt and 14 distressed banks as exposed by forensic accounting services called by the Central Bank of Nigeria has shown the failure of traditional audit due to lack of professional skepticism and commitment (Benston & Hartgraves, 2002). Indeed, the academic literature defines professional skepticism as a propensity to defer reaching a conclusion until sufficient evidence is accumulated or as a

propensity to view the risk of misstatement as heightened. While these views vary in their starting positions (i.e., neutral belief versus presumptive doubt), they both view a more skeptical auditor as needing more evidence to be convinced that management's estimates are accurate (Hurt, 2010).

Shaub and Lawrence (2006) highlighted that situation factors which is also known as external audit factors contribute to the default of the professional skepticism of a conventional Auditor and hinder their professional judgment as regard audit report. The study of (Iyer & Rama, 2004) indicates that auditors react to perceived client pressure. This pressure influences an auditor's judgment in either a positive or a negative way. Lin and Chen (2004) concluded that managerial motivation is found to be a key driver of pressure on an auditor, and intimidation is found to be the most frequent threat, which can lead to concerns about client retention for the auditor. For this reason client pressure can lead to Reduced Audit Quality which may connote concealment of fraud and other financial malpractices perpetrated by the management. This is amount to audit expectation gap which can be narrowed down by consulting forensic accountant that the client pressure has no effect their exercise.

Coram, Ng and Woodliff (2004) investigates the effects of time budget pressure and level of risk of misstatement on auditors' incline to commit reduces audit quality acts in the execution of an audit. Under time budget pressure, a higher risk of misstatement reduces the incline of auditors to commit reduced audit quality by using smaller than appropriate audit samples, but not for accepting doubtful audit evidence Coram *et al.* (2004) found that auditors tend to accept doubtful audit evidence in the presence of high time budget pressure regardless of the level of risk, but appear to fail to test all items in a selected sample in the presence of high time budget pressure only when the level of risk is low. It seems that it is perceived by auditors as more tolerable to accept doubtful audit evidence than to audit a sample that is too small. The research conducted by (Bowrin & King, 2009) showed that auditors under high time pressure may be less likely to identify and detect red flags than auditors under low time pressure. He found that reduced audit quality with respect to the detection of red flags may be observed at a lower level of time pressure

than reduced audit quality with respect to the accuracy with which auditing tests of details are executed.

Leventis and Caraminis (2005) conducted a study on time budget pressure and audit effectiveness and found a negative linear relationship between time pressure and audit effectiveness. The more complex (ratio analysis) tasks are more adversely affected by increases in time pressure, than that the less complex (compliance-testing) tasks.

Iyer and Rama (2004) focused on factors that influence the relative power between client and auditor: Clients' perceptions of their ability to persuade the auditor in an accounting dispute which lacks clear professional guidelines; The vulnerability of auditors in the beginning of an auditor's tenure; Suggestion that long auditor tenures do not erode auditor independence and objectivity; Finding that perceptions about the ability to persuade were positively linked with the importance of the client to the audit partner-in-charge.

Asare and Wright (2004) point out that an auditor may reduce his assessment of fraud risk in order to avoid high costs of consultation fraud experts or missing important engagement deadlines. Therefore, the consulting a forensic accountant is considered as decision aid since they are not under the bondage of time budget pressure. The current study tried to investigate the extent to which forensic professional skepticism and commitment among other factors has contributed in narrowing audit expectation gap in Nigeria banking industry. Others studies by Iyer and Rama (2004) confirm that lack of professional skepticism contribute to expectation gap as perceive by the public. Specifically, the following aspect of professional skepticism competence was investigated by the current study: audit tenure, time expectation (time budget and time pressure), related party transaction, non –audit assignment.

2.4.3 Forensic Accountants' Responsibilities Competence and Audit Expectation Gap

Any decision an auditor takes concerning fraud is perceived as extremely sensitive. Several enormous financial scandals at the beginning of the 21st century created doubt about the responsibilities of the auditors for these companies being questioned. Auditors were being blamed for having made mistakes with respect to fraud risks. It seems that in general auditors experience degrees of difficulties with respect to fraud risk assessment (Okoye & Gbegi, 2013). Auditors were being blamed for having made mistakes with respect to fraud identification. Research found that responsibility of conventional auditors are incapable in mitigate fraud risks, whereas responsibilities of witness in the court of law is one of the core service of forensic accountant, but argue that major challenges of responsibility of witness in court of law mostly in the developing countries is the gathering of information that may be admissible in the court of law (Damiola & Olofinsola, 2007).

If echoes from the failed banks tribunal set up by the Federal Government is anything to go by, those agitating for the crucifixion of auditors' consequent upon the failed banks saga should have a re-think over their stand, this is because the inadequacy of auditors was not confirmed at the failed banks tribunals (Ebimobowei & Sophia, 2011). Like any other profession, there are rules and regulations guiding auditors. The Company and Allied Matters Act (1990) (CAMA 1990) as amended specifies in Section 360(1) that ;It shall be the duty of the company's auditor's, in preparing their report to carry out such investigations as may enable them to form an opinion as to the following matters whether- (a) proper accounting records have been kept by the company and proper returns adequate for their audit have been received from branches not visited by them; (b) the company's balance sheet and (if not consolidated) its profit and loss account are in agreement with the accounting records and returns (Oyedokun, 2013).

In the study of Dixon, Woodhead and Sohlman (2006) highlighted that the primary duty of the auditor is not to detect fraud and other irregularities but this is what existing shareholders and potential investors expect from them. This conflict between the statutory role and the expectation of the present and potential users of financial statement is what has led to the audit expectation gap. Ebimobowei and Kereotu (2011) affirmed that the lack of understanding of the statutory roles of the auditor in corporate governance (often referred to as the expectation gap) is the reason why persons call for the arrest and prosecution of convention Auditors. In addition Weil (2004) argued that the public's perception of the present role of auditors remains at the 'traditional conformance' stage because of the public's refusal to recognize the shift in the auditing paradigm. The auditor is not a bloodhound but a watchdog, therefore, the presence of Forensic Accountants on an audit would act as a deterrent to fraud-inclined client for there would be a perception that the likelihood of illegal activities being detected would increase (Wells, 2004).

The responsibility of auditor in this era is to refocus on public interest, redefine the audit relationship, and ensure the integrity of financial reports, separate non-audit functions and other advisory services. Also, audit methods need to be focused on risk attention, fraud awareness, objectivity and independence, and increased attention to the needs of financial statement users (Fazdly & Ahmed, 2004). Since the primary purpose of external auditor is not to detect fraud, investigating fraud requires the service of forensic accountant who possess a combination of cognitive skills (technical knowledge, expertise and abilities) and personal or behavioural characteristics (principles, attitudes, values and motives) which are function of individual personality and a criminal investigator.

Forensic accounting services are relatively new discipline that emerged from the criminal and regulatory statutes involving business, financial crimes ranging from embezzlement, investment fraud, giving and accepting bribe and computer fraud to mention a few. Fraud investigation and statutory audit are parallel in nature, the former is a means of identifying irregularities in accounting practices, procedures and controls. However, the latter is a means by which conventional Auditors uncover

material deviations and variances from standards of acceptable accounting and auditing practice (Adam & Ali, 2014).

According to Michael *et al.* (2004) responsibility is specific forms of behaviour required to carry out a particular task or group of tasks contained in a position or job. Work role primarily define the requirements in terms of the way tasks are carried out rather than the tasks themselves. Therefore, a distinction exists between the job description and role profile, which is more concern with the behavioural aspects of the work and the outcomes the individual in the role is expected to achieve. The role individual occupies at work and elsewhere therefore exists in relation to other people their role set. These people (made up of the directors, management and the society) have expectations about the individual's responsibility and if they live up to these expectations they will have successfully performed the role. Performance of a role is a product of the situation individuals are in (the organizational context and the direction or influence exercised from above or elsewhere in the organization) and their own skills, competence attitude and personally (Hopwood, Leiner, & Young, 2012).

Several researchers took the decision to approach the problem from another angle. In 2006, the results of a research of Appah and John (2010) were published. This data determined that, just like the detection and identification of generally misleading behavior, accountants must learn to navigate their way through 'the perils of everyday accounting occurrences'. It could therefore be assumed that lack of experience in the field of fraud inadvertently impacts the findings which in and of itself is duplicitous because most auditors have no experience at all with fraud cases. Consequently it would seem logical to look at the specific experience a forensic accountant has in her / his role as a fraud investigator. Weil (2004) investigated the role of forensic accountants during the audit process. His conclusion was that large audit firms have forensic accountants on staff but they are used reactively rather than proactively. That is, whenever fraud occurs, the support of the forensic accountant is requested. A study by Appah and John (2011) assessed role theory and the concept of audit expectation gap in south-south, Nigeria. The author observed that that

conventional Auditors in Nigeria is not performing the audit responsibility with all level of forensic accountant who possess professional and technical expertise as expected by the society.

In another remarkable study made on responsibilities competences to narrow audit expectation gap by McEnroe and Martens (2001) found that investors had placed higher expectations for various facts and assurances of the audit than what auditors perceive in the following areas: disclosure, internal control, fraud, and illegal operations. In addition, SAS 82 also specifies clearly that it's not the responsibility of auditor to detect and prevent error and fraud, but the users of financial statements still perceive the major responsibility as only the detection of fraud. There is also a wealth of information supporting this viewpoint as any amendment to the existing auditing standards or the inclusion of any new provisions center around the prevention and detection of fraud as the responsibility of auditors. Lee *et al* (2007) conducted a study and found that the causes of audit expectation gap in Malaysia are complicated. They arise from a combination of misconceptions or ignorance on the part of users, the complicated nature of the audit function, unreasonable expectations, inappropriate legislation, and under-performance by auditors due to reasons including low bailing and unreasonable audit fees. As result of these lapses on the part of conventional auditors' role and responsibilities in bridging the expectation, it called for the role of Forensic Accountant to cover the lapses. Specifically, the current study adopted the following variables of forensic accountants' responsibilities competence in narrowing the audit expectation gap in Nigeria Money Deposit Banks; fraud investigation and detection, accounting information reliability responsibility, dispute resolution responsibility and shareholders' & partnership dispute responsibility.

2.4.4 Forensic Accountants' Information Technology Competence and Audit Expectation Gap

Escalation of computer related crimes has increased the importance of information technology (IT) forensics knowledge into cybercrime and other sophisticated

financial malpractices saga occurring in Nigeria commercial banks (Smith, 2005). Recent prosecutions of highly publicized white-collar crimes combined with public outrage have resulted in heightened regulation of financial reporting and greater emphasis on systems of internal control. Because both white-collar and cybercrimes are usually perpetrated through computers, traditional auditors' have archaic in resolving this outbreak occurring in Nigeria banking industry. This called for urgent knowledge for forensic accountant's information technology (IT) in replacement. However, preserving digital evidence and investigative techniques, which can be essential to fraud examinations, are skills lack by the auditors emanating audit expectation gap (Swartz, 2004).

Phua, Lee, Smith and Gaylor (2005) noted that the main goal of forensic accountant information technology techniques is to determine if a compromise has occurred. If so, it is crucial, to the extent possible, that the first responder preserves all evidence and document the scene. Digital evidence can disappear before management is alerted and a specialist can arrive. Because audits involve investigation of internal controls and detailed analysis of transactions, either the internal or external auditor might be the first to recognize a fraud has occurred or that a computer or network has been compromised. Knowledge of how to freeze the scene and an understanding of how digital evidence will be subsequently processed and maintained is the subject of information technology (IT) investigative techniques.

Conventional audit may be outdated, not reflecting major changes in the business environment and, as a result, Auditors are not equipped with the skills they will actually need in practice combat this recent cybercrime stirring in the banking industry (Smith, 2005). One survey found that statutory Auditors in banks industry lacked the requisite information technology knowledge to perform their career positions (Ahmed, 2003). Most of the criminals behind fraud use sophisticated technology and accounting tricks to commit complex frauds. This means that the modern fraud investigations require state-of-the-art facilities to uncover fraud which is possessed by forensic accountant. Deloitte & Touché has set up a worldwide

network of computer forensic labs for their forensic accountants and technicians (Iwata, 2003).

Computers are common tools used by the culprits behind white-collar crimes. In order to find “the smoking gun,” the forensic accountant will need to be able to dig deep into the company’s computer system. However, without the proper equipment, that process can prove to be very difficult. To facilitate the preservation, collection, analysis, and documentation of evidence, forensic accountants can use specialized software and computer hardware. There are many new technologies that allow the investigators to recover deleted files, crack encryptions or codes, and extract and sort data but argue the major challenge in applying of forensic information technology in Nigeria banking system is that the law is not always update with the latest advancements in technology (Degboro & Olofinsola, 2007).

Cybercrimes include obtaining digital information without authorization, obtaining classified information without authorization, access to any non-public computer, and access to a protected computer such as one used by the U.S. government or financial institution (United States, 2002) Cybercrime is a key fraud growth area, and the tools used are widely available and no longer require a high degree of technical skill. Omoneye (2013) investigated the computer forensic and fraud detection in banks, the study highlighted that bridging the audit expectation gap due to cybercrime and other sophisticated technology frauds that conventional auditor failed to perform, there is need to introduce to cyber-forensics. Cyber-forensics involves the capture, preservation, identification, extraction, analysis, documentation, and case preparation related to digital data and events. The public fraud scandals with companies like Enron and WorldCom, the Internet and other technological advances, and even the threat of terrorists have created a large demand for the skills and services provided by forensic accountants. Forensic accountants are in high demand because they play a critical role in an investigation of suspected financial scandals and misappropriation of assets. It is their job to bring independence and credibility to these investigations (Loftus & Vermeer, 2003).

The current study demonstrated how forensic information technology investigation techniques was adopted in Nigeria banking industry to narrow the expectation gap using the following variables to measure it; forensic data mining techniques, forensic bayesian network techniques, Application of forensic logit regression analysis, forensic anti-money laundry software and forensic neural network techniques. Forensic data mining techniques is a process that analyzes large populations transactions involve complex accounting that conventional auditing default to analyse and provides useful feedback which can then be more easily interpreted by auditors. Data mining uses a set of techniques that help to find and collect suspicious and hidden information that may lead to fraud detection (Ravisankar, Ravi, Rao, & Bose, 2011).

Chitra and Subashini (2013) note that the ultimate goal of applying forensic data mining techniques to fraud detection is to create a classification model that can label a record, person or company as being fraudulent or not. These methods could assist conventional auditors in accomplishing the task of management fraud detection that traditional auditing techniques incapable to detect because they have advanced classification and prediction capabilities (Kirkos, Spathis, & Manolopoulos, 2007).

Kirkos *et al.* (2007) study explained that Forensic Bayesian Belief Networks allow for the representation of dependencies among subsets of attributes. Forensic Bayesian Belief Networks is a technology that can also be applied to detect sophisticated and complex fraud that conventional auditing default in detecting. The technology is based on Bayes Law which states that probability measures a degree of belief. In their research, Kirkos *et al.* (2007) found forensic bayesian belief Networks to be the most accurate in correctly classifying fraudulent financial statements with a rate of 90.3%.

Forensic Neural Networks make no assumptions about attributes of independence, they are capable of handling noisy or inconsistent data and manipulated transactions perpetrated by the management, because forensic skill is beyond the use of template and they are a suitable alternative for problems where an algorithmic solution is not

applicable. It was found that the accuracy rate of Forensic Neural Networks in correctly classifying fraudulent financial statement and management fraud to be 80% (Kirkos *et al.*, 2007). One of the effective tools used by forensic accountants in fraud detection and money laundering is the net worth method using anti-money laundry software. The net-worth technique is good in demonstrating the income, the suspect by using financial analysis to determine the increase in his or her wealth. This is usually done by showing the year to year increase in the wealth of the individual. Through this software, it can be shown that fraudsters, money launders, and corrupt bank officials spent money that can be traced to their legitimate income (Zhu & He, 2003).

2.5. Critique of the Existing Literature

This section discusses the empirical literature. There are several empirical studies on forensic accounting services and audit expectation gap. Many of these studies draw evidence from developed countries like United States of America, The United Kingdom and Canada. Also some evidences were from developing countries such as South Africa, Ghana, Kenya and Nigeria. The study reviewed previous studies on the discourse of forensic accounting competencies in narrowing the audit expectation gap in Nigeria Deposit Money Banks. Studies in this area compared and contrasted in terms of methodology, objectives, variables, conclusions and research gaps.

Vinten (2005) in his examination on existence of audit expectation gap in England and Zealand, the author investigated on the structure composition and extent of audit expectation gap in these countries between 1990-2000. The study takes following measure to reduce the gap throughout the countries of England and New Zealand. First, strengthening the performance of auditors by increasing their scope and include reasonable expectation of the public. Secondly, enhancing the skill of auditing practitioners. Thirdly, he suggests the introduction of new auditing standards in order to accommodate more responsibilities that will gain the confidence of public (Vinten, 2005)

Vinten (2005) noted that the auditor failed to meet the society's reasonable or unreasonable expectations which resulted in undermining the confidence in auditing profession. The study was compared with the current study in order to compare and contrast of the two studies. Both studies focus on the reduction of audit expectations gap. On the other hand the study was different from the present study in terms of methodology and objectives of the study.

Vinten (2005) mostly focuses on literature review to conclude on the aims and objectives while the current study adopted a field study base approach using survey design. In addition the present study used statistical analysis modeling in the form of regression analysis while the (Vinten, 2005) is only based on descriptive. Moreover, the above study carried out his research work in developed countries, but the current study carried out in developing country precisely Nigeria.

Okaro and Okoye (2011) investigated the perception of accounting academics on the cost benefit of injecting forensic accounting techniques in auditing service. This study reviewed forensic accounting techniques and identified skills needed for forensic accountants as remedies for uncovering fraud. The study used survey research design approach. Based on the review of the study was confirmed that there is existence of audit expectations gap in Nigeria and appears that larger percentage of the respondents agree that injection of forensic accounting in an auditing services will increase the cost of audit.

Okaro and Okoye (2011) recommended that tertiary institutions in Nigeria should introduce in their curricula the teaching of forensic accounting. Also government in Nigeria should create an enabling environment for forensic accountant's mindset and there should be injection of forensic accounting techniques in carrying out audit services. The study contrast significantly with the present study which look at the forensic accountant competence in narrowing the audit expectations gap in Nigeria commercial banks. Another point of contrast was the concentration of the present study on Nigeria Deposit Money Banks while Okaro and Okoye (2011) focuses on accounting academic in which their perception different from those respondents in

banking industry. The sample size is be another area of contrast, the study used small number of the sample size. Apart from the restriction of the sample respondents to only accounting academic, the study also used a weak tool for the analysis of the data collected. The current study used larger number of sample size to have valid generalization of the conclusion.

Martina *et al.* (2000) studies was compared with the present study where both studies focus on the existence of audit expectation gap. On the other hand the study differs from the present study in terms of measurement of the audit expectation gap. The current study used forensic accountants' competences to measure the audit expectation gap, whereas Martinis *et al* (2000) measured the audit expectation gap by comparing non-auditors expectations, objectives and limitations of an audit of an auditor as prescribed in the professions auditing standards. In addition the present study used statistical modeling in form of regression analysis while (Martina *et al.*, 2000) is only descriptive.

Onuorah and bimobowei (2012) examined the effect of forensic accounting services in fraud detection. The data was collected from primary and secondary sources and the primary data were collected with assistance of well-structured questionnaire of three sections administered to twenty four banks in Port Harcourt the capital rivers state in Nigeria. The data collected from the prepared questionnaire were analyzed with descriptive statistics augmented Dickey-fuller ordinary least square and arranger casualty. The study measures fraudulent activities by looking at the forensic services. The result reveal that the application of forensic account services affects the level of fraudulent activities of banks. On the basis of this finding the study concludes that forensic accounting services provide banks with the necessary tools to prevent fraudulent activities. This study just like current study uses same design methodology and banking industry as a case study. The two differ in term of scope, sample size and the objective.

Kamau (2013) investigated on the determinants of audit expectation gap evidence from limited companies in Kenya. The literature suggests a number of factors which

affect the audit expectation gap. The factors used by the study to measure the existence of the audit expectation gap are as follows; audit effort, auditor skills, auditor structure, auditor independent, public knowledge and audit scope. The study employed a mixed research design comprised of descriptive design, hypothesis testing design, correlation/casual design and survey with sample size of 110 respondents. Questionnaires was used as instrument to collect data from the respondents in audit firm throughout the Kenya.

The study found out that some factors suggested by literature significantly affect the audit expectation gap among companies in Kenya. The rest of the factors tested were found not to have a significant effect on the audit expectation gap. He concluded that the key role of the auditor is to provide objective assurances as to whether the books of accounts and the resulting financial statements represent a true and fair view of the state of affairs of the organization. This study compares well with the current study, the study carried out its investigation in developing country while the current study investigated its study in developing country as well.

However, the context and the methodological aspects are different also they were contrasted in terms of independent variables used to measure dependent variables, the objectives and the conclusion. The conceptual framework of the current study will be differed from the Kamau (2013) study, since the current study will employ the competences of forensic accountants as independent variables to measure dependent variables the Kamau (2013) used other factors to determine the audit expectation gap. The major objectives of the study reviewed were; to determine the factors contribute to the existence of the audit expectation gap but the current study want to determine how to narrow the audit expectation. The conclusion of the current study was different from the study reviewed in terms of sample size, the current study used larger size.

Mahadevaswamy and Salehi (2008) investigated on the existence of audit expectation gap and to find similarities and differences in responsibilities of audit expectation gap among auditors and investors between two countries and measure

the magnitude of the auditor's responsibilities. The study used auditor's responsibility to measure the existence of the audit expectation gap in two countries. The data for the study were collected from auditors and investors being the sample respondents of the study. Questionnaire was used to collect the data from the respondents. The data were analyzed using Mann-Whitney test to find the level of significance.

Mahadevaswamy and Salehi (2008) similar to current study since current study used survey methodology design, also used by the reviewed study and both studies were investigated in developing countries. The current study was differ since current study used several competences to address the audit expectations while the study of Mahadevaswamy and Salehi (2008) cover only the responsibility of the auditors to measure the existence of audit expectation gap and ignore other factors that will be considered by the current study. Moreover, the reviewed study limited the respondents to auditors and investors but the current study extended its respondents more than the respondents considered by the (Mahadevaswamy & Salehi, 2008).

Jonathan and Osasumwen (2010) conducted a study on the application of forensic accounting services by cooperate organizations in Nigeria is effective in deterring fraudulent practices and to find out the perception of the users of quality of forensic accounting services in Nigeria. The study objectives were achieved by employing combination of structured interview and tailored questionnaire used as the instrument to collect data from the population of companies quoted on the Nigeria stock exchange. The study group target population into banking, insurance, petroleum food and beverages and brewing where samples were taken using simple random sample. The simple regression model (SRM) was employed as the statistical tool for the testing of the hypothesis.

The study found that the application of forensic accounting services by the cooperate organization in Nigeria is not effective to determine activities. On the basis of the study findings the researcher made some recommendations, some of which are; the organizations should formulate good personnel and recruitment policies attracting

high pay as the remedy for menace of fraud. This study just like the current study uses Nigeria as the case study.

Jonathan and Osasumwen (2010) carried out the research in various aspects of industries while current study was conducted only in the banking industry. The objective of the reviewed study is to establish whether the application of forensic accounting service is effective in deterring fraudulent practices which is quite different from the current objectives. The variable adopted by the current study was the core competences of forensic accountants as the independent variables but the study of Jonathan and Osasumwen (2010) was restricted to forensic accounting service.

Chinwuba and John (2013) carried out a study on the role of the auditing profession in narrowing the audit expectation gap. The study used public knowledge of regulatory and professional pronouncement on the duties of the auditor to perform the responsibilities as a major determinant to measure the audit expectation. Self-administered questionnaire is the instrument used to gather data. 130 respondents were sampling using random sampling techniques from accounting students and teachers of the University of Benin Benson Idahoan University, Ambrose Alli University, Ekpoma University, Accountants in Practice in Edo State and the investing public in Edo state.

The result shows that the public ignorance of duties of the auditors and the lack of knowledge is responsible for unreasonable expectations of the auditors. Based on the findings and conclusions, it was recommended by the study that the public need to be enlighten and educated more on the duties and responsibilities of auditors and more so the auditors reports should be expanded to include disclaimer clauses that the auditors reports should add that the opinion expressed by the auditor should not be constructed to mean a guarantee of accuracy of the financial statement. They also recommended that auditor's report should show clearly that is not a certificate or a guarantee of soundness of the audit. The main similarity of this study and the current study is that both studies is considering narrowing the audit expectation gap in the

context of Nigeria factor. The two studies differ in term of variables used to measured audit expectation gap the sample size, the respondents and scope (Chinwuba & John, 2013).

Chinwuba and John (2013) focused on the public knowledge of the regulatory and professional pronouncement on auditors' duties and expectation on auditors' responsibility as the major variable to narrow audit expectation gap, while the current study will expand its variables by considering the competences of forensic accountants to narrow audit expectation gap .Sample size used by Chinwuba and John (2013) is too small compared to sample size to used by the current study. The scope of the current study was restricted to banking industry and the respondents were grouped into Management staff, Account department staff, Internal Audit staff but Chinwuba and John (2013) focused on the University sector and Accountancy from which students, teachers and practicing accountants as the respondents.

2.6 Research Gap

A critical review of the past literature showed that several conceptual and contextual research gaps existed in the discourse of the role of forensic accountants' competences in narrowing audit expectation gap. For instance the studies by Vinten (2005); Mahadevaswamy and Salehi (2008); Kamau (2013); Chinwuba and John (2013) investigated on the existing of the audit expectation in both developed and developing countries while some researches assess factors contributing to audit expectation in banks and other corporate organizations. Also, Jonathan and Osasumwen (2010); Onuorah and bimobowei (2012) carried out research on the existence of forensic accounting services and existence of audit expectation gap in various countries. However, there is no studies among the reviewed literatures have conducted research on streamlining the major forensic Accountant's competences to narrow audit expectation gap.

The current study has identified the missing gap from the existing literature and thereby making provision to close the gap by considering the core forensic

accountants' competences in narrowing the audit expectation gap. Therefore, the gap identified can be viewed from the following areas: misinterpretation of the audit report message in predicting audit expectation gap, inconsistency in the results of previous studies on exact competences to meet up with the expectation of users of accounting information, inadequate literature on core responsibilities to narrow audit expectation of public, lack of adequate empirical literature in Nigeria on forensic information competence in meeting expectation of public.

2.7 Summary

The above chapter reviewed the various theories that explain the independent and dependent variables. The reviewed theories are then critiqued for relevance to specific variables. The chapter also explored the conceptualization of the independent and the dependent variables by analyzing the relationships between the two set of variables. In addition, an empirical review was conducted where past studies both global and Local is reviewed in line with the following criteria, title, scope, methodology resulting into a critique. It is from these critiques that the research gap was identified.

CHAPTER THREE

RESEARCH METHODOLOGY

The main focus of this chapter are; the research design, population, sampling frame, sample and sampling technique, instruments, data collection procedure, pilot test, and data processing and analysis. The chapter has provided overt details and reasons for using these particular methods rather than employing them. The principles that determined how best such methods and procedures were deployed and interpreted have been included. The researcher based his methods and procedures on his assumptions about reality. The independent variables of the study include forensic Accountants' mindset competence, forensic accountants' responsibility competence, forensic Accountants' professional skepticism competence and forensic information technology competence. The dependent variable is audit expectation gap. Various statistical methods were used to test the hypotheses and a summary of the chapter was given.

3.1 Research Design

(Kothari, 2004) notes that a research design constitutes the blue print for the collection, measurement and analysis of data and has a great bearing on the reliability of the results arrived at and constitute the firm foundation of the research work. The study employed quantitative approach involving a formal, objective, systematic process in which numerical data are used to obtain information. (Burns & Grove, 2005). The study adopted a descriptive research design using survey method. Descriptive research portrays an accurate profile of persons, transactions/events, or situations (Robson, 2002). Surveys allow the collection of large amount of data from a sizable population in a highly economical way. It allows one to collect quantitative data which can be analysed quantitatively using descriptive and inferential statistics (Saunders, Lewis, & Thornhill, 2009). Therefore the descriptive survey was deemed the best strategy to fulfill objectives of this study. i.e. to investigate the relationship between forensic Accountants' competences and audit expectation gap among Nigeria Deposit Money Banks.

3.2 Target Population

Mugenda and Mugenda (2008) highlights the target population as a number of individuals about which a researcher is interested in describing or making a statistical inference. A target population is the group of individuals to whom the survey applies. Mugenda & Mugenda (2003) term target population as that population to which a researcher wants to generalize the results of his study. The study's target population for the this study constituted 21 head offices of all the Money Deposit Banks in Nigeria, which is similar to the entire population of the study and this can be described in Table 3.1.

According to Mugenda & Mugenda (2003) a census is preferred where the population is small and manageable. Further, census method enhances validity of the collected data by eliminating errors associated with sampling (Saunders et al., 2009) Since the population is small, a census was used for the study implying that all the 21 licensed Deposit Money Banks in Nigeria were studied. A list of all the 21 licensed Deposit Money Banks in Nigeria is attached in appendix XIII.

The respondents from these banks were stratified into management team (comprising head of: credit risk management, operations, training & development, litigation, third party acquirer), finance and account department (comprising head of :treasury unit, final account unit, compliance unit and reconciliation unit), audit and inspectorate department (comprising head of internal audit and internal control) , and shareholders with 15% shareholdings and above, of the total equity shares of the bank. The schedule of shareholders with 15% shareholding and above for each bank can be described in appendix XIII.

Table 3.1: Target Population.

	Cumulative Shareholders with Percentage of Shareholdings ≥15 Above	Management team	Head of Finance & Account Department	Head of Internal Audit & Inspectorate Department	
1	Access Bank Plc	138	5	4	2
2	Citi Bank Nig. Ltd*	-	4	4	2
3	Diamond Bank Plc	37	4	4	2
4	Eco Bank Nigeria Ltd	1	5	4	2
5	Enterprise Bank Pls*	-	4	4	2
6	Fidelity Bank Plc	7	4	4	2
7	First Bank of Nigeria Plc	31	6	4	2
8	First City Monument Bank Plc	33	5	4	2
9	GTBank Plc	23	5	4	2
10	Heritage Bank Company*	-	4	4	2
11	Key Stone Bank*	-	3	4	2
12	Mainstreet Bank *	-	4	4	2
13	Skype Bank Plc	5	5	4	2
14	Stanbic Ibtc Bank Ltd	1	4	4	2
15	Standard Chartered Bank Nig.*	-	4	4	2
16	Sterling Bank Plc	126	3	4	2
17	United Bank For Africa Plc	40	3	4	2
18	Union Bank Of Nigeria	7	4	4	2
19	Unity Bank Plc	4	3	4	2
20	Wema Bank Bank Plc	4	4	4	2
21	Zenith Bank Plc	33	6	4	2
	TOTAL	490	89	84	42

Asterisk (*) implies Non listed Banks in Nigeria

3.3 Data collection Instruments

This study collected quantitative data on the relationship between Forensic Accountants' competences and audit expectation gap: Evidence from Money Deposit Banks in Nigeria using a questionnaire. The research instrument was a questionnaire consisting of both open- ended and closed ended type of questions (Appendix I). The closed ended questions were aimed at giving precise information hence minimizing bias. The open ended questions ensured that the respondents were given freedom to express themselves. The questionnaire in this study was divided into six sections with section one giving the identification of the respondent and the job title. The other sections had questions aimed at providing the information on the various areas of this study.

A 43-item questionnaire was administered to the respondents who were asked to indicate, against each statement, the extent to which they agreed or disagreed on a five point Likert type scale ranging from 1 (strongly disagree) to 5 (strongly agree). Each of the six variables (independent and dependent variable) was subjected to various statements. Each statement was coded since Statistical Package of Social Sciences (SPSS) was used in the analysis. These variables included: forensic Accountants' expertise competency, forensic Accountants' mindset competency, forensic Accountants' Responsibility competency, forensic Accountants' professional skepticism competency and forensic information technology competency and audit expectation gap. The questionnaire was divided into six sections in line with the research objectives.

3.4 Data Collection Procedure

The collection of study data involved primary data that was collected by use of a questionnaire. The primary data was collected by use of a questionnaire that was administered to each of the sample Nigeria Deposit Money Banks to generate quantitative data. A five point likert rating scale was used to measure all variables. The lowest rating of 1 signified a low rating by the respondents while a high rating of

5 signified a high rating by the respondents. There was one extra question after each variable that was not in likert scale but was open ended. Questionnaires were chosen because the administration of questionnaires to individuals helps to establish relationships with the respondents while introducing the survey (Kothari, 2014). Questionnaires are a good method because they provide the clarifications sought by respondents and they can be collected immediately after they are completed.

The researcher first contacted the individual bank with an introduction letter requesting for permission to collect data and to drop questionnaires. The questionnaires were distributed to the shareholders by locating them via the registrar of the individual shareholder's bank. Annual general meeting held by the banks were utilized for the distribution of the questionnaires to ensure proper spread in the distribution of the questionnaires on the part of shareholders. The researcher focused on the Shareholders with 15% shareholdings and above, of the total equity shares of the bank. The researcher recruited and trained four research assistants in an effort to ensure that they carried out the exercise properly. The questionnaires were then delivered by the researcher with the help of the four research assistants to the respondents. The respondents filled the questionnaires and those who were not in a position to fill them out were given some weeks to fill them after which the questionnaires were collected.

3.5 Pilot test

Piloting of the questionnaire was done before the actual data collection by using it on Money Deposit Bank in Nigeria which were not included in the final study. The research instrument were pre-tested using a sample of 10 % as per (Mugenda & Mugenda, 2003) which says that a successful pilot study would use 1% to 10% of the actual sample size. The suitability of the questionnaire for this study was tested by first administering it on two(2) Money Deposit Bank in Nigeria which was approximately 10% of 21 Money Deposit Bank in Nigeria. The respondents who were used for the pilot test was similar to the sample to be studied and similar procedures as those to be used in the main study was applied. They were asked to

evaluate the clarity, relevance and usefulness of the questionnaires. Piloting enabled the researcher to ascertain the validity and reliability of the instrument. After pilot testing, the questionnaire was revised to incorporate the feedback that was provided.

3.5.1 Validity

Validity refers to the extent to which an instrument truly measures that which it was intended to measure or how truthful the research results are. (Gall, Gall, & Borg, 2007) argue that the research instrument is said to be valid if it measures what is supposed to measure. Content validity is a subjective measure of how appropriate the items seem to a set of reviewers. These reviewers should have some knowledge of the subject matter. To ensure that the questionnaire had face validity or it looked like it measured what it was intended to measure respondents were requested to indicate where the questions / items were not phrased appropriately in their own opinion. Such items / questions were then correctly phrased. A discussion with two bank managers, two staff from other department and two shareholders from various banks, also two forensic expert were contacted ensured that the questionnaire has content validity. It consisted of an organized review of the survey's contents to ensure that it contained everything that is necessary and did not include anything that it should not (Cooper & Schindler, 2011).

3.5.2: Reliability

Reliability of the instruments concerns the degree to which a particular instrument gives similar results over a number of repeated trials (Mugenda & Mugenda, 2003). According to Bryman (2012) reliability is the stability or consistency of scores over time. Reliability coefficient of the research instrument was assessed using Cronbach's Alpha coefficient. This measures internal consistency among a group of items combined to form a single scale. It is a reflection of how well the different items complement each other in their measurement of different aspects of the same variable or quality and it interpret like a correlation coefficient. The questionnaire is considered reliable if the Cronbach's Alpha coefficient is greater than 0.70 (Katou, 2008). The five independent variables and the dependent variable were subjected to

reliability test using SPSS and the results obtained implies that the overall Cronbach Alpha's value after the removal of irrelevant items from the variables with deficiency coefficient value (below 0.7) all the constructs had Cronbach's Alpha above the minimum acceptable reliability coefficient of 0.7 and thus considered all the variables reliable and accepted for investigating purpose.

3.6 Data Processing and Analysis

The Researcher participated in data collection and organization and documented the role played in the process. The researcher first cleaned the data by removing the missing data treating them as spoiled. Data files were then prepared ready for analysis. A description of the data management problem and approach which was used to solve it was documented. A data and information management protocol was developed for use in future. Factor analysis and reliability test were conducted, also inferential data analysis was done using Pearson Correlation Coefficient, regression analysis (enter method) and multiple regression analysis (step wise method). Correlation is the measure of the relationship or association between two continuous numeric variables (Kothari, 2004) This correlation was used to determine the direction of the relationship between the dependent and the independent variables.

Regression model was used to assess variables that influenced audit expectation gap among Nigeria Deposit Money Banks. Regression analysis is statistical modeling techniques used to identify meaningful, stable relationships among set of data. It measures the casual relationship between one dependent variable and one independent variable. But, Multiple regression analysis was used to establish the relationship between the various forensic Accountants' competences and audit expectation gap

3.6.1 Model Specification and Measurement of Study Variables

The model was tested to know its linearity and the fitness relationship of the dependent variable with the independent variables. Inferential statistics such as non-parametric test which include analysis of variance (ANOVA) were used to test the

significance of the overall model at 5% level of significance. To test and analyze the quantitative data, a multiple regression model was used as laid below where the independent variables were regressed against the dependent variable to obtain inferential results. The use of multiple regression model is preferred due to its ability to show whether there is a positive or a negative relationship between independent and dependent variables. In addition, multiple regression is useful in showing linear elasticity/sensitivity between independent and dependent variables (Faraway, 2002), The current study wanted to find out whether the forensic Accountants' competences can narrow audit expectation gap.. Furthermore, multiple regression was useful in showing whether the identified linear relationship was significant or not. Therefore, the study used the following model to test whether the audit expectation gap is a function of the independent variables (forensic Accountants' competences).

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where :

Y is the dependent variable audit expectation gap.

β_0 is the constant

β is the coefficient of X_i for $i=1, 2, 3, 4$.

X_1 is Forensic Accountants' Mindset Competences

X_2 is Forensic Accountants' Professional Skepticism Competences

X_3 is Forensic Accountants' Responsibilities Competences

X_4 is Forensic Information Technology Competences.

3.7 Measurement of Variables

Variables	Indicators	Measurement	Instrument/ Analytical Tools	
Dependent Variable	Indicators	Scale		
Audit Expectation Gap	Society's expectation of auditors duties on prevention and detection of frauds	Duties of Auditors as perceived by the society	Ordinal/ Categorical	Questionnaire / Multiple Linear regression, Correlation and simple sample t-test
Independent Variables				
Mindsets competences	Discrepancies and immaterial misstatement. One hundred percent mindset of auditing and investigation	Threshold of treating discrepancies and immaterial misstatement in bank's record. Degree of auditing and investigation of accounting records in bank.	Ordinal/ Categorical Ordinal/ Categorical	Questionnaire / Multiple Linear regression, Correlation and simple sample t-test
	Red flag indicator	Strength of indicators to whistle blower in the bank.	Ordinal/ Categorical	
Professional skepticism	Investigating Tenure Time Budget pressure Related Party Transactions (RPT) Non-audit exercise	Number of years audit service was provided for a particular external auditor. Conditions for auditing services in the bank. Number and party(s) to RPT . Amount involved in non-statutory audit in bank..	Ordinal/ Categorical Ordinal/ Categorical Ordinal/ Categorical	Questionnaire/ Multiple Linear regression, Correlation and simple sample t-test

Variables	Indicators	Measurement		Instruments
Independent Variables		Indicators	Scale	/Analytical Tools
Responsibility competence	Fraud investigation and detection	Degree of internal control in detecting frauds in bank	Ordinal/ Categorical	Questionnaire/ Multiple Linear regression, Correlation and simple sample t-test
	Accounting Information Reliability	Level of reliability of public on audited financial statement of bank.	Ordinal/ Categorical	
	Dispute Resolution	Policy of dispute resolution enacted by bank's management.	Ordinal/ Categorical	
	Shareholders' and Partnership Disputes	Level of forensic logit regression techniques in detecting financial statement fraud in bank	Ordinal/ Categorical	
Information technology competence	Forensic Data mining Technique	Level of anti money laundering Software in detecting financial statement fraud bank.		Questionnaire / Multiple Linear regression, Correlation and simple sample t-test
	Forensic Bayesian Network Technique	Level of forensic data mining technique in detecting financial statement fraud in bank	Ordinal/ Categorical	
	Forensic Logit Regression Techniques Anti money laundering Software			

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Introduction

This Chapter provides information on the findings of the study. It starts with the response rate of the study followed by the general background information of the respondents. The purpose of the study was to establish the relationship between forensic accountants' Competences and the audit expectation gap: evidence from Nigeria Deposit Money Banks. The specific objectives were to establish the relationship between the elements of forensic accountants' competences and audit expectation gap among Nigeria Deposit Money banks. The hypotheses of this study were stated as: forensic accountants' competences had no significant effect on audit expectation gap. In an attempt to address the specific objectives of the study, this chapter provides a detailed description of descriptive analysis of the data, reliability, factor, correlation, regression and ANOVA analysis. The data collected from respondents were presented and summarized using tables, graphs, scatter plots, pie-charts and descriptive statistics. The chapter further presents the findings from the tests of the five hypotheses that were drawn from the objectives.

4.2 Response Rate

A total of 705 questionnaires were distributed to sampled respondents who were the staff and shareholders of the Nigeria Deposit Money Banks, stratified into: Management team (comprising head of: credit risk management, operations, training & development, litigation, third party acquirer), finance and account department (comprising head of relevant sub-units), audit and inspection (comprising head of internal audit and internal control) and the shareholders with percentage of shareholding $\geq 15\%$ and above of the listed banks. Completed questionnaires received were 594 in number which represented 84.25% response rate and 111 questionnaires were not received which represented 15.75 % of the total questionnaires distributed. (Mugenda & Mugenda, 2003) assert that a response rate of

more than 50% is adequate for analysis. Also asserts that a return rate of 50% is acceptable for analysis and publishing. (Babbie, 2004) also stated that a 60% return rate is good and a 70% return rate is very good. The overall responses rate attained in this study of 84.25% was higher compared to other similar studies. (Osisioma, 2010) reported a response rate of 70% in their study on forensic accounting and audit expectation gap – The perception of accounting academics. The drop and pick method was used in administering questionnaires and this method partly contributed to the high response rate achieved in this study. In addition, the higher response rate was attributable to the fact that anonymity was assured as the potential respondents were not required to disclose traceable identities. Response rate for the returned and unreturned questionnaires is presented in table 4.1

Table 4.1: Rate of the Responses by the Respondents

	Cumulative Shareholders with Percentage of Shareholdings ≥15 Above	Management team	Head of Finance & Account Department	Head of Internal Audit & Inspectorate Department	Total
Total Questionnaires sent	490	89	84	42	705
Total Questionnaires returned	393	80	81	40	594
Total Questionnaires unreturned	97	9	3	2	111
% of Questionnaires returned	80.20	89.89	96.43	95.24	84.25
% of Questionnaires unreturned	19.80	10.11	3.57	4.76	15.75

4.3 Demographic Characteristics

This section presents personal information of the respondents such as the gender of the respondent, position in the bank, age of the respondent, level of education of the respondent, department of the respondent in the bank and years of experience in the bank. The study targeted 21 Nigeria Deposit Money Banks. The sample demographic factor was considered crucial in understanding the in-depth characteristics among sampled Nigeria Deposit Money Banks. The findings are presented in subsequent sections.

4.3.1: Distribution of the Respondents by Gender

In this study the respondents were required to state their gender, table 4.2 shows the analysis of the responses retrieved from the 594 respondents whose responses were used for the analysis. The total of 358 of the respondents were male which represent 60.27% of the sample while 236 of the respondents were female which represent 39.73% of the sample. From each strata of the study, it was discovered that proportion of male is more than the female. This implies that, there was no gender balance among the respondents. It generally appears that some professionals are dominated by a particular gender than the other and accounting is not an exception. Perhaps the disparity may have an implication on the level of frauds and other misappropriations in banks that led to audit expectation gap. This supported by (Jennifer & Judith, 2014) focuses on the gender and race demographics of criminal offenders, violence and substance abuse, found that when compared women and men in similar corporate position, women were less likely to play leadership roles in fraud. Also in another studies Stevenson and St-Onge (2005); Gakure (2003) who argued that women are more prudent in resource management compared to their men counterparts.

Table 4.2: Distribution of the Respondents by Gender

Stratum	% of		Management		Finance & Account Department		Internal Audit & Inspectorate Department		Total	
	Shareholding		team							
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Male	204	51.91	63	78.8	56	69.14	35	87.5	358	60.27
Female	189	48.09	17	21.3	25	30.86	5	12.5	236	39.73
Total	393	100.00	80	100	81	100.00	40	100	594	100.00

4.3.2: Distribution of the Respondents by Position in Bank.

The respondents were required to state their position in bank. The frequency analysis in figure 4.1 shows that 129 out of 594 respondents were bank staff only representing 21.72 % while 313 respondents were Shareholders group representing 52.69%, while 152 respondents were claiming to be both (bank staff and shareholders) representing 25.59 % . It implies that larger portion of the respondents were shareholders which were required to give their opinion on Forensic Accountants' competences and Audit expectation gap.

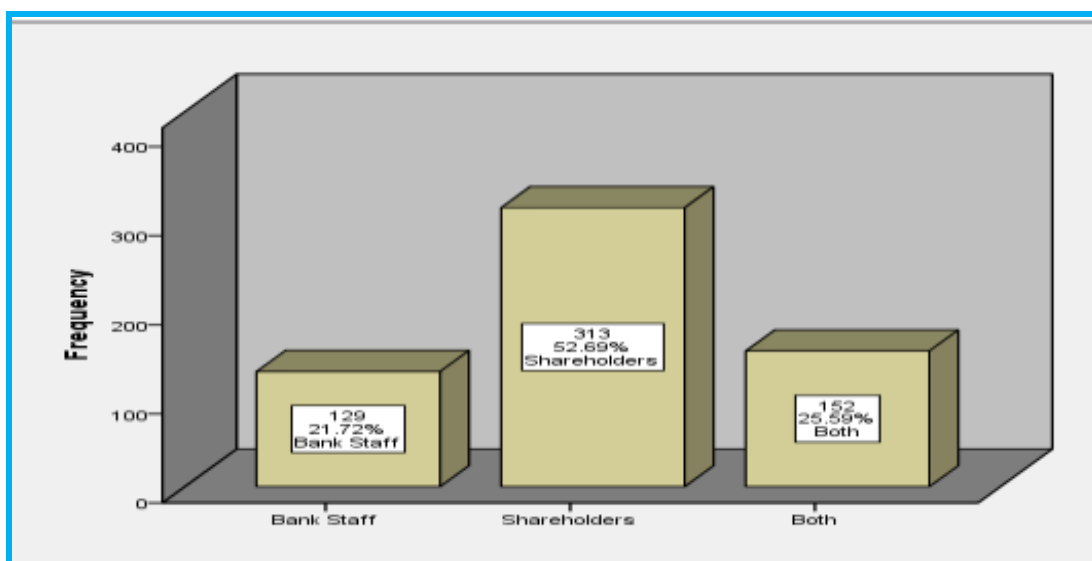


Figure 4.1: Distribution of the Respondents by Position in Bank

4.3.3: Distribution of the Respondents by Age bracket.

As revealed in Table 4.3, the highest respondents were aged between 36 to 45 years, 196 representing 33% which was followed by 26 to 35 years 185, (32%), 18 to 25 years, 98, (16.5%), 46-60 years, 61, (10.3%) and the least range of the respondents were 60 years and above. The findings concur with those of (Watson, 2006) which asserted that the aging workforce exists in many countries including the U.S. and many European countries. The study by Watson also found that by 2050, Asia Pacific will be home to most of the world's elderly with 998 million people aged 60 and over and discovered a high level of employers across Asia Pacific believe that ageing will have serious economic impact. The findings also concur with (Wandner, 2012) reported that older men are less likely to work today than in previous generations, when jobs were more physical, health problems more prevalent, and life expectancy shorter. Only 53% of men 62 to 64 were in the labor force in 2005, down from 76% in 1963. Participation rates have been climbing for women of all ages. For women ages 62 to 64, for instance, participation increased from 29% in 1963 to 40% in 2005. The age of the Bank staff may have an important implication for succession planning and decision making on narrowing the Audit Expectation gap in the banking sector.

Table 4.3: Distribution of the Respondents by Age bracket.

Age Bracket	Frequency	Percent(%)
18-25 years	98	16.5
26-35 years	185	31.1
36-45 years	196	33.0
46-60 years	61	10.3
60 years and above	54	9.1
Total	594	100.0

4.3.4: Distribution of the Respondents by level of Education.

It was not very surprising when the data revealed that the respondents with highest level of education is under the category of tertiary education. This maybe as a result of major respondents selected were managerial cadres and seniors position in the bank i.e. Management team, head of sub-units in account and finance department, audit and inspectorate department. The figure 4.2 clearly shows that, 346 of the respondents representing 58.25% have tertiary education i.e. first degree, followed by the 134 respondents representing 22.56% that have postgraduate level of education. It was also revealed that respondents with secondary education were 84 representing 14.14%. But 30 of the respondents representing 5.05% revealed by the figure 4.2 as the least percentage under the level of education category. It was discovered that few respondents with basic primary education was promoted to that level due to years in service and experiences acquired. The implication of this is that all the respondents were highly educated and experienced which is likely going to enhance the reliability of the questionnaires given to them and the information provided by the respondents because of their knowledge and experience acquired.

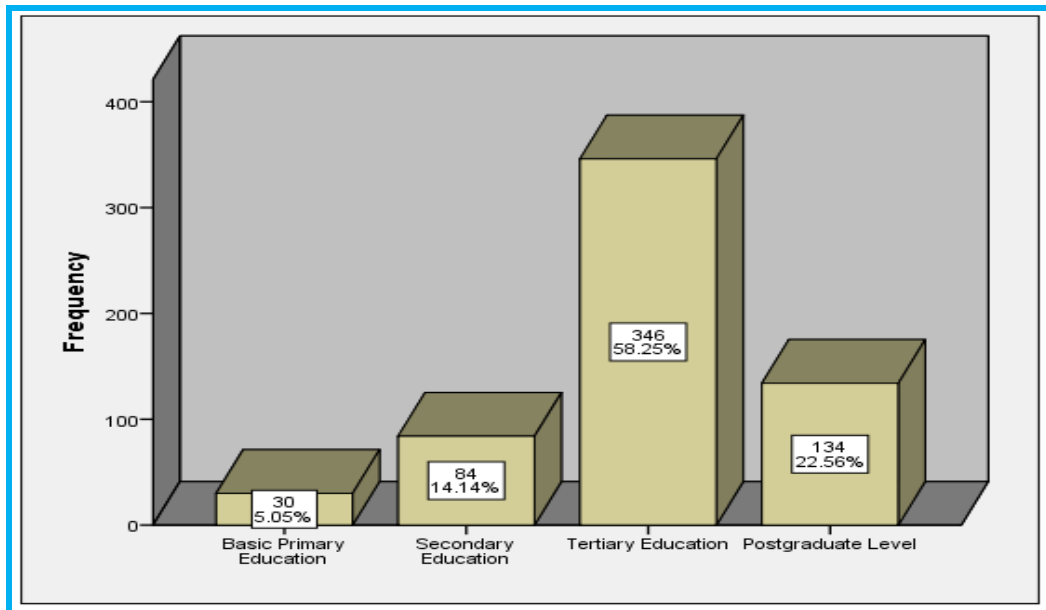


Figure 4.2: Distribution of the Respondents by level of Education

Table 4.4 reveals that 138 respondents representing 34.3% have been working with the bank for over 15 years above, 99 respondents representing 24.6% for about 11-15 years, 96 respondents representing 23.9% had been working the bank for about 6-10 years, while 69 respondents representing 17.2% just spent five years with the bank. The implication of this analysis is that, majority of the respondents have spent an appreciable number of years, working for their organization, hence they can be presumed to be in a better position to know more and give details on various activities going on in the bank.

Table 4.4: Distribution of the Respondents by work experience in the bank

Work Experience Bracket In Bank	Frequency	Percent
1 - 5 years	73	12.3
6-10 years	117	19.7
11-15years	140	23.6
over 15years	264	44.4
Total	594	100.0

4.4: Reliability Test Analysis

In order to measure the internal consistency of the primary data collection instrument used in the study, reliability test was performed for all the variables based on the responses obtained from respondents. Reliability is an indication of the stability and consistency with which the instrument measures a concept and helps to assess the goodness of a measure. This was done by determining the Cronbach's alpha coefficient for each of the study items. Cronbach's alpha was established to measure the degree to which a set of measuring items measures a single one-dimensional latent construct. In this study, Cronbach's Alpha, which is a reliability coefficient, was used to indicate how well the items in the set were correlated with each other. Cronbach's alpha (α) was chosen since it provides unbiased estimate of the test items.

Cronbach’s alpha reliability coefficient normally ranges between 0 and 1. The closer Cronbach’s alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale. According to George and Mallery (2003) measuring internal consistency and reliability requires the use of the following rules of thumb: “_ > .9 – Excellent, _ > .8 – Good, _ > .7 – Acceptable, _ > .6 – Questionable, _ > .5 – Poor, and _ < .5 – Unacceptable” (George & Mallery, 2003). The Statistical Package for Social Sciences (SPSS) version 22 was used to find the reliability of the variables. Table 4.5 shows the overall summary result of the reliability test for all the variables.

Table 4.5 : Reliability Test

Constructs	Before Expunging factor(s) Number of Factors	Overall Cronbach's Alpha	After Expunging factor(s) Number of Factors	Overall Cronbach's Alpha	Comments
Dependent Variable					
AEG	6	0.854	Not Expunged	0.854	Accepted
Independent Variable					
MSC	6	0.741	Not Expunged	0.741	Accepted
PSC	6	0.818	Not Expunged	0.818	Accepted
RBC	6	0.649	4	0.720	Accepted
FITC	6	0.593	4	0.756	Accepted

The findings in the table 4.5 indicated that mindset competences (MSC) had a coefficient of 0.741, Professional Skepticism Competences (PSC) had a coefficient of 0.818 and audit expectation gap (AEG) with a coefficient of 0.854. All the constructs had Cronbach’s Alpha above the minimum acceptable reliability coefficient of 0.7 and good internal consistency with the exception of responsibility competences (RBC) and forensic information technology competences (FITC) having a coefficient of 0.649 and 0.593 respectively lower than the minimum

acceptable value . Based on this analysis, RBC and FITC are not reliable before the expunged of irrelevance factors within the constructs. After the expunged of irrelevance factors within the constructs due to factor analysis, the coefficient increased to 0.720 for RBC and 0.756 for FITC. It depicts that not all the items of construct contribute meaningfully. In conclusion, the overall Cronbach Alpha's value after the removal of irrelevant items from the variables with deficiency coefficient value (below 0.7) all the constructs had Cronbach's Alpha above the minimum acceptable reliability coefficient of 0.7 and thus considered all the variables reliable and accepted for investigating purpose. See Appendix III-VII for the breakdown of Cronbach Alpha for individual item under each variable.

4.5: Factor Analysis of the Study Variables

Factor analysis is a statistical technique applied to reduce the number of indicators and to detect structure in the relationships between indicators, that is to classify indicators. Therefore, factor analysis is applied as a data reduction or structure detection method (Hogarty, Hines, Kromrey, Ferron, & Mumford, 2005).The study used factor analysis to reduce the number of indicators which do not establish the relationship between the forensic accountants' competences and audit expectation gap and retain the indicators which are capable of explaining the establishment of the relationship between the forensic accountants' competences and audit expectation gap. Only the factors with loading values of above 0.4 were used for further analysis as recommended by (Stevens, 2002). Tabachnick and Fidell (2013) noted that factors with factor loading above 0.4 shall be retained for further study. (Tabachnick & Fidell, 2013) described the factor loadings as follows: 0.32 (poor), 0.45 (fair), 0.55 (good), 0.62 (very good) or 0.71 (excellent).

The overall summary of the factor analysis for all the variables are stated in Table 4.6. The results for the seven factors measuring the dependent variable Audit expectation gaps show that all the factors loadings for the seven items were above 40%. All the items were accepted based on the general rule of thumb for acceptable factor loading of 0.40 above. No item was removed or dropped. The factor analysis

for Mindset Competences (MSC) show loadings factors above 45%. Since all the loadings were above 45%, no factor was removed or dropped, because they followed the accepted threshold. For Professional Skepticism Competences (PSC) the results of the loadings were above 60%. This indicates that no item was removed as they fall within the acceptance threshold.

The result of six factors measuring the independent variable responsibility Competences (RBC) were subjected to factor analysis. Out of the six items four of them registered thresholds of above 0.4 and were thus considered for further statistical analysis, two items were therefore dropped with a loading factors of 0.272 and 0.157. Also, The result of six factors measuring the independent variable forensic information technology competences (FITC) were subjected to factor analysis. Out of the six items four of them registered thresholds of above 0.4 and were thus considered for further statistical analysis, two items were therefore dropped with a loading factors of 0.127 and 0.130. All the factors dropped implies that they are not relevance to their main construct.

Table 4.6: Factor Analysis for the study variables

Constructs	Number of factors		Overall Loading Factors after expunging	Comments
	Before Expunging	After Expunging		
AEG	6	Not Expunged	50% and above	Accepted
MSC	6	Not Expunged	45% and above	Accepted
PSC	6	Not Expunged	60% and above	Accepted
RBC	6	4	60% and above	Accepted
FITC	6	4	60% and above	Accepted

Detailed analysis of this factor analysis on the individual items of the construct can be viewed in Appendix III-VII. To further assess the factorability of items, the researcher examined the indicators of the constructs using two tests : Kaiser Meyer-Olin Measure of Sampling Adequacy-KMO and Barlett’s Test of Sphericity.

4.5.1: Adequacy and Sphericity Test

Factor analysis is chosen according to the KaiserMeyer-Olken measure of Sampling Adequacy, which analyze and evaluate the adequacy of the sample and the criteria of relevance factors. (Thompson, 2004) recommends a bare minimum of 0.5, with values between 0.5- 0.7 considered being moderate, value of the test between 0.7 and 0.8 is considered good, value of between 0.8 and 0.9 are considered excellent and values greater than 0.9 are classified as superb for factor analysis. The table 4.7 shows the summary of the test results of KMO measure for all independent and dependent variables derived from the forensic accounting competences and audit expectation gap. From the table 4.7, it shows that all the variables are adequate in term of sample volume to support all meaningful data analysis for a well-informed conclusion to be drawn. Most of the KMO values derived for variables are between 0.5 and 0.7 a range considered to be moderate (Thompson, 2004).

Table 4.7 : KaiserMeyer- Olken (KMO) Measure

Constructs	Before Expunging		After Expunging		Comments
	Number of Factors	KMO Value	Number of Factors	KMO Value	
Dependent Variable					
AEG	6	0.782	Not Expunged	0.782	Accepted
Independent Variables					
MSC	6	0.582	Not Expunged	0.582	Accepted
PSC	6	0.834	Not Expunged	0.834	Accepted
RBC	6	0.752	4	0.771	Accepted
FITC	6	0.624	4	0.696	Accepted

Bartlett's Test of Sphericity is another statistical indication of the strength of the relationship among variables. This tests the null hypothesis that the correlation matrix is not identity matrix. An identity matrix is a matrix in which all of the diagonal elements are 1 and all off diagonal elements are 0. It is used to examine the hypothesis that the variables are not correlated with each other within the population, while each variable is perfectly correlated with itself and no correlation with any of these variable (Hogarty *et al.*, 2005) Bartlett's test of sphericity shows significance and nature of data and is also very suitable to perform factor analysis. Bartlett's test of Sphericity which assess the appropriateness of using factor analysis and to test whether the relationship among the variables has been significant or not (Pallant, 2010).

This test makes use of Approximate Chi-Square, Degree of Freedom (df) and Significance Level (p). Bartlett's test of sphericity value is significant if $p \leq 0.05$ (Pallant, 2010). In conclusion, with $p \leq 0.05$, there is sufficient relationships among the variables worth investigating. Table 4.8 shows the overall results of Bartlett's Test of Sphericity for independent and dependent variables derived from the relationship between forensic accountants' competences and audit expectation gap. The result of table 4.8 shows that, the p- value for each variable is 0.000 which is ≤ 0.05 hence there are sufficient relationships among the variables that is worth investigating.

Table 4.8 : Bartlett's Test of Sphericity

TEST	AEG	MSC	PSC	RBC	FITC
Approx. Chi-Square	1499.197	1039.833	821.473	626.073	436.361
Sig.	.000	.000	.000	.000	.000

4.6: Descriptive Analysis

This section contains descriptive statistics for all the variables used in this study. The aim of this section is to increase the researchers understanding of demographic behaviour and phenomena of the key variables in the study using the mean and standard deviation. The key demographic data of interest to the study were; audit expectation gap, forensic accountants' mindset competences, forensic accountant's professional skepticism competence, forensic accountant's responsibility competence and forensic information technology competence. The researcher chose to have this section because the questions helped to give a deeper understanding of the study objectives.

4.6.1: Analysis of Forensic Accountants' Mindset Competence and Audit Expectation Gap

The first objective of the study was to establish the relationship between forensic accountants' mindset competences and audit expectation gap in Nigeria Deposit Money Banks. The respondents were asked to state the extent to which they agreed with the statements regarding the relationship between forensic accountants' expertise competences and audit expectation gap in Nigeria Deposit Money banks . The results in table 4.9 presented the opinion of the respondents on this assertion. The study aimed to find out if immaterial misstatement in the accounting records of banks can be estimated properly via forensic accountants' mindsets. The results shows that 84.6% of the respondents agreed to this assertion, 2.5% of the respondents disagreed, while 12.9% proof to be neutral to the statement. The results show that majority of the respondents believe that immaterial misstatement in the accounting records of banks can be estimated properly via forensic accountants' mindsets. The assertion was in agreed with the studies Dekke and Den (2005); Oluwatoyin, Ayoib, and Rose, (2014) argue that many users of the financial statements are in the supposition that the financial statements contain no omissions or misstatements. It implies users of financial statement expect all the detected misstatements are corrected. But forensic accountant is able to sense the anomaly

sometimes before actually knowing the nature of the anomaly, due to the great influence of forensic accountant's mindset of in meeting the public expectation via detecting and prevention of frauds.

Regarding whether forensic accountants' mindset can properly identify symptoms of red flag in your banks, 80.9% of the respondents agreed, 5.9% disagreed in total, while 13.2% of the respondents were neutral to the assertion. It was discovered from the results that forensic accountants' mindset can properly identify symptoms of red flag in banks, due to the majority of the respondents concur to the statement. The result was supported by the study (Knapp & Knapp, 2001) investigated the use of red flags in auditing accounting estimates in financial statements. Accounting estimates are a particularly high risk area for conventional auditors as a result of the significant discretion required of management. In their study they examined the reporting decisions of audit seniors and audit managers related to a client's decision to change four accounting estimates in relation to previous years. Red flags related to management lifestyle, bonus compensation schemes and that the strength of the internal audit department was unanswered between the subjects. The findings of their study indicated that the direct impact of red flags on reporting decisions is limited and it is beyond the scope of statutory auditors because it requires innovative and creative thinking as well as the rigors of science, determination, persistence, and self-confidence, all factors for forensic accountants.

As to whether the mindsets of forensic accountants in 100% investigations and beyond the figures in accounting records of the bank can reveal management fraud. Majority of the respondents representing 81.3% agreed, 5.5% of the respondents disagreed with the assertion, while 13.2% were neutral to the statement. The results revealed that, investigating accounting records of the bank beyond the figures by the forensic accountants can expose management fraud. Concerning unusual behaviors or extravagant lifestyles exhibited by member(s) of the banks can easily identify by forensic accountants' mindsets. Majority of the respondents (82.9%) agreed, 4.5% disagreed, while 12.7% were neutral. The results imply that, unusual behaviors or extravagant lifestyles exhibited by member(s) of the banks that led to

fraud and other misappropriation that conventional Auditors failed to detect can be traced easily by the forensic accountants' mindset. Based on the assertion that, forensic accountants' mindsets in fraud discovery facilitate proper risk assessment. The results show that,80.6% representing majority of the respondents agreed,6.7% of the respondent disagreed, while 12.7% were neutral. The results show that, forensic accountants' mindsets facility proper risk assessment.

The results concur with the views of Wyer and Xu (2010) explained that, mindsets are not merely a template for approaching a particular type of task; they represent a more global readiness to respond in a particular way. Indeed, mindsets are independent of the particular goal to which they are directed and of the semantic content to which the mindset's, processes and procedures are applied. It was also concur with the studies of Popoola, Ahmad, and Samsudin (2013); Gollwitzer, Heckhausun, *et al.*(1990); Singleton and Singleton (2007); Singleton et al. 2006; Silverstone & Davia, 2005; Boritz *et al.* (2008) argued that forensic accountants' mindset is one of the major determinant that contribute to the narrow of audit expectation gap as perceived by the public.

With the mean of 4 and standard deviation of 1, It implies that , majority of the respondents agreed forensic accountant's mindset competence has great influence in narrowing audit expectation gap with a small variation in respondents' perception disagree with the assertion.

Table 4.9: Responses on Forensic Accountants' Mindset Competences

Statement	1 (%)	2 (%)	3 (%)	4 (%)	5 (%)	Mean	SD
Immaterial misstatement in the accounting records of banks can be estimated properly via Forensic Accountants' mindsets	0.5	2.0	12.9	69.4	15.2	4	1
Forensic Accountants' mindset can properly identify symptoms of Red flag in your bank.	3.2	2.7	13.2	69.7	11.2	4	1
The mindsets of Forensic Accountants in 100% investigation and beyond the figures on accounting records of the bank can increase the public confidence and reduce audit expectation gap	3.0	2.5	13.2	66.4	14.9	4	1
Unusual behaviors or extravagant lifestyles exhibited by member(s) of the banks can easily identify by Forensic Accountants' mindsets.	0.5	4.0	12.7	66.2	16.7	4	1
Forensic Accountants' mindsets in fraud discovery facilitate proper risk assessment.	3.7	3.0	12.7	65.4	15.2	4	1

Key: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree,

Respondents were also asked to indicate whether the bank recognizes the discrepancies and immaterial misstatement. The results in figure 4.3 revealed that 42.09% of the respondents said " Yes", while 57.91% said "No" to the assertion. It indicates that the majority of the respondents agreed that discrepancies and immaterial misstatement in the bank doesn't recognizes by bank management. This has a negative effect on audit expectation gap, as the discrepancies and immaterial misstatement in the bank gradually materialize to major frauds if less concern.

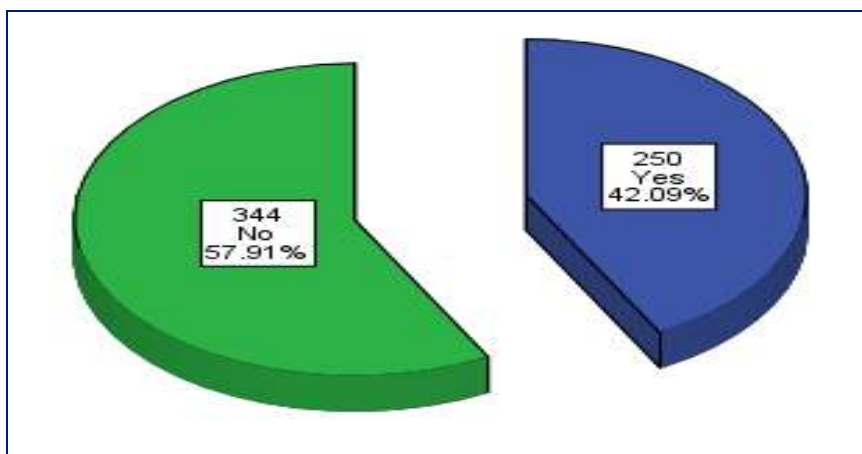


Figure 4.3: Recorgnisation of discrepancies and Immaterial misstatement in the bank

In other to complement the assertion above, the respondents were asked to specify the measure adopted by the management of the bank for the treatment of discrepancies and immaterial misstatement in the accounting records. Responses were shown in table 4.10, it indicates that, majority of the respondents (47%) specify that discrepancies and immaterial misstatement in the accounting records usually written off by the management, 33% of the respondents specify total ignorance treatment by the management, 12% of the respondents specify report to audit committee, disclosed in financial statement were specify by just 8% of the respondents. The results concur with Dekker and Den (2005); Gowthorpe and Porter (2004) argue that many any users of the financial statements are in the supposition that the financial statements contain no omissions or misstatements. In another argue

that , the audit is not aimed at identifying all the misstatements in the financial statements, as is the case with abolishing materiality. (Gowthorpe & Porter, 2004).

Table 4.10: Rate the reorganization of discrepancies and Immaterial misstatement in the bank

Unethical Issues	% of the Responses
Written off	47
Disclosed in financial statement	8
Report to audit committee	12
Total ignore	33

Contents analysis indicated that majority of the respondents specify that written off and total ignorance treatment were given by the management for the discrepancies, immaterial and material misstatement in the accounting records, while minor of the respondents specify disclosed in financial statement. A materiality of zero implies the forensic accountants checks every item of the financial administration of the company that is contained in the financial statements (a full audit). All the identified misstatements need to be adjusted in the financial statements. In this situation, the financial statements might still contain misstatements that the auditor is not capable to detect, neither by means of a full audit. As a result of this measure, the audit would become much more expensive. It was discovered that statutory auditing doesn't recognize discrepancies, immaterial and material misstatement. And this has called for the forensic services that recognizes all material or immaterial items that can materialize into audit expectation gap.

Table 4.11 provides a summary table based on a cross tabulation between the respondents' position with the bank and the mindsets of forensic Accountants in bank auditing 100% investigation and beyond the figures on accounting records of the bank to reveal management frauds. The data indicate that the majority, 359 respondents representing (60.4%) comprise shareholders only (197 out of 313 respondents), bank staff only (75 out of 129 respondents) and both bank staff and shareholders (87 out of 152 respondents) representing 62.94%, 58.14% and 57.24% respectively,

agree that the mindsets of forensic Accountant has a great influence in narrowing audit expectation gap. Fewer respondents comprise of 2.88%, 2.33% and 5.26% for shareholders only, bank staff only and both bank staff and shareholders respectively. The cross tabulation analysis in table 4.11 implies that larger percentage of respondents agree that mindset competence of forensic accountants can assist in narrowing audit expectation gap in banks and able to achieving the second objective. From the indication of cross tabulation analysis in table 4.11, we can conclude that, the percentage of the shareholders in agreeing with the mindsets of forensic accountants in narrowing audit expectation is more than that of Banks staff only and bank staff and shareholders.

Table 4.11: Cross-tabulation of the mindsets of Forensic Accountants in bank auditing . * Respondents position with the Bank.

			Respondents position with the Bank?			Total
			Shareholders	Bank Staff	Both Bank staff and Shareholders	
The mindsets of Forensic Accountants in 100% investigation and beyond the figures on accounting records of the bank can increase the public confidence and reduce audit expectation gap	S	Freq.	9	3	8	20
	D	%				
		Respondent's Relation with bank	2.88%	2.33%	5.26%	3.37%
	D	Freq.	10	3	11	24
		%				
		Respondent's Relation with bank	3.19%	2.33%	7.24%	4.04%
	U	Freq.	41	16	20	77
		%				
		Respondent's Relation with bank	13.10%	12.40%	13.16%	12.96%
	A	Freq.	197	75	87	359
	%					
	Respondent's Relation with bank	62.94%	58.14%	57.24%	60.44%	
	S	Freq.	56	32	26	114
	A	%				
		Respondent's Relation with bank	17.89%	24.81%	17.11%	19.19%
Total		Freq.	313	129	152	594
		%				
		Respondents Relation with bank	100.00%	100.00%	100.00%	100.00%

4.6.2 Analysis of Forensic Accountants' Professional Skepticism and Audit Expectation Gap

The next objective of the study was to establish the relationship between forensic accountant's professional skepticism competence and audit expectation gap in Nigeria Deposit Money Banks. In order to investigate this objective, the following assertions were made with their responses in table 4.12. The study sought to investigate how investigating tenure of forensic accountants strengthens their professional skepticism, 72.4% of the respondents agreed, 4.5% disagree, while 23.1% were neutral in their opinion. The results connote that investigating tenure of forensic accountants has a positive impact on professional skepticism of forensic accountants, it implies that the audit tenure for statutory auditing impaired the professional skepticism of the statutory auditors. The results concur with the views of Adeniyi and Mieseigha (2013) notes that an audit firm's tenure can result in a loss of auditor's independence. A long audit-client relationship could lead to an alignment of the auditors' interest and that of its client which makes truly independent behaviour of the auditor a probability. Therefore, Investigating tenure for forensic accountants improves the audit quality.

The study wanted to find out if lack of time budget pressure by the management of the bank on forensic accountants can improve forensic accountants' professional skepticism. The result in table 4.14 revealed that 72.2% of the respondents agreed, 4.5% disagreed, while 23.4% of the respondents were neutral to the assertion. It implies that, forensic accountants that are not under the time budget pressure of the management have a tendency to improve their professional skepticism. The study findings agree with Coram *et al.* (2004) found that auditors tend to accept doubtful audit evidence in the presence of high time budget pressure regardless of the level of risk, but appear to fail to test all items in a selected sample in the presence of high time budget pressure only when the level of risk is low. It seems that it is perceived by auditors as more tolerable to accept doubtful audit evidence than to audit a sample that is too small. The research conducted by Leventis and Caraminis (2005) showed that auditors under high time pressure may be less likely to identify and detect red

flags than forensic accountants that is not under time budget pressure of the management.

Non-involvement of forensic accountants in non-audit exercise increase the level forensic accountants' professional skepticism, is another assertion investigating the second objective of the study. The results in table 4.12 show that 64.9% were the overall respondents agreed, 3.5% disagree in total, while 21.6% of the respondents were neutral to the assertion. Avoiding non-audit exercises by the forensic accountants increase the level of forensic accountants' professional skepticism. Regarding whether avoiding related party transactions by the forensic accountants can enhance commitment of forensic accountants' professional skepticism, respondents give their various opinion, 70.7% of the respondents agreed, 9.0% disagreed, while 20.4% were neutral to the statement. It implies that, non-involvement of forensic accountants in related party transactions in the banks can strengthen their professional skepticism. These results can be supported by Lin and Chen (2004) argue that, related party transactions are often viewed as unfair and being detrimental to outside shareholders. Related party transactions can be used by controlling shareholders and/or top executives for their own private benefits at the cost of deteriorating corporate value .

As to whether the commitment of forensic accountants on ethical issues strengthen Forensic Accountants' professional skepticism, 70.2% represent aggregate respondents agreed, 9.2% disagreed, while only 20.6% of the respondents were neutral. The results imply that majority of the respondents believe that commitment of forensic accountants on ethical issues in a bank more than technical issues strengthen forensic accountants' skepticism. This result was in line with Bell and Justin (2008) argued that ethical orientations can have professional commitment and professional skepticism. In related studies Beu and Buckley (2001) it was found that professionals who are focused on technical issues have less attention for ethical issue.

In overall, The study sought determine whether high level of forensic Accountants' professional skepticism can results in identifying more fraud risk and sufficient to obtain quality report for the bank. The studying findings revealed that 79.2 % representing the aggregate of respondents agreed to the assertion,4.7% disagree,16.1% were neutral, but none of the respondents gave opinion to strongly disagreed. The results show that majority of the respondents subscribe to the assertion that high level of forensic accountants' professional skepticism can identify fraud in the bank and enough to obtain quality report. The result was supported by Hurtt *et al.* (2008) highlighted that, professional skepticism is essential for the evaluation of (invalid) information and (invalid) evidence and therefore of great importance with respect to fraud identification in narrowing the audit expectation gap. Bell *et al.* (2005) further stated that if there would have been more skepticism on the part of the auditor this could have reduced the effects of major recent business 'improprieties'.

It can be concluded from the descriptive analysis table for objective two in table 4.12 that, majority of the respondents agreed forensic accountant's professional skepticism competence is a factor contributing in narrowing audit expectation gap with the mean of 4 (agree) but with a small variation (standard deviation is 1). This is an indication that only small proportion of respondents have different perception from objective three of the study.

Table 4.12: Responses on Forensic Accountants' Professional Skepticism**Competences**

Statement	1 (%)	2 (%)	3 (%)	4 (%)	5 (%)	Mean	SD
Investigating tenure of Forensic Accountants can enhance Forensic Accountants' professional skepticism.	0.0	4.5	23.1	56.2	16.2	4	1
Lack of time budget pressure by the management of the bank on Forensic Accountants can improve Forensic Accountants' professional skepticism	0.0	4.5	23.4	55.0	17.2	4	1
Non-involvement of Forensic Accountants in non-audit exercise increase the level Forensic Accountants' professional skepticism .	0.0	3.5	21.6	59.2	15.7	4	1
Avoiding related party transactions by the Forensic Accountants can enhance commitment of Forensic Accountants' professional skepticism	3.0	6.0	20.4	55.0	15.7	4	1
Commitment of Forensic Accountants on ethical issues strengthen Forensic Accountants' professional skepticism .	3.0	6.2	20.6	55.0	15.2	4	1
High level of Forensic Accountants' professional skepticism can results in identifying more fraud risk and sufficient to obtain quality report for the bank in narrowing audit expectation gap	0.0	4.7	24.1	56.0	15.2	4	1

Key: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

Respondents were also asked to indicate whether the weather the management of the bank engage in related party transactions. The results in figure 4.4 revealed that 60.27% of the respondents said " Yes", while 39.73% said "No" to the assertion. It indicates that the majority of the respondents agreed that management of the bank engages in more related party transactions. This has a negative effect on audit expectation gap, as the engagement of the management of the bank in more related party transactions contribute to unethical issues which influence audit expectation gap.

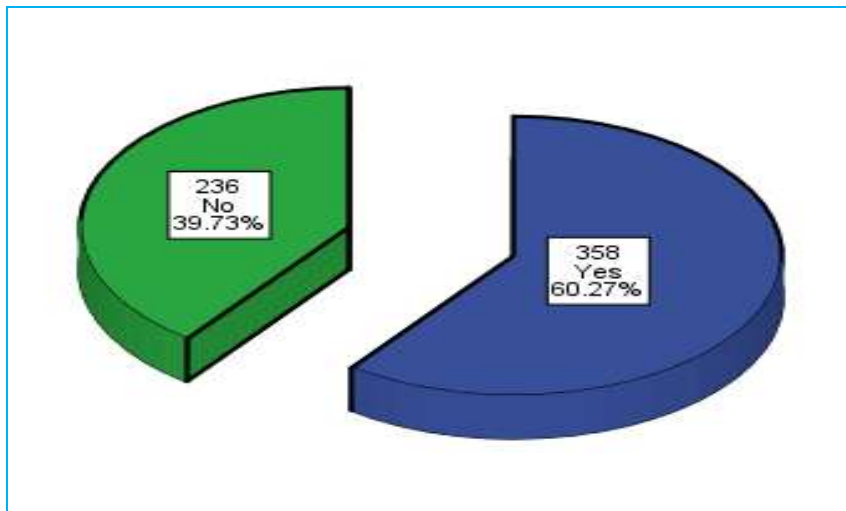


Figure 4.4: Rating the Related Party Transactions engage by the management of the bank.

In other to complement the assertion above, the respondents were asked to specify the parties commonly involved in related party transactions in the bank. Majority of the respondents specify that family to staff and management staff representing 32% and 30% respectively, as the major parties involving in related party transactions in the bank. 21% of the respondents specify friends to staff, while respondents representing 9% and 8% specify subsidiary and associate respectively. It implies that majority of the transactions embark by the bank is undertaken by the family to staff and management staff which has impact in improving audit expectation gap.

Table 4.13 below provides a summary table based on a cross tabulation between the respondents' position with the bank and professional skepticism of forensic accountants in obtaining sufficient and quality report for the bank. The data indicated that the majority 364 respondents representing (61.28%) comprise shareholders only (198 out of 313 respondents), bank staff only (77 out of 129 respondents) and both bank staff and shareholders (89 out of 152 respondents) representing 63.26%, 59.69 and 58.55% respectively, agree that high level of forensic accountants' professional skepticism result in identifying more fraud risk and sufficient to obtain quality report for the bank to narrow audit expectation gap. Fewer respondents with 25 out of 594 respondents representing 4.21%, comprise 11 out of 313 respondents (3.51%), 8 out of 129 (6.20 %) respondents and 6 out of 152 (3.95%) for shareholders only, bank staff only and both bank and shareholders respondents respectively. The cross tabulation analysis in table 4.13 implies that larger percentage of respondents agree that high level of forensic accountants' professional skepticism can result in identifying more fraud risk and sufficient to obtain quality report for the bank, which enhanced narrowing audit expectation gap and able to establish the second objective. From the indication of cross tabulation analysis in figure 4.13 shows that, the proportion of the shareholders in agreeing with the forensic accountants' professional skepticism in narrowing audit expectation is more than that of banks staff and both staff and shareholders.

Table 4.13: Cross-Tabulation of the Professional Skepticism of Forensic Accountants in Bank Auditing . * Respondents Position with the Bank.

			<u>Respondents position with the Bank?</u>			
			Shareholder	Bank Staff	Both Bank staff and Shareholder	Total
			s	s	s	
High level of Forensic Accountants' professional skepticism result in identifying more fraud risk and sufficient to obtain quality report in narrowing audit expectation gap for the bank	S	Freq.	12	10	9	31
		%				
	D	Respondents Relation with bank	3.83%	7.75%	5.92%	5.22%
		Freq.	11	8	6	25
	D	%				
		Respondents Relation with bank	3.51%	6.20%	3.95%	4.21%
	U	Freq.	49	14	29	92
		%				
	U	Respondents Relation with bank	15.65%	10.85%	19.08%	15.49%
		Freq.	198	77	89	364
	A	%				
		Respondents Relation with bank	63.26%	59.69%	58.55%	61.28%
S	Freq.	43	20	19	82	
	%					
A	Respondents Relation with bank	13.74%	16.00%	12.50%	13.80%	
	Freq.	313	129	152	594	
Total	%					
	Respondent s Relation with bank	100.00%	100.00%	100.00%	100.00%	

4.6.3 Analysis of Forensic Accountant's Responsibility Competence and Audit Expectation Gap .

The third objective of the study was to establish the relationship between forensic accountants' responsibility competences and audit expectation gap in Nigeria Deposit Money banks. The respondents were asked to state the extent to which they agreed with the statements regarding the relationship between forensic accountants' responsibility competences and audit expectation gap, the responses of the respondents were show on table 4.14. The respondents were asked whether responsibility of forensic accountant on prevention and identification of frauds can expose management fraud to narrow audit expectation gap, 78.1% of the respondents agreed in total, 9.2% disagreed, while only 12.7% of the respondents were neutral to the assertion. It implies that the detection responsibility of forensic accountants can expose the managerial fraud that statutory auditing default to detect. This result is in line with the studies of Okoye and Gbegi (2013) carried out a study on the evaluation of forensic accountants to planning management fraud risk detection procedures. The study reveals that forensic accountants effectively modify the extent and nature of audit test when the risk of management fraud is high, forensic accountants propose unique procedures that are not proposed by auditors when the risk of management fraud is high. Traditional auditing has a focus on error identification and prevention while forensic accounting involves fraud identification (Gray, 2008).

The respondents were asked to give their opinion on whether responsibility of forensic accountants on reliability of accounting information can enhance good quality of bank's report. 70.4% of the respondents agreed, 12.2% disagreed, while only 17.4% of the respondents gave neutral opinion. Based on this result, it implies that, majority of the respondents believe and rely on the report of forensic accountants. The result findings relates with the study agrees that the forensic accountant applies reliable principles and methods to sufficient facts or data and typically needs expertise and skills in private investigation and accounting, while on

the other hand, there is no such necessity in the traditional accounting space (Hopwood *et al.*, 2012).

As regard assertion that, dispute resolution responsibility of forensic accountants can assist bank to resolve litigation issues on fraud.76.6% (agree and strongly agreed) representing aggregate respondents agreed to the assertion, 9.4% (strongly disagreed and disagreed) representing aggregate respondents disagreed, while only 13.9% were neutral to the opinion. The result means that majority of the respondents subscribed to the fact that dispute resolution responsibility of forensic accountants can assist bank to resolve litigation issues on fraud. This result agreed well with the findings by Oyedokun (2013) stated that forensic accounting involves the application of accounting concepts and techniques to legal problem. It demands reporting, where the accountability of the fraud is established and the report is considered as evidence in the court of law or in the administrative proceeding (Joshi). It provides an accounting analysis that is suitable to the court, which will form the basis of discussion, debate and ultimately dispute resolution (Zysman, 2004).

On the opinion that, shareholders' and partnership dispute responsibility of forensic Accountant can assist in narrowing audit expectation gap. The studying findings revealed that 77.9 % (agree and strongly agreed) representing the aggregate of respondents agreed to the assertion,8.7% (disagree and strongly disagreed) , while 13.4% of the respondents were neutral. The results show that majority of the respondents subscribe to the assertion that audit expectation gap can be narrow via shareholders' and partnership dispute responsibility of forensic accountant. The result was supported by Zysman (2004) stated that shareholders and partnership dispute serve as part of major responsibility of Forensic Accountants that involve analysis of numerous year financial record for valuation and qualification of the issue in dispute.

In overall, the study sought to investigate whether responsibility of forensic accountants in reviewing factual situation and provide suggestions regarding possible courses of action and proper estimation of fraud in banks. The general aggregate results show that, 78.4% (agree and strongly agreed) of the respondents agreed, 7.0% (disagree and strongly disagreed) of the respondents show that they disagree with the assertion, while 14.7% of the respondents show neutral opinion. From the results, it implies that majority of the respondents show in their opinion that in general the responsibility of forensic accountants can review situation and provide suggestions regarding possible courses of action and proper estimation of fraud in banks that conventional auditors failed to perform. This was supported by Wells (2004) argued that the presence of forensic accountants on an audit would act as a deterrent to fraud-inclined client for there would be a perception that the likelihood of illegal activities being detected would increase.

The mean of 4 and standard deviation of 1 for all the assertion, implies that majority of the respondents agreed that forensic Accountant responsibility competence has a great influence in narrowing audit expectation gap, but with a small variation from few respondents.

Table 4.14: Responses on Forensic Accountants' Responsibility Competences

Statement	1 (%)	2 (%)	3 (%)	4 (%)	5 (%)	Mean	SD
Fraud detection and identification responsibility of Forensic Accountant can expose management fraud and reduce audit expectation gap in the bank	3.2	6.0	12.7	63.2	14.9	4	1
Responsibility of Forensic Accountants on reliability of accounting information can enhance good quality of bank's report	5.5	6.7	17.4	48.8	21.6	4	1
Dispute resolution responsibility of Forensic Accountants can assist bank in searching for evidence of criminal conduct.	2.7	6.7	13.9	63.4	13.2	4	1
Shareholders' and Partnership dispute responsibility of Forensic Accountant can assist in narrowing audit expectation gap.	1.2	7.5	13.4	55.5	22.4	4	1
Responsibility of Forensic Accountants review factual situation and provide suggestions regarding possible courses of action and proper estimation of fraud in banks	4.0	3.0	14.7	61.2	17.2	4	1

Key: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

Respondents were also asked to indicate whether the forensic accounting responsibilities can narrow audit expectation gap in Nigeria Money Deposit Bank. The results in figure 4.5 revealed that 64.98% of the respondents said "Yes", while 35.02% said "No" to the assertion. It indicates that the majority of the respondents agreed that the forensic accounting responsibilities can narrow audit expectation gap in Nigeria Money Deposit Bank. This has a negative effect on audit expectation gap the more the adoption of forensic accounting responsibilities into the auditing services in the Nigeria Money Deposit Bank, the it more reduces the audit expectation gap in existence. The findings are in agreement with the descriptive which shown that major respondents agreed on Forensic Accountant responsibility in narrowing audit expectation gap.

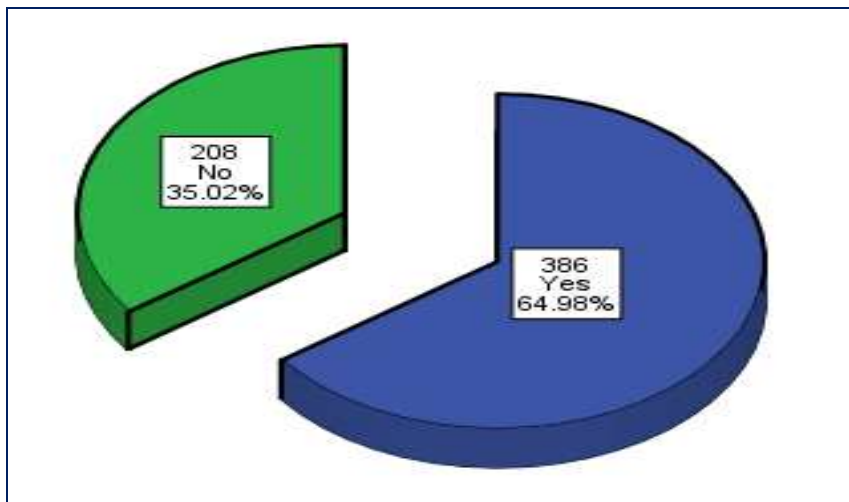


Figure 4.5: Rating the Forensic Accounting Responsibilities in narrowing Audit Expectation Gap.

In other to complement the assertion above, the respondents were asked to specify the major factors that impaired the responsibilities of statutory auditor in defaulting to narrow the audit expectation gap, which call for the alarming emergency of forensic accounting responsibility. The major factors mentioned by the respondents were: self-interest, self-review, advocacy, familiarity and intimidation threat.

Empirically, it has been discovered that all these threat mentioned have negative on the performance of an statutorily auditor's responsibilities. This can be supported by Adam and Ali (2014) in a study of the audit expectation gap in South Africa found that almost 60% of the knowledgeable respondents were of the opinion that the auditor is strongly influenced by the management of the company which he/she audits and 70% of stockbrokers were of the same opinion. Conversely, 42% of persons in public practice did not support this view.

Contents analysis indicated that the independent of the statutory auditor has been impaired by those factors mentioned by the respondents which has affected the Auditor's responsibility in narrowing audit expectation gap. It has been confirmed empirically that, the organization that auditors are auditing service is in position of paying the bill. In some cases, auditors are frightened of losing high profile clients due to the financial fortunes they get. It is almost difficult for an auditor to be independent under these circumstances, this affect the professional skepticism of an Auditor. And this has called for the forensic services that does not depend on management for the remuneration of their services.

Table 4.15 below provides a summary table based on a cross tabulation between the respondents' position with the bank and fraud detection and identification responsibility of forensic accountant to expose management fraud in the bank. The data indicated that the majority 344 respondents representing (57.91%) comprise shareholders (186 out of 133 respondents), Bank staff (70 out of 129 respondents) and Shareholders (77 out of 105 respondents) representing 59.42%, 54.26 and 57.89% respectively, agree that fraud detection and identification responsibility of forensic accountant exposes management fraud in the bank. Fewer respondents with 26 respondents representing 4.38%, comprise 2.88% (9 out of 313 respondents), 4.65% (6 out of 129 respondents) and 7.24% (11 out of 152 respondents) for shareholders, Bank staff and respondents for both bank staff & shareholders respectively strongly disagreed with the assertion. The cross tabulation analysis in table 4.15 implies that larger percentage of respondents agree that fraud detection and identification responsibility of forensic accountant exposes management fraud

in the bank, which contribute to narrowing audit expectation gap and able to achieving the third objective. From the indication of cross tabulation analysis in figure 4.15 shows that, the proportion of the shareholders in agreeing with the responsibility of forensic Accountant in narrowing audit expectation is more than that of Banks staff and both bank staff and shareholders.

Table 4.15: Cross-tabulation of Forensic Accountant's Responsibility in Bank Auditing* Respondents position with the Bank

		Respondents position with the Bank?				
			Shareholders	Bank Staff	Both staff and Shareholders	Total
Fraud detection and identification responsibility of Forensic Accountant can expose management fraud and reduce audit expectation gap in the bank	SD	Freq.	9	6	11	26
		% Respondents Relation with bank	2.88%	4.65%	7.24%	4.38%
	D	Freq.	23	3	9	35
		% Respondents Relation with bank	7.35%	2.33%	5.92%	5.89%
	U	Freq.	49	10	22	81
	% Respondents Relation with bank	15.65%	7.75%	14.47%	13.64%	
	A	Freq.	186	70	88	344
		% Respondents Relation with bank	59.42%	54.26%	57.89%	57.91%
	SA	Freq.	46	40	22	108
		% Respondents Relation with bank	14.70%	16.00%	14.47%	18.18%
Total		Freq.	313	129	152	594
		% Respondents Relation with bank	100.00%	100.00%	100.00%	100.00%

4.6.4 Analysis of Forensic Accountant's Information Technology Competence and Audit Expectation Gap

The fourth objective of the study was to establish relationship between forensic information technology competences and audit expectation gap in Nigeria money deposit bank. Table 4.16 shows the results of some assertions postulated by the researcher to investigate the objective, 64.6% represent aggregate respondents agreed that application of forensic data mining techniques can assist auditors in bank to develop a model for detecting managerial frauds, 18.4% of the respondents disagreed, while only 16.9% were neutral. The results imply that, majority of the respondents believe that forensic information technology on decision trees has the capacity to detect managerial frauds. These findings confirm by the Ravisankar, Ravi, Rao and Bose (2011) who undertook a study aim to evaluate the use of data mining techniques in the prevention of bank management fraud, important concept in the field of artificial intelligence. The study found out that forensic accounting techniques on data mining techniques are able to assist in the decision making process of identifying frauds by the analysis of information regarding bank transactions. In another study of Chitra and Subashini (2013) argue that forensic data mining techniques are commonly used in credit card, automobile insurance, and corporate fraud, also used to identify and predict the impact of fraudulent financial statements.

Concerning bayesian networks techniques of forensic accountant. The respondents were asked to state the level of agreement with assertion that whether bayesian networks techniques of Forensic Accountant can assist Auditors in bank in detecting fraudulent financial statement (FFS) and to identify factors associated with FFS. The aggregate of the respondents agreed to were 66.0%, total respondents disagree were 21.6%, while only 12.4% were neutral. The findings show that majority of the respondents agreed that bayesian networks techniques of forensic accountant can assist Auditors in bank in detecting fraudulent financial statement (FFS) and to identify factors associated with FFS. This is supported by Kirkos *et al.* (2007) argue that the Bayesian network techniques is used in developing models for credit card,

automobile insurance, and corporate fraud detection. The study further described that Bayesian belief network model correctly classified 90.3% of the validation sample for fraud detection. Bayesian belief network outperformed neural network and decision tree methods and achieved outstanding classification accuracy.

In response to the view that application of logit regression analysis of forensic accountant can assist auditing in bank to proper investigate the relationship between insider trading and fraud, 70.7% represent aggregate of the respondents agreed, 16.9% of the respondents disagreed, while only 12.4% were neutral to the assertion. These findings suggest that majority of the respondents were of the opinion that logit regression analysis of forensic accountant can assist auditing in bank to proper investigate the relationship between insider trading and fraud. The study is in line with Zhu and He (2003) developed and tested a logistic regression to estimate the likelihood of fraudulent financial reporting using a sample of 77 fraud and 305 non-fraud engagements, based on the incidence of red flags as explanatory variables. They found that the significant red flags that effectively discriminated between fraud and non-fraud engagements were: management lied to the auditor; a weak internal control environment; an unduly aggressive management attitude; undue management emphasis on meeting earning projections; and significant difficult-to-audit transactions. Also, Smith (2005) constructed a model to detect falsified financial statements. He employed the statistical method of logistic regression. Two alternative input vectors containing financial ratios were used. The reported accuracy rate exceeded 84%. The results suggest that there is potential in detecting fraudulent financial statement through the analysis of published financial statements.

The study intended to confirm if anti-money laundry software of forensic accountant can assist Auditor in bank to control electronic crime, 64.7% represent the aggregate respondents of agreed, 19.2% disagreed, while 16.2% were neutral, but none of the respondent shows strongly disagreed. These results show that majority agreed that The study intended to confirm if anti-money laundry software of forensic accountant can assist auditor in bank to control electronic crime.

Generally, The respondents were asked to state their level of agreement on whether forensic information technology assist Auditors in banks to detect and prevent culprit of cybercrime. 77.1% represent the aggregate respondents agreed, 12.4% disagreed, while 10.5% were neutral. From the results, it was discovered that, majority of the respondents agreed to the assertion that, forensic information technology competences can assist Auditors in bank to expose, detect and prevent managerial and all other sophisticated frauds that conventional auditors failed to detect. This was in concur with Bigler (2001) forensic accountants can use specialized software and computer hardware to facilitate the preservation, collection, analysis and documentation of evidence. The study further stated that computer based forensics is clear as government, courts, organizations and others are placing ample emphasis on fact finding grounds in support to computer related forensic records upon guarding of some inadequate recordkeeping ,ensuring accuracy of forensic evidence records and the guarantee aspect that these are not being put into compromise as deemed important for the court to recognize.

In conclusion, the mean is 4(agree) implying that majority agreed with the statements in the descriptive analysis of objective five with a small variation of 1 (standard deviation is 1). It implies that larger proportion of the respondents agreed that forensic information technology competence can influence in narrowing audit expectation gap, but a few proportion of respondents have different opinion from that from the standard deviation of 1.

Table 4.16: Responses on Forensic Information Technology Competences

Statement	1 (%)	2 (%)	3 (%)	4 (%)	5 (%)	Mean	SD
Application of Forensic Data Mining can assist Auditors in bank to develop a model for detecting managerial frauds.	0.0	18.4	16.9	34.3	30.3	4	1
Forensic Bayesian Networks techniques of can assist Auditors in bank in detecting fraudulent financial statement (FFS) and to identify factors associated with FFS.	0.5	21.1	12.4	57.0	9.0	4	1
Application of forensic Logit Regression Analysis of Forensic Accountants can assist auditing in bank to proper investigate the relationship between insider trading and fraud.	0.5	16.4	12.4	57.0	13.7	4	1
Anti-money laundry software of Forensic Accountant can assist Auditor in bank to control electronic crime.	0.0	19.2	16.2	55.0	9.7	4	1
Can Forensic Information Technology assist Auditors in banks to detect, prevent culprit of cybercrime and facilitate narrowing audit expectation gap.	0.0	16.4	15.4	57.2	10.9	4	1

Key: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

In other to narrow the audit expectation gap via computer forensic, respondents were also asked to indicate problems encounter by the bank in applying forensic technology in Nigeria Money Deposit Bank. The results in figure 4.6 revealed that 69.19% of the respondents said " Yes", while 30.81% said "No" to the assertion. It indicates that the majority of the respondents agreed that there are problems to encountered by the banks in applying forensic technology in Banks.

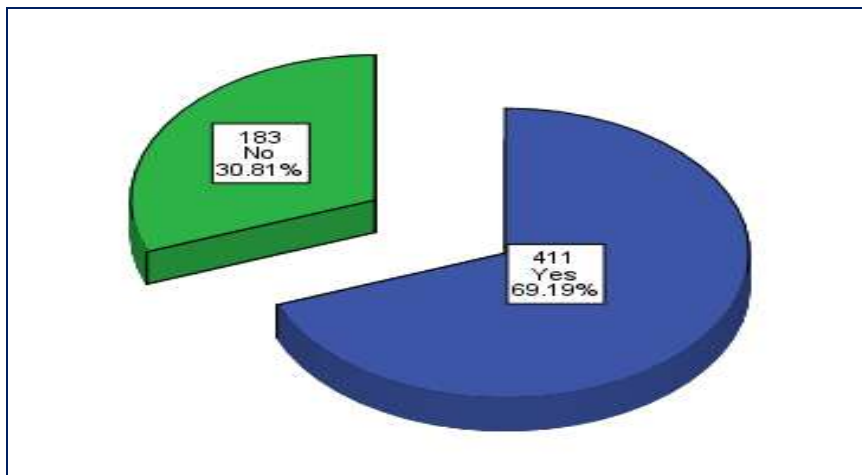


Figure 4.6:Rating the Problem Encounter by the bank in applying Forensic Technology

In other to complement the assertion above, the respondents were asked to specify the major problems the bank encountered in implementing forensic information technology in bank auditing services to facilitate narrowing audit expectation gap. Majority of the respondents indicate cost of computer forensic services and technical expert representing 38% and 35% respectively as a major problems of implementing forensic information technology in Nigeria Money Deposit Bank. Follow by respondents representing 12% indicated intention of the client (bank) not to compromise their systems and data with the introduction of computer forensic, 6% of the respondents specify software competency problem and lack of suitable computer facilities with 9% of the respondents. The results imply that, due to the complexity of activities in banking nowadays outweigh the scope of the statutory auditor.

The results concur with Centre for Forensic Studies (2010) report, the increasing need for forensic and investigative accounting in the banking sector results from the complexities of modern day banking with large volume of complex data. This makes it difficult to monitor transactions by applying manual audit processes. This in turn makes the control utility of auditing ineffective.

Contents analysis indicated that majority of the banks' management avoid adoption of forensic information technology due to some reasons: technology adoption, technology acceptance of new systems, limited internet access and legislation. But the major reasons is the financial implication and divulging of management frauds and other malpractices perpetrated by the management and bank staff which the statutory auditor default to indentify that is causing audit expectation gap.

Table 4.17 provides a summary table based on a cross tabulation between the respondents' position with the bank and forensic information technology in bank auditing. The data indicate that the vast majority 319 out of 594 respondents representing (53.5%) comprise shareholders (181 out of 313), bank staff only (74 out of 129 respondents) and respondents involve in both shareholders and bank staff (64 out of 152 respondents) representing 57.83%, 57.36% and 42.11% respectively, agree that forensic information technology can assist auditors in bank auditing to detect and prevent culprit of cybercrime and facilitate narrowing audit expectation gap. Fewer respondents, 26 out of 594 comprise of shareholders only (12 out of 313), bank staff only (8 out of 129) and both bank and shareholders (6 out of 152) representing 3.83%, 6.20% and 3.95% respectively.

The cross tabulation analysis in table 4.17 implies that larger percentage of respondents agree that forensic information technology assist auditors in banks to detect and prevent culprit of cybercrime which foster narrowing audit expectation gap and able to establish the fifth objective. From the indication of cross tabulation analysis it shows that, the percentage of the respondents that are shareholders only bank staff only were almost same and agree with the forensic information technology in bank auditing is larger than that of bank staff while, proportion of respondents

involve as shareholders and banks strongly disagree with the assertion fewer than that of the shareholders only and bank staff only. It shows that, majority of the shareholders only and banks staff only agree with these assertion

Table 4.17: Cross-tabulation of the Forensic Information Technology in Bank Auditing. * Respondents position with the Bank.

		<u>Respondents position with the Bank?</u>				
		Shareholders	Bank Staff	Both Bank staff and Shareholders	Total	
Forensic Information Technology assist Auditors in banks to detect, prevent culprit of cybercrime and facilitate narrowing audit expectation gap	SD	Freq.	12	8	6	26
		%				
		Respondents Relation with bank	3.83%	6.20%	3.95%	4.38%
	D	Freq.	45	9	19	73
		%				
		Respondents Relation with bank	14.38%	6.98%	12.50%	12.29%
	U	Freq.	35	12	11	58
		%				
		Respondents Relation with bank	11.18%	9.30%	7.24%	9.76%
	A	Freq.	181	74	64	319
		%				
		Respondents Relation with bank	57.83%	57.36%	42.11%	53.70%
SA	Freq.	40	26	52	118	
	%					
	Respondents Relation with bank	12.78%	16.00%	34.21%	19.87%	
Total	Freq.	313	129	152	594	
	%					
	Respondents Relation with bank	100.00%	100.00%	100.00%	100.00%	

4.6.5 Audit Expectation Gap (Dependent Variable)

In the current study audit expectation gap was the dependent variable. The assertions to investigate by the researcher and the responses from the respondents were shown in table 4.18.

The study sought to determine if limitations understanding of public on the nature of the statutory audit, including its scope and objectives can cause audit expectation gap. The majority of the respondents representing 66.7% agreed in total ,8.5% disagreed, while 24.9% were neutral. The result implies that misunderstanding of users of bank financial report on scopes and objectives of statutory audit can lead to audit expectation gap. Concerning the assertion on the over expectation and perceptions of users to auditor's performance can lead to audit expectation gap,70% respondents representing the aggregate agreed, 9.2% disagreed, while 20.1% were neutral to the assertion. It implies, over expectation of auditor's performance compared to actual performance of auditor to audit expectation gap. These results are in line with (Humphrey, Moizer, & Turley, 1993),opined that imposition of additional responsibilities on auditor to cover reasonable expectation of public may help to mitigate audit expectation gap.

In response to the opinion that, the reliance of statutory auditor on the representation of the trusted officers in the bank can lead to audit expectation gap, 67.1% agreed in total, 8.5 % disagreed, while 24.4% were neutral. These results indicate that, majority of the respondents disagreed with the reliance of Auditors on banks officers representation to give opinion for public decision making. The result can be confirmed by a similar study conducted by (Lee *et al.*, 2007) arguing, unless there is a change in the requirement of the international standard statements- (ISA) 700- which is on the auditor's report on financial statement.

The respondents were asked to indicate their level of agreement with given statements concerning unambiguous opinion of standard auditor's report on audit procedure performed and professional judgments in arriving at audit opinion lead to audit expectation gap. The table 4.18 shows that 74.1% of the respondents agreed,

4.2% disagreed, while 21.6% were neutral. The results show that majority of the respondents believed that unambiguous opinion of Auditor on audited report, is a major factor contributing to audit expectation gap. The mean is

The study intended to establish if the limitation of statutory auditor's responsibility in prevention and detection of fraud can be traced to audit expectation gap. The result shows that 62.7% representing aggregate respondents agreed, 8.5% disagreed while 28.9% were neutral Majority of the respondents were of the opinion that, omission of prevention and detection of fraud in the statutory audit code of conduct resulted to audit expectation gap. These findings concur with studies by Chukwunedu and Okoye (2012) revealed that accounting academics perceives forensic accounting techniques included in an audit as capable of increasing the ability of the auditor to detect fraud and as a result aid in bridging the audit expectation gap in Nigeria. In conclusion, with the mean of 4 in all the statements of the descriptive analysis of audit expectation gap it connotes that larger proportion of the respondents agree with all the assertions while, the standard deviation of 1, implying that fewer respondents deviate from the statement used to analysis the variables.

Table 4.18: Responses on Audit Expectation Gap

Statement	1	2	3	4	5	Mean	SD
	%	%	%	%	%		
Limitations understanding of users on the nature of the statutory audit, including its scope and objectives can cause audit expectation gap.	0.0	8.5	24.9	56.5	10.2	4	1
Over expectation and perceptions of users to auditor's performance	0.7	8.5	23.1	56.0	11.7	4	1
Rely on the representation of trusted officers in the bank by the statutory auditor can be traced to audit expectation gap	0.0	8.5	24.4	55.7	11.4	4	1
Unambiguous opinion of standard auditor's report on audit procedure performed and professional judgments in arriving at audit opinion lead to audit expectation gap.	0.0	4.2	21.6	58.7	15.4	4	1
The limitation of statutory Auditor's responsibility in prevention and detection of fraud can be traced to audit expectation gap.	0.0	8.5	28.9	55.0	7.7	4	1

Key: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree,

Respondents of the study were asked to state whether inclusion of prevention and detection of frauds in statutory code of conduct can narrow audit expectation gap. The results in figure 4.7 revealed that 60.27% of the respondents said "Yes", while 39.73% said "No" to the assertion. It indicates that a strong majority of the respondents agreed that inclusion of prevention and detection of frauds in statutory code of conduct can narrow audit expectation gap.

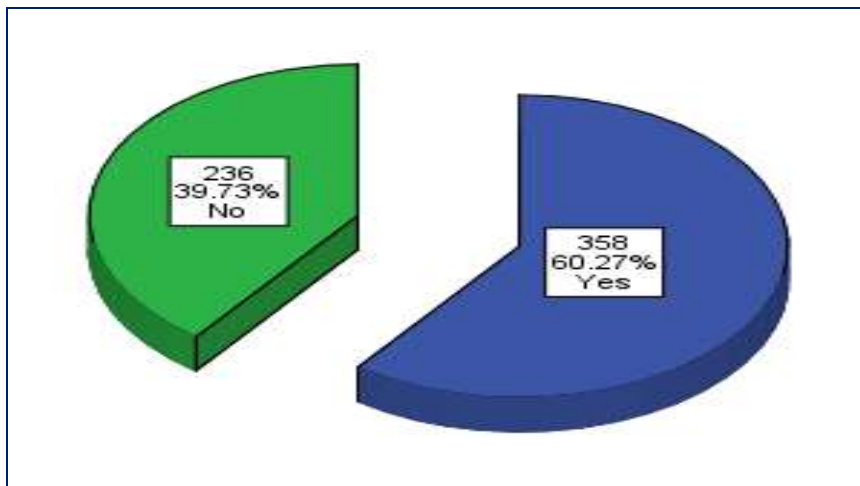


Figure 4.7: Distribution Inclusion of Prevention and detection of Frauds in statutory code of conduct

Respondents were also asked to indicate the preventive measures to be adopted in their banks to control frauds in other to facilitate narrowing the audit expectation gap. The following are the major preventive measures mentioned by the respondents: analytical review procedures of forensic accountant, increasing in the scope of statutory auditing and Proactive use of forensic accounting services as against reactive use of forensic accounting service. The finding agreed with (Cletus, 2014) examined on forensic auditing and financial crime in Nigerian banks; a proactive approach From the result of their analysis, it was revealed that proactive forensic auditing has a negative significant relationship with managers' financial crime. This implies that increase in forensic auditing leads to decrease in managers' financial crime in Nigerian banks. The findings of the current study agrees also with previous studies such as (Okoye & Akamobi, 2009).

Content analysis indicates that suggested recommendations by the respondents for preventive measures to be adopted in controlling frauds in banks in order to narrow audit expectation gap are: analytical review procedures of forensic accountant, increasing in the scope of statutory auditing and proactive use of forensic accounting services as against reactive use of forensic accounting service; clearly define boundaries between forensic accountant and statutory auditor. This what make statutory auditor default in narrowing the audit expectation gap

4.7 Diagnostic Tests

When the assumptions of the linear regression model are correct, ordinary least square (OLS) provides efficient and unbiased estimates of the parameters (Long & Ervin, 2000). To keep on with the assumptions, this study carried the following diagnostic tests : factors analysis, reliability test, normality test, homoscedasticity and multicollinearity on the variables. Osborne, Christensen and Gunter (2001) observe, few articles report having tested assumptions of the statistical tests they rely on for drawing their conclusions.

4.7.1 Normality Test

Inferential statistics are meant to infer whether there is underlying relationship within the respective variables for purposes of subsequent analysis. The dependent variable was subjected to normality to check whether the data provided was normally distributed or not. The best to evaluate how far data is normal is to test for one-sample kolmogorov-smirnov for the dependent variable (Garson, 2012). For one to fit a linear model to some given data, the dependent variable (audit expectation gap) has to be normally distributed.

To test the normality of the dependent variable audit expectation gap, a One-Sample Kolmogorov-Smirnov Test (KS) was conducted. The Kolmogorov-Smirnov test (also known as the K-S test or one-sample Kolmogorov-Smirnov test) is a nonparametric procedure that determines whether a sample of data comes from a specific distribution, i.e., normal, uniform, Poisson, or exponential distribution. It is mostly used for evaluating the assumption of univariate normality by taking the observed cumulative distribution of scores and comparing them to the theoretical cumulative distribution for a normally distributed variable.

The null and alternative hypotheses are stated below.

H₀: The data is normally distributed

H₁: The data is not normally distributed

The rule is that if the p-value is greater than 0.05, H₀ is accepted and H₁ is rejected, if the p-value is less than 0.05, H₀ is rejected and H₁ is accepted.

The results obtained in table 4.19 indicate that Kolmogorov-Smirnov Z statistic is 0.159 (p-value =0.127). Since p-value of Kolmogorov-Smirnov greater than 0.05, the null hypothesis was accepted and concluded that the data was normally distributed and therefore fit for linear regression analysis.

Table 4.19: One – sample Kolmogorov- Smirnov Test for Audit Expectation Gap

	Audit Expectation Gap
N	594
Kolmogorov-Smirnov Z	0.159
Asymp. Sig. (2-tailed)	0.127

4.7.2 Homoscedastic Test for Audit Expectation Gap

Heteroscedasticity means that previous error terms influence other error terms and hence violating the statistical assumption that the error terms have a constant variance. But, Homoscedasticity suggests that the dependent variable has an equal level of variability for each of the values of the independent variables (Garson, 2012). A test for homoscedasticity is made to test for variance in residuals in the regression model used. If there exist equal variance of the error terms, we have a normal distribution. Lack of an equal level of variability for each value of the independent variables is known as heteroscedasticity. The Breusch–Pagan test developed by Breusch and Pagan(1979) was used to test for homogeneity in a linear regression mode.

The null and alternative hypotheses are stated below:

H₀: The data is not heterogenous in variance

H₁: The data is heterogeneous in variance

The rule is that if the p-value is greater than 0.05, H₀ is accepted and H₁ is rejected, if the p-value is less than 0.05, H₀ is rejected and H₁ is accepted. The result of the test is shown in table 4.20, which indicate that the test statistic is 1.5639 (p-value = 0.1873). Since the test –Statistic is lower than the p-value greater than 0.05, the null hypothesis was accepted and concluded that there was homoscedasticity in the data (that is, the data is not heterogeneous in variance), which satisfies the assumption of regression.

Table 4.20: Test for Homoscedasticity in the Response and Residuals

Test - Statistic	Degree of Freedom	P-Value
1.5639	4	0.1873

4.7.3 Multicollinearity Test

Multicollinearity is a statistical situation where some independent variables in a multiple regression model are highly correlated. When multicollinearity occurs the correlated predictors provide redundant information about the responses (Lauridsen & Mur 2005). It is important to undertake a multicollinearity test to help reduce the variables that measure the same things (Robert, 2007). In order to identify if there was multicollinearity among the independent variables, a Variance Inflation Factor (VIF) measure was used (see Table 4.21). According to O'Brien (2007), The Variance Inflation Factor (VIF) measures the impact of collinearity among the variables in a regression model. The Variance Inflation Factor (VIF) is $1/\text{Tolerance}$, it is always greater than or equal to 1. Values of VIF that exceed 10 are often regarded as indicating multicollinearity problem. The current study measure showed the VIF to range between 1.005 and 1.026. This implies that there was no multicollinearity among the independent variables since the acceptable limits are within 1 and 10 (Farrar & Glauber, 1967).

Table 4.21: Variance Inflation Factor Measure of Multicollinearity test

Variable	Collinearity Statistics	
	Tolerance	VIF
Forensic accountants' mindset competence,	.978	1.026
Forensic accountants' Responsibility competence,	.988	1.012
Forensic accountants' Professional skepticism competence	.995	1.005
Forensic information technology competence	.978	1.013

4.8 Correlation Analysis

4.8.1 Scatter Plot

The scatter plot or diagram is used to graphically represent the relationship between two variables (the independent and dependent variables) . According to Gupta (2011) scatter plot or diagram is one of the simplest tools of ascertaining the correlation between two variables. The nature of relationship existed between Forensic Accountants' mindset Competency (independent variable) and Audit expectation gap (dependent variable) was displayed by scatter plot diagram in figure 4.8 .The scatter plot shows a downward sloping relationship. This suggests that there is a negative linear relationship between forensic accountants' mindset competency and audit expectation gap. This can be interpreted that the more adoption of forensic accountants' mindset competency decline the audit expectation gap.

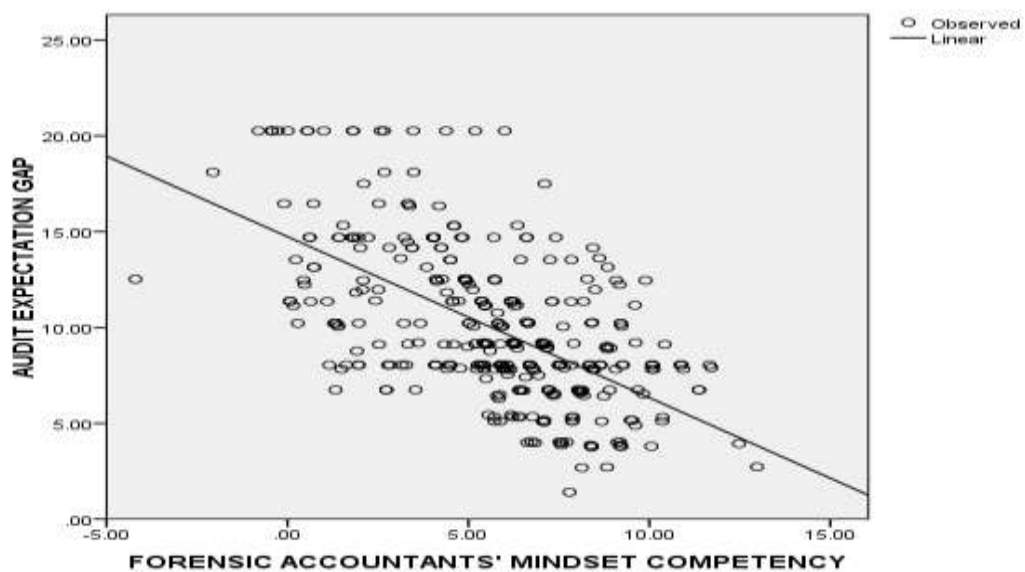


Fig. 4.8: Scatter Plot for Forensic Accountants' Mindset Competency and Audit Expectation Gap

The nature of relationship existed between forensic accountants' professional skepticism Competency (independent variable) and Audit expectation gap (dependent variable) was displayed by scatter plot diagram in Figure 4.9 .The scatter plot shows a downward sloping relationship, this suggests that there is a negative linear relationship between forensic accountants' professional skepticism competence and audit expectation gap. This can be interpreted that the more adoption of forensic accountants' mindset competence decline the audit expectation gap.

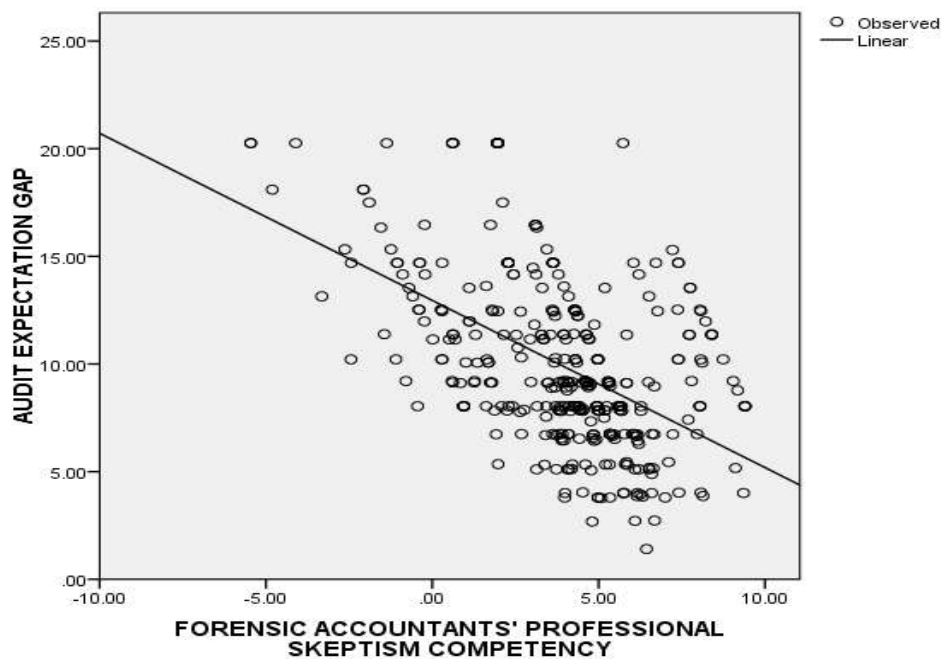


Fig. 4.9: Scatter Plot for Forensic Accountants' Professional Skepticism Competence and Audit Expectation Gap

The nature of relationship existed between forensic accountants' responsibility competence (independent variable) and audit expectation gap (dependent variable) was displayed by scatter plot diagram in Figure 4.10 .The scatter plot shows a downward sloping relationship, this suggests that there is a negative linear relationship between forensic accountants' responsibility competence and audit expectation gap. The findings imply that an increase in forensic accountants' responsibility competency lead to a decline audit expectation gap.

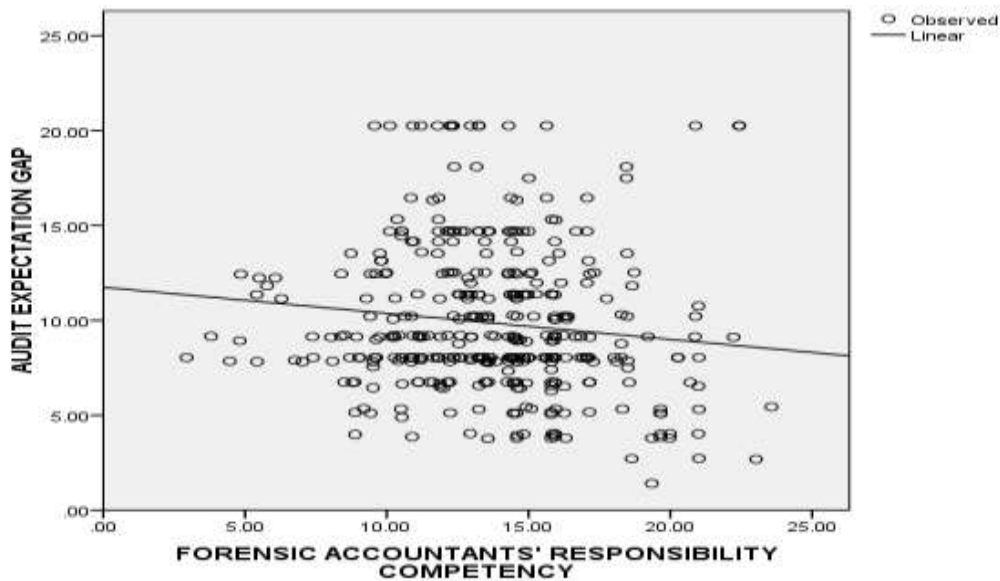


Fig. 4.10: Scatter Plot for Forensic Accountants' Responsibility Competence and Audit Expectation Gap

The nature of relationship existed forensic information technology competency (independent variable) and audit expectation gap (dependent variable) was displayed by scatter plot diagram in Figure 4.11 .The scatter plot shows a downward sloping relationship. This suggests that there is a negative linear relationship between forensic information technology competency and audit expectation gap. This can be interpreted that The findings imply that an increase in adoption of forensic information competency lead to a decline audit expectation gap.

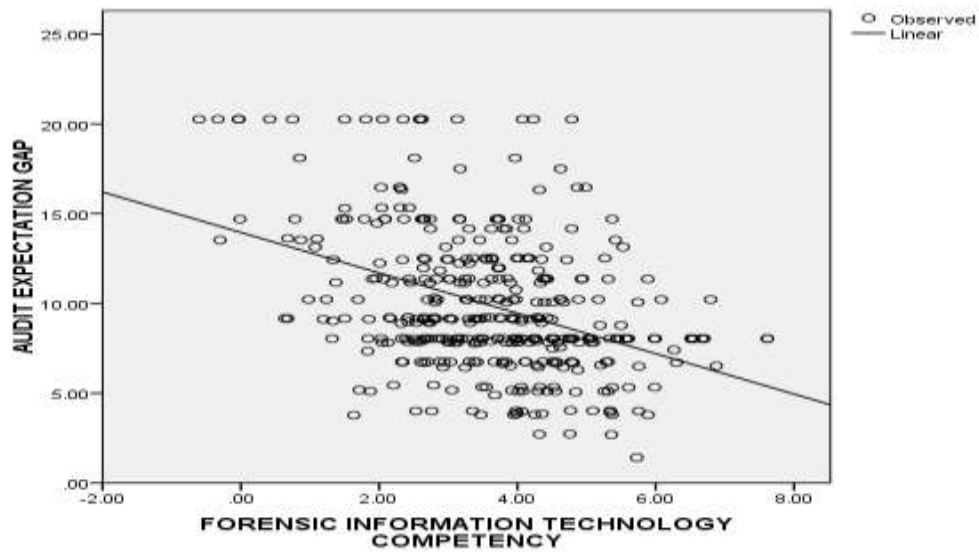


Fig. 4.11: Scatter Plot for Forensic Information Technology Competence and Audit Expectation Gap

4.8.2 Pearson Correlation Matrix

The researcher used correlation analysis to determine the relationship between each independent variable and the dependent variable growth. Pearson's correlation coefficient was used for this analysis as the data was continuous. (Kothari, 2014) states that the importance of correlation matrix is to determine the extent to which changes in the value of an attribute is associated with changes in another attribute and show a researcher the magnitude and direction of the relationship between two variables. According to (Kothari, 2014) the correlation coefficient can range from -1 to +1, with -1 indicating a perfect negative correlation, +1 indicating a perfect positive correlation, and 0 indicating no correlation at all. The correlation between audit expectation gap and the independent variables ,forensic accountant's mindset competence, forensic accountant's responsibility competence, forensic accountant's professional skepticism competence and forensic information technology competence are ranked from the highest to the lowest as shown in table 4.23

The Pearson Correlation coefficient of forensic accountant's mindset competence and audit expectation gap was computed and established as $-.670$, which indicate a strong

negative relationship between the two variables and with a $p\text{-value} = 0.000 < 0.05$ as shown in table 4.23 indicates significant relationship between the two variables. It could then be concluded that there is a strong negative linear relationship between the two variables since the correlation coefficient is between 0.51 and 1.0 according to (Dancey & Reidy, 2004) categorization. This is synonymous in the study (Armor & Taylor, 2003) argue that prior accounting literature has provided empirical evidence to support the relationship between forensic accountant's mindset and problem representation and concluded that the forensic accountant will be expected to have a higher propensity than auditors to take further investigative actions into company's financial statements to determine the occurrence of fraud.

The Pearson Correlation coefficient of forensic accountant's professional skepticism competence and audit expectation gap was computed and established as $-.46$ ($p\text{-value} = 0.000$) indicate moderate negative and significant relationship between the two variables, as shown in table 4.22. It could then be concluded that there is a moderate/ medium negative linear relationship between the two variables since the correlation coefficient is between -0.31 and $-.49$, according to (Dancey & Reidy, 2004) categorization. This is in agreement with the findings of (Beasley, Carcello, & Hermanson, 2001) who established that auditors are frequently challenged by regulators for failing to exercise a sufficient level of skepticism during the audit exercise which call for forensic accounting services. This shows a negative relationship between forensic skepticism and audit failure.

The Pearson Correlation coefficient of forensic accountant's responsibility competence and audit expectation gap was computed and established as $-.780$ which indicate a strong negative relationship between the two variables, but the relationship is significant with a $p\text{-value} = 0.000 < 0.05$ as shown in table 4.22, it could then be concluded that there is a strong negative linear relationship between the two variables since the correlation coefficient is between -0.50 to -1.0 , according to (Dancey & Reidy, 2004) categorization. Therefore, this study confirms the result of the previous studies and found that there is a large expectations gap in the auditor

responsibility areas in lieu of preventing and disclosure of frauds, recording accounts and accountants judgment about audit procedures selection and this can be narrow by the role of forensic accountant. It was found that there is a negative relationship between the role of forensic Accountant and the audit expectation (Dixon *et al.*, 2006).

The Pearson Correlation coefficient of forensic information technology competence and audit expectation gap was computed and established as $-.750$ which indicate a strong relationship between the two variables, but the relationship is significant with a $p\text{-value}=0.000 < 0.05$ as shown in table 4.22, it could then be concluded that there is a moderate negative linear relationship between the two variables since the correlation coefficient is between -0.50 to -1.0 , according to (Dancey & Reidy, 2004) categorization. The findings of a negative relationship between forensic information technology and audit expectation gap concur with those of (Beasley *et al.*, 2001) emphasizing the increasing importance of forensic information technologies in accounting auditing found a significant and negative relationship between forensic information technologies and audit expectation gap.

Table 4.22: Pearson Correlation Matrix for Independent and Dependent Variables

		AEG	EXC	MSC	PSC	RBC	FITC
AEG	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	594					
EXC	Pearson Correlation	-.721**	1				
	Sig. (2-tailed)	.000					
	N	594	594				
MSC	Pearson Correlation	-.670**	.125	1			
	Sig. (2-tailed)	.000	.012				
	N	594	594	594			
PSC	Pearson Correlation	-.460**	.153	.347	1		
	Sig. (2-tailed)	.000	.002	.000			
	N	594	594	594	594		
RBC	Pearson Correlation	-.780*	.040	.057	.036	1	
	Sig. (2-tailed)	.015	.425	.253	.467		
	N	594	594	594	594	594	
FITC	Pearson Correlation	-.750**	.093	.209	.283	.101	1
	Sig. (2-tailed)	.000	.063	.000	.000	.043	
	N	594	594	594	594	594	594

** . Correlation is significant at the 0.05 level (2-tailed).

4.9 Regression Analysis

Regression analysis is the determination of a statistical relationship between two or more variables (Kothari, 2004). In simple regression, there are two variables, one variable (defined as independent) is the cause of the behavior of another one (defined as dependent variable).

4.9.1 Linear Regression Model of Audit Expectation Gap and Forensic Accountant's Mindset Competence

The results of the linear regression in table 4.24 indicate that $R = 0.670$ and $R^2 = 0.460$. The R value 0.670, gives an indication that there is a strong linear relationship between forensic accountant's mindset competence and audit expectation gap among Nigeria Money Deposit Bank. This means that level of forensic accountant's mindset competence has a strong influence on the audit expectation gap.

The R^2 indicates that explanatory power of the independent variables is 0.460. This means that about 46 % of the variation in audit expectation gap is explained by the model $AEG = \beta_0 + \beta_1 (MSC)$ and 54.0% is unexplained by the model. It implies that 46 % of variation in the audit expectation gap can be explained by a unit change in forensic accountant's mindset competence., While the remaining percentage of 54.0% is explained by other variables. The adjusted R^2 of 0.458 which is slightly lower than the R^2 value is a precise indicator of the relationship between the independent and the dependent variable because it is sensitive to the addition of irrelevant variables. The adjusted R^2 in table 4.23 indicates that the model is highly sensitive to additional irrelevant variable(s) into the model with 0.002 difference from R^2 . The result is supported by the studies of (Oluwatoyin *et al.*, 2014) argued that forensic accountant mindset has great influence in meeting public expectation.

Table 4.23: Model Summary for Forensic Accountant's Mindset Competence

R	R Square	Adjusted R Square
.670 ^a	.460	.458

a. Predictors: (Constant), forensic accountant's mindset competence

Table 4.24 shows the results of ANOVA analysis which reveal that level of forensic accountant's mind has significant effect on audit expectation gap using F-test. The ANOVA for the linear model presented in table 4.29 of forensic accountant's mindset competence and audit expectation gap has an F value = 504.296 which is significant with p value = 0.000 < 0.05. This is depicted by linear regression model $AEG = \beta_0 + \beta_1(MSC)$ where AEG is audit expectation gap and MSC is mindset competence, with p value was 0.000 implying that the model was significant. The study therefore failed to accept second null hypothesis (H_0) that, forensic accountants' mindsets competence has no significant relationship with the audit expectation gap. The result is consistent with the studies by (Oluwatoyin *et al.*, 2014) confirmed that forensic accountants' mindset is one of the major determinant that contribute to the narrow of audit expectation gap as perceived by the public.

Table 4.24: ANOVA for Forensic Accountant's Mindset Competence

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	2706.564	1	2706.564	504.296	0.000 ^b
Residual	3177.270	592	5.367		
	5883.834	593			

a. Dependent Variable: Audit expectation gap

b. Predictors: (Constant), Forensic Accountant's Mindset Competence

Analysis of the regression model coefficients is shown in table 4.25. It was conducted to test the significance of regression relationship between Forensic Accountant's mindset competence and audit expectation gap, the regression coefficients (β), the intercept (α), and the significance of all coefficients in the model

were subjected to the t-test to test the null hypothesis that the coefficient is zero. The null hypothesis state that, β (beta) = 0, meaning there is no significant relationship between forensic accountant's mindset competence and audit expectation gap in Nigeria Money Deposit Bank. as the slope β (beta) = 0 (no relationship between the two variables). The results on the beta coefficient of the resulting model in table 4.26 shows that the constant $\alpha = 14.737$ is significantly different from 0, since the p- value = 0.000 is less than 0.05. The coefficient $\beta = -.840$ is also significantly different from 0 with a p value=0.000 which is less than 0.05. It implies that (H_0) null hypothesis failed to be accepted and the model is significantly fit The t value for constant is 41.024, while the t value for Forensic Accountant's expertise competence is -14.999 given a model of $AEG = 14.737 - .840 (MSC) + \epsilon$.

This confirms that there is a significant negative linear relationship between Forensic Accountant's expertise competence and audit expectation gap. Increase in forensic mindset competence reduces the audit expectation gap. The result can also be supported by Popoola, Ahmad, Samsudin (2013) examined the task performance fraud risk assessment on forensic accountant knowledge and mindset in Nigeria public sector. It was discovered that mindset active beyond the initial task to influence subsequent task, therefore, forensic accountants have strong negative relationship in narrowing audit expectation gap.

Table 4.25: Regression Coefficients of Forensic Accountant's Mindset Competence

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std. Error	Beta (β)		
(Constant)	14.737	.359		41.024	.000
Forensic Accountant's Mindset Competence	-.840	.056	-.67	-14.999	.000

a. Dependent Variable: Audit Expectation Gap.

4.9.2 Linear Regression Model of Audit Expectation Gap and Forensic Accountant's Professional Skepticism Competence

Regression analysis was conducted to determine the amount of variation in audit expectation gap explained by forensic accountant's professional skepticism competence which is denoted as coefficient of determination (R^2) and correlation coefficient (R) shows the degree of association between level of forensic accountant's professional skepticism competence and audit expectation gap among Nigeria Money Deposit Banks. The results of the linear regression in table 4.26 indicate that $R = 0.458$ and $R^2 = 0.210$. The R value 0.458, gives an indication that there is a moderate linear relationship between forensic accountant's professional skepticism competence and audit expectation gap among Nigeria Money Deposit Bank. This means that level of forensic Accountant's professional skepticism competence has a moderate influence on the audit expectation gap among Nigeria Money Deposit Bank.

The R^2 indicates that explanatory power of the independent variables is 0.210. This means that about 21.0% of the variation in audit expectation gap is explained by the model $AEG = \beta_0 + \beta_1 (PSC)$ and 79.0% is unexplained by the model. It implies that 21.0% of variation in the audit expectation gap can be explained by a unit change in forensic accountant's professional skepticism competence., While the remaining percentage of 79.0% is explained by other variables. The adjusted R^2 of 0.263 which is slightly lower than the R^2 value is a precise indicator of the relationship between the independent and the dependent variable because it is sensitive to the addition of irrelevant variables. The adjusted R^2 of 20.7 % with 0.3% deviated from R^2 , explained zero tolerance of the model to accept irrelevant variable(s). These result are consistent with the Prior research shown forensic professional skepticism is essential for evaluation of information and evidence therefore, increased levels of forensic expertise in specific domains can improve the domain specific performances of auditors which influence narrowing audit expectation gap (Bell and Justin, 2008). But in another similar study Davis and Solomon (2010) suggest that expertise competence does not have strong influence in narrowing audit expectation gap.

Table 4.26: Model Summary for Forensic Accountant's professional skepticism Competence

R	R Square	Adjusted R Square
.460 ^a	.210	.207

a. Predictors: (Constant), forensic accountant's professional skepticism competence.

A one way analysis of variance (ANOVA) whose results formed a basis for tests of significance was used via F- test. The ANOVA for the linear model presented in table 4.27 of forensic Accountant's professional skepticism competence and audit expectation gap has an F value = 157.367 which is significant with p value = 0.000 < 0.05. This is depicted by linear regression model $AEG = \beta_0 + \beta_1(PSC)$ where AEG is audit expectation gap and PSC is professional skepticism competence with p value was 0.000 implying that the model was significant. The study therefore failed to accept third null hypothesis (H_0) that, forensic accountants' professional skepticism competence has no significant relationship with the audit expectation gap in Nigeria Money Deposit Banks. The result is confirmed by the study by Leventis and Caraminis (2005) conducted a study on time budget pressure and audit effectiveness and found a negative linear relationship between time pressure and audit effectiveness. It was found that lack of professional skepticism on the part of statutory auditor would be positively associated with the magnitude of the fraud and the fraudulent scheme employed that cause audit expectation gap and high level of professional skepticism on the part of the part of forensic accountants has a strong negative relationship with audit expectation gap

Table 4.27: ANOVA for Forensic Accountant's professional skepticism Competence

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	1235.605	1	1235.605	157.367	.000 ^b
Residual	4648.229	592	7.852		
Total	5883.834	593			

Analysis of the regression model coefficients is shown in table 4.28. It was conducted to test the significance of regression relationship between forensic accountants' professional skepticism competence and audit expectation gap, the regression coefficients (β), the intercept (α), and the significance of all coefficients in the model were subjected to the t-test to test the null hypothesis that the coefficient is zero. The results on the beta coefficient of the resulting model in table 4.28 show that the constant $\alpha = 12.952$ is significantly different from 0, since the p-value = 0.000 is less than 0.05. The coefficient $\beta = -.776$ is also significantly different from 0 with a p-value = 0.000 which is less than 0.05, it implies that (H_0) null hypothesis failed to be accepted and the model is significantly fit. The t value for constant is 42.476 while the t value for forensic Accountant's professional skepticism competence is -12.018 given a model of $Y = 12.952 - .776 (\text{PSC}) + \varepsilon$. This confirms that there is a significant negative linear relationship between forensic accountant's professional skepticism competence and audit expectation gap. Increase in forensic professional skepticism competence reduces the audit expectation gap. This result concurs with the studies of Asare and Wright (2004) investigated on an examination of issues related to professional skepticism in auditing. From the result of the hypothesis testing it was predicted the likelihood of an auditor being cited for a lack of skepticism would be positively associated with accusations that the client was accused of lying or providing false or misleading statements that cause audit expectation gap to the auditor. Results also support predictions of a significant positive relationship between a lack of skepticism of an auditor and audit expectation gap. And thus, showing a negative relationship between high level of forensic accountants and audit expectation gap.

Table 4.28: Regression Coefficients of Forensic Accountant's Professional Skepticism Competence

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std. Error	Beta (β)		
(Constant)	12.952	.305		42.476	.000
Forensic Accountant's Professional skepticism Competence	-.776	.065	-.46	-12.018	.000

a. Dependent Variable: Audit Expectation Gap.

4.9.3 Linear Regression Model of Audit Expectation Gap and Forensic Accountant's Responsibility Competence.

Regression analysis was conducted to determine the amount of variation in audit expectation gap explained by forensic Accountant's responsibility competence which is denoted as coefficient of determination (R^2) and correlation coefficient (R) shows the degree of association between level of forensic accountant's responsibility competence and audit expectation gap among Nigeria Money Deposit Banks. The results of the linear regression in table 4.29 indicate that $R = 0.78$ and $R^2 = 0.62$. The R value 0.78, gives an indication that there is a strong linear relationship between forensic Accountant's responsibility competence and audit expectation gap among Nigeria Money Deposit Bank.

The R^2 indicates that explanatory power of the independent variables is 0.62. It implies that, about 62.0% of the variation in audit expectation gap is explained by the model $AEG = \beta_0 + \beta_1 (RPC)$ and 38.0% is unexplained by the model. It implies that 62.0% of variation in the audit expectation gap can be explained by a unit change in forensic accountant's responsibility competence., While the remaining percentage of 38.0% is explained by other variables. The adjusted R^2 of 0.619 which is slightly lower than the R^2 value with 0.001 is a precise indicator of the relationship between the independent and the dependent variable because it shows high sensitive to the addition of irrelevant variables. The findings agreed with Gray (2008) affirmed that responsibility of conventional auditors are incapable in mitigate fraud risks, whereas

investigation and detection responsibility of forensic accountants are considered to be better equipped to define those effective procedures that can sniff and hound hidden frauds to conclusive evidence.

Table 4.29: Model Summary for Forensic Accountant's Responsibility competence

R	R Square	Adjusted R Square
.78 ^a	.620	.619

a. Predictors: (Constant), forensic accountant's responsibility competence

A one way analysis of variance (ANOVA) whose results formed a basis for tests of significance was used via F- test. The ANOVA for the linear model presented in table 4.30 of forensic accountant's responsibility competence and audit expectation gap has an F value = 965.895 which is significant with p value = 0.000 < 0.05. This is depicted by linear regression model $AEG = \beta_0 + \beta_1(RPC)$ where AEG is Audit Expectation Gap and PRC is responsibility competence, with p value was 0.015 implying that the model was significant. The study therefore failed to accept fourth null hypothesis (H_0) that, Forensic Accountants' responsibility competence has no significant relationship with the audit expectation gap in Nigeria Money Deposit. The result is confirmed by the study (Zysman, 2004) have studied on forensic accounting demystified world investigators network standard practice for investigative and forensic accounting engagement. It was discovered that meeting public expectation is the primary responsibilities of forensic accountant, involves looking beyond the transaction figures even though a statutory Auditor is likely to become suspicious of an attempt made to disguise or cover up a transaction. Therefore, there is a strong negative relationship forensic accountant's responsibility and audit expectation gap.

Table 4.30: ANOVA for Forensic Accountant's Responsibility Competence

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	3647.977	1	3647.977	965.895	0.015 ^b
Residual	2235.857	592	3.777		
Total	5883.834	593			

a. Dependent Variable: Audit Expectation Gap

b. Predictors: (Constant), forensic accountant's responsibility competence

Analysis of the regression model coefficients is shown in table 4.31. It was conducted to test the significance of regression relationship between Forensic Accountants' expertise competency and audit expectation gap, the regression coefficients (β), the intercept (α), and the significance of all coefficients in the model were subjected to the t-test to test the null hypothesis that the coefficient is zero. The results on the beta coefficient of the resulting model in table 4.31 show that the constant $\alpha = 11.748$ is significantly different from 0, since the p-value = 0.000 is less than 0.05. The coefficient $\beta = -.137$ is also significantly different from 0 with a p-value = 0.015 which is less than 0.05, it implies that (H_0) null hypothesis failed to be accepted and the model is significantly fit. The t value for constant is 14.804 while the t value for forensic Accountant's responsibility competence is -2.447 given a model of $Y = 11.748 - .137 (RPC) + \epsilon$.

This confirms that there is a significant negative linear relationship between Forensic Accountant's responsibility competence and audit expectation gap. Increase in forensic responsibility competence reduces the audit expectation gap. The result is consonant with Appah and John (2010) found that forensic accounting training decreases expectations gap significantly, in particular in the field of Forensic Accountant reliability role. Thus, it was concluded that forensic accounting training has a strong negative relationship with audit expectation gap.

Table 4.31: Regression Coefficients of Forensic Accountant's responsibility Competence.

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std. Error	Beta (β)		
(Constant)	11.748	.749		14.804	.000
Forensic Accountant's Responsibility Competence	-.137	.056	0.78	-2.447	.015

a. Dependent Variable: Audit Expectation Gap.

4.9.4 Linear Regression Model of Audit Expectation Gap and Forensic Information Technology Competence.

Regression analysis was conducted to determine the amount of variation in audit expectation gap explained by forensic information technology competence which is denoted as coefficient of determination (R^2) and correlation coefficient (R) shows the degree of association between level of forensic information technology competence and audit expectation gap among Nigeria Money Deposit Banks. The results of the linear regression in table 4.32 indicate that $R = 0.750$ and $R^2 = 0.570$. The R value 0.750, gives an indication that there is a strong linear relationship between forensic information technology competence and audit expectation gap among Nigeria Money Deposit Bank. This means that level of forensic information technology competence has a moderate influence on the audit expectation gap among Nigeria Money Deposit Bank.

The R^2 indicates that explanatory power of the independent variables is 0.57. This means that about 57.0% of the variation in audit expectation gap is explained by the model $AEG = \beta_0 + \beta_1 (FITC)$ and 43.0% is unexplained by the model. It implies that 57.0% of variation in the audit expectation gap can be explained by a unit change in forensic information technology competence, While the remaining percentage of 43.0% is explained by other variables. The adjusted R^2 of 0.568 which is slightly lower than the R^2 value is a precise indicator of the relationship between the

independent and the dependent variable because it is sensitive to the addition of irrelevant variables. With the 0.002 value of adjusted R different from R^2 , implies highly sensitive of the model to react to irrelevance variable introduce to the model.

Table 4.32: Model Summary for Forensic Information Technology Competence

R	R Square	Adjusted R Square
.750 ^a	.570	.568

a. Predictors: (Constant), forensic accountant's responsibility competence

A one way analysis of variance (ANOVA) whose results formed a basis for tests of significance was used via F- test. The ANOVA for the linear model presented in table 4.33 of forensic information technology competence and audit expectation gap has an F value = 784.744 and significant at p value = 0.000 < 0.05. This is depicted by linear regression model $AEG = \beta_0 + \beta_1(FITC)$ where AEG is Audit Expectation Gap and FITC is forensic information technology competence,, with p value was 0.000 implying that the model was significant. The study therefore failed to accept Fifth null hypothesis (H_0) that, Forensic Accountant's information and technology competence do not significantly contribute in narrow audit expectation gap in Nigeria Money Deposit Banks. This result was supported by Smith (2005), examined the role of digital forensics within corporate organization. It was concluded that there is negative relationship between digital forensics and audit expectation gap.

Table 4.33: ANOVA for Forensic Information Technology Competence,

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	3353.785	1	3353.785	784.744	0.000 ^b
Residual	2530.049	592	4.274		
Total	5883.834	593			

a. Dependent Variable: Audit Expectation Gap

b. Predictors: (Constant), forensic information technology competence,

Analysis of the regression model coefficients is shown in table 4.34. It was conducted to test the significance of regression relationship between Forensic Accountants' expertise competence and audit expectation gap, the regression coefficients (β), the intercept (α), and the significance of all coefficients in the model were subjected to the t-test to test the null hypothesis that the coefficient is zero. The results on the beta coefficient of the resulting model in table 4.34 show that the constant $\alpha = 13.951$ is significantly different from 0, since the p-value = 0.000 is less than 0.05. The coefficient $\beta = -1.126$ is also significantly different from 0 with a p-value = 0.000 which is less than 0.05, it implies that (H_0) null hypothesis failed to be accepted and the model is significantly fit. The t value for constant is 28.377 while the t value for forensic information technology competence is -8.898 given a model of $AEG = 13.951 - 1.126(FITC) + \epsilon$.

This confirms that there is a significant negative linear relationship between, forensic information technology competence and audit expectation gap. It implies that, increase in, forensic information technology competence reduces the audit expectation gap. The result was confirmed by Phua, Lee, Smith and Gaylor (2005) reported that there is negative relationship between computer forensic and fraud detection in an organisation, when investigated on fraud and forensic accounting in a digital environment.

Table 4.34: Coefficients for regression between Forensic Information Technology Competency and Audit Expectation gap

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std. Error	Beta (β)		
(Constant)	13.951	.492		28.377	.000
Forensic Information Technology Competence	-1.126	.127	-.750	-8.898	.000

a. Dependent Variable: Audit Expectation Gap.

4.9 Overall Regression Analysis

The overall linear regression models for the relationship between the dependent variable audit expectation gap and the independent variables include: forensic Accountant's expertise competency, forensic Accountant's mindset competency, forensic Accountant's responsibility competency, forensic Accountant's professional skepticism competence and forensic information technology competence were displayed in table 4.35. The results in table 4.35 indicate $R = 0.955$ and $R^2 = .821$.

The R value 0.855 % gives an indication that, there is a strong linear relationship between independent variables and the dependent variable (audit expectation gap) among Nigeria Money Deposit Banks. This means that level of independent variables have strong influence on the dependent variable (audit expectation gap) among Nigeria Money Deposit Bank. The R^2 indicates that explanatory power of the independent variables is 0.855. This means that about 85.5 % of the variation in audit expectation gap is explained by the study model : $AEG = \beta_0 + \beta_1(MSC) + \beta_2(PSC) + \beta_3(RBC) + \beta_4(FITC)$ while, 14.5% of the variation in audit expectation gap is unexplained by the model. However, Adjusted R^2 is a modified version of R^2 that has been adjusted for the number of predictors in the model by less than chance. The adjusted R^2 of .820 which is slightly lower than the R^2 value with 0.001 is a precise indicator of the relationship between the independent and the dependent variable because it is sensitive to the addition of irrelevant variables. It implies that the overall model is highly sensitive to irrelevant variables that maybe introduce into the model.

Table 4.35: Overall regression model for dependent and Independent variables

Model	R	R Square	Adjusted R Square
1	.906	.821	.820

a. Predictors: (Constant), forensic accountants' mindset competence, forensic accountants' responsibility competence, forensic accountants' professional skepticism competence and forensic information technology competence.

The ANOVA test in table 4.36 on the overall model shows that F- value = 653.956 with p value =0.000 < 0.05, it depicts that overall linear regression model is significant and fitted.

Table 4.36: ANOVA Results for independent and dependent variables

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	42581.525	4	10645.381	675.382	.000 ^b
Residual	9283.914	589	15.762		
Total	51865.439	593			

a. Dependent Variable: Audit Expectation Gap

b. Predictors: (Constant), forensic accountant's mindset competence, forensic accountant's responsibility competence, forensic accountant's professional skepticism competence and forensic information technology competence.

The study sought to determine the beta coefficient of the variables. The findings are presented in table 4.37. The regression model was written as: $AEG = \beta_0 - 0.192(MSC) - 0.125 (PSC) - 0.276 (RBC) - 0.25(FITC)$. The Beta Coefficients in the regression show that all of the tested variables had negative relationship with audit expectation gap. The findings show that all the variables tested were statistically significant with p-values less than 0.05. MSC = - 0.192; this implied that one unit change in the forensic accountants' mindset competence result into a - 0.192 change in the audit expectation gap. PSC= - 0.125; implied that one unit change in the forensic accountants' professional skepticism competence result into a - 0.125 change in the audit expectation gap. RBC = - 0.276; implied that one unit change in forensic accountants' responsibility competence result into a - 0.276 change in the audit expectation gap. FITC = - 0.25; implied that one unit change in forensic information technology competence result into a - 0.25 change in the audit expectation gap.

Table 4.37: Overall Regression Model Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	(β)	Std. Error	Beta(β)		
	Forensic Accountants' Mindset Competence	-.192	.050		
Forensic Accountants' Professional Skepticism Competence	-.125	.048	-.141	-2.597	.010
Forensic Accountants' Responsibility Competence	-.276	.057	-.309	-4.882	.000
Forensic Information Technology Competence	-.025	.062	-.028	-4.003	.000

a. Dependent Variable: Audit Expectation Gap

b. Linear Regression through the Origin

4.10 Hypothesis Testing

The research used multiple regression analysis to determine the linear statistical relationship between the independent and dependent variables of this study. All the five null hypotheses as stated in chapter one of this study were tested using t- test to determine their significance. The study used the results on table 4.38 to decide on whether to accept or reject the study hypothesis.

4.10.1 Hypothesis 1: Forensic Accountants' Mindsets Competence has no Relationship with the Audit Expectation Gap in Nigeria Deposit Money Banks.

The first hypothesis was also subjected to t-test in other to determine the significance. The results finding on table 4.37 indicated that forensic accountant's mindset competence negatively influence audit expectation gap in Nigeria Money Deposit Banks, with $\beta = -0.192$ implies that for every unit increase in forensic accountant's mindsets competence, there was a decrease in audit expectation gap by

0.192. For the overall regression model with p value=0.000 < 0.05 connotes that the model is significantly fit and (H_0) null hypothesis failed to be accepted. The study therefore failed to accept first null hypothesis (H_0) that, forensic accountants' mindsets competence has no significant relationship with the audit expectation gap in Nigeria Money Deposit Banks. This finding agrees with previous studies such as Cletus (2014); Saunders et al., (2009). The result reveals that proactive application of forensic accountant's mindset in banking auditing has a negative significant relationship with outsiders' fraudulent practices. It implies, an increase in the proactive application of forensic accountant's mindset in banking auditing result to a decrease in outsiders' fraudulent practices in Nigeria banks. Silverstone & Davia, (2005); Davia, (2000); Boritz et al., (2008) confirmed that forensic accountant's mindset play a major role in increasing public confidence in banks accounting report and concluded a negative significant relationship between forensic mindset and audit expectation gap as perceived by the public. According to Okoye and Akenbor (2009), disagree with the finding and argue that the application of forensic accounting in developing economies like Nigeria, notes that forensic accounting is faced with so many bottlenecks which make it difficult for forensic Accountant's mindset has significant influence on audit expectation gap.

4.10.2 Hypothesis 2: Forensic Accountants' Professional Skepticism

Competence has no relationship with the audit expectation gap in Nigeria Money Deposit Banks.

For the second hypothesis, regression equation was first obtained using the standard beta coefficients on the line of best fit. The study also applied t-test to each beta coefficients in the fitted regression models. The findings on table 4.37 indicated that forensic accountants' professional skepticism competence negatively and significantly influence audit expectation gap in Nigeria Money Deposit Banks with $\beta = -0.125$, it implies that for every unit increase in forensic accountants' professional skepticism competence, there was a decrease in audit expectation gap by 0.125. For the overall regression model in table 4.37 showing p value=0.010 < 0.05 connotes that the model is significantly fit and (H_0) null hypothesis failed to be accepted.

The study therefore failed to accept second null hypothesis (H_0) that, forensic accountants' professional skepticism competence has no significant relationship with the audit expectation gap in Nigeria Money Deposit Banks. These result is consistent with previous study Erin (2004) investigating an examination of issues related to professional skepticism in auditing. The empirical findings of this study indicated that the likelihood of an auditor being cited for a lack of forensic accountant's professional skepticism would be positively associated with accusations that the client was accused of lying or providing false or misleading statements to the conventional auditor. The findings confirm by the study of Bell and Justin (2008) highlighted that, professional skepticism is essential for the evaluation of (invalid) information and (invalid) evidence and therefore of great importance with respect to fraud identification in narrowing the audit expectation gap and also argued that ethical orientations can have professional commitment and professional skepticism. But the findings contradict the findings of Crumbley *et al.*(2002) argue that with the globalization of the economy and the fact that a fraudster can be based anywhere in the world has led to the problem of inter-jurisdiction which serve as a bottleneck in applying forensic skepticism approach in narrowing audit expectation gap.

4.10.3 Hypothesis 3:Forensic Accountants' Responsibility Competence has no Relationship with the Audit Expectation Gap in Nigeria Deposit Money Banks

Third hypothesis was analyzed by first obtained the regression equation using the standard beta coefficients on the line of best fit .The study also applied t-test to each beta coefficients in the fitted regression models. The findings on table 4.37 indicated that forensic accountants' responsibility competence negatively and significantly influence audit expectation gap in Nigeria Money Deposit Banks with $\beta = -0.276$ implies that for every unit increase in forensic accountants' responsibility competence , there was a decrease in audit expectation gap by 0.276. For the overall regression model in table 4.37 showing $p \text{ value} = 0.000 < 0.05$ connotes that the model is significantly fit and (H_0) null hypothesis failed to be accepted. The study therefore failed to accept third null hypothesis (H_0) that, forensic accountants'

responsibility competence has no significant relationship with the audit expectation gap in Nigeria Money Deposit.

This result is consistent with finding of (Ebimobowei & Sophia, 2011) examined the effect of forensic accountant's responsibility in fraud detection. The result reveals that the application of forensic accounting services affects the level of fraudulent activities of banks. Also, the result is in consonance with the findings of (Gowthorpe & Porter, 2004) where about 52% and 59% of the group in the United Kingdom (UK) and New Zealand (NZ) respectively, exhibited 'knowledge gap' in respect of auditors' responsibilities (i.e. they were unsure or in error about auditors' responsibilities) and rely on forensic Accountants' responsibilities in narrowing the gap. Another remarkable study deviated was made by (Damiola & Olofinsola, 2007) argue that, forensic accountant's responsibility in witness in court of law may fail in narrowing audit expectation gap due to stiff challenge in gathering information against such big shots (politicians and/or bureaucrats) that is admissible in the court of law by forensic accountant as a result of complex and traditional judicial system and political fancy.

4.10.4 Hypothesis 4: Forensic Accountant's Information and Technology Competence do not Significantly Contribute in Narrow Audit Expectation Gap in Nigeria Deposit Money Banks

The fourth hypothesis was also analyzed by first obtained the regression equation using the standard beta coefficients on the line of best fit. The study also applied t-test for the hypothesis. The findings on Table 4.37 indicated that forensic accountant's information and technology competence negatively and significantly influence audit expectation gap in Nigeria Money Deposit Banks with $\beta = -0.25$. It connotes that for every unit increase in forensic accountant's information and technology competence, there was a decrease in audit expectation gap by 0.25.

For the overall regression model in table 4.37 showing $p \text{ value} = 0.000 < 0.05$ connotes that the model is significantly fit and (H_0) null hypothesis failed to be accepted. The study therefore failed to accept fourth null hypothesis (H_0) stated that,

forensic information and technology competence do not significantly contribute in narrow audit expectation gap in Nigeria Money Deposit Banks.

This result concurred with the study of (Omoneye, 2013) investigating the computer forensic and fraud detection in banks. The hypothesis of the study was analyzed using regression analysis. The result of this study showed that 72.8% of the respondents agreed that computer forensic have played a major role in fraud detection in bank, and hence can be used minimal level in organizations. 58.1% of the respondents ascertained that computer forensic helped to improve the auditors' performance. However, a study carried out by (Degboro & Olofinsola, 2007) shows contrary opinion and noted that an important challenge to the application of forensic information technology in financial fraud control in Nigeria banks is that the law is not always up to date with the latest advancements in technology.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of key findings of the study, relevant discussions, conclusions and the necessary recommendations. The study sought to investigate the relationship between forensic Accountants' competences and audit expectation gap. The summary is done in line with the objectives of the study based on the output of the descriptive and inferential statistical analyses guided to test the research hypothesis of the study. The conclusions and recommendations relating to specific objectives as well as suggestions for further research were highlighted.

5.2 Summary of the Findings

The main purpose of the study was to investigate the relationship between Forensic Accountants' competences and audit expectation gap. The theoretical and empirical literature on forensic accountants' competences and audit expectation gap were reviewed. A detailed conceptual framework of the relationship between forensic Accountants' competences and audit expectation gap was formulated. This hypothesized relationship was tested by the specific objectives. Based on the conceptual framework and objectives of the study, a questionnaire was prepared and tested for validity and reliability using Cronbach's Co-efficient alpha α , through a pilot study. The independent variables were tested for multicollinearity. Normality tests were carried out on the foreign direct investment (dependent variable) using One-Sample Kolmogorov-Smirnov test, descriptive and inferential statistics were conducted. The linearity test was done with the use of scatter plots to check the existence of linear regression relationship and inferential statistical analysis was conducted for every variable. To test the combined effect of all the independent variables, multiple linear regression was used.

5.2.1 Relationship between Forensic Accountants' Mindset Competence and Audit Expectation Gap Among Nigeria Money Deposit Bank.

The first objective of the study was to investigate the relationship between forensic accountant's mindset competence and audit expectation gap in Nigeria Money Deposit Banks. Various methods were used to arrived at the findings. The table 4.23 shows the R square of 0.460 which indicates that 46.0 % of variation in the audit expectation gap can be explained by a unit change in forensic accountant's mindset competence and correlation coefficient R with 0.67, indicates a strong relationship between forensic accountant's mindset competence and audit expectation gap. The study established that there was a negative significant linear relationship between forensic accountant's mindset competence and audit expectation gap in Nigeria Money Deposit Banks. This relationship was illustrated by the results of the overall regression model in table 4.37 shows that the coefficient $\beta_1 = -0.192$ is significantly different from 0.05 with a p-value=0.000 which is less than 0.05 and t value for forensic accountant's mindset competence is -3.841. This indicates that the overall model applied can significantly predict outcome valuable. These findings led to the rejection of second null hypothesis stated that forensic accountant's mindset competence has no significant relationship with the audit expectation gap in Nigeria Money Deposit Banks. Empirical studies carried out by Gollwitzer *et al.*,(1990); Singleton & Singleton (2007) confirmed that forensic accountant's mindset is one of the major determinant that contribute to the narrow of audit expectation gap as perceived by the public.

5.2.2 Relationship between Forensic Accountants' Professional Skepticism and Audit Expectation Gap Among Nigeria Deposit Money Banks.

The second objective of the study was to examine the relationship between forensic accountant's professional skepticism and audit expectation gap in Nigeria Money Deposit Banks. Various methods were used to arrive at the findings. The table 4.26 shows the R square of 0.21 which indicates that 21.0% of variation in the audit expectation gap can be explained by a unit change in forensic accountant's professional skepticism competence and correlation coefficient R with 0.46,

indicates a moderate relationship between forensic accountant's professional skepticism competence and audit expectation gap . The study established that there was a moderate negative significant linear relationship between forensic accountant's professional skepticism competence and audit expectation gap in Nigeria Money Deposit Banks. This relationship was illustrated by the results of the overall regression model in table 4.37 shows that the coefficient $\beta_2 = -0.125$ is significantly different from 0 with a p-value=0.010 which is less than 0.05 and t value for forensic accountant's professional skepticism competence is -2.597. This indicates that the overall model applied can significantly predict outcome valuable. These findings led to the failure to accept the third null hypothesis stated that forensic accountant's professional skepticism competence has no significant relationship with the audit expectation gap in Nigeria Money Deposit Banks. The finding also consonance with the study of Barbadillo & Aguilar (2008) reveals an inverse relationship between lack of forensic Accountant's skepticism measured by auditor tenure and audit quality. The study concludes that the shorter the auditor's tenure, reduces the auditor's skepticism commitment and has negative impact on audit quality increasing audit expectation gap.

5.2.3 Relationship Between Forensic Accountant's Responsibility Competence and Audit Expectation Gap Among Nigeria Deposit Money Banks.

The third objective of the study was to establish the relationship between forensic accountant's responsibility competence and audit expectation gap in Nigeria Money Deposit Banks. The table 4.29 shows the R square of 0.62 which indicates that 62% of variation in the audit expectation gap can be explained by a unit change in forensic accountant's responsibility competence and correlation coefficient R with 0.78, indicates a strong relationship between forensic accountant's responsibility competence and audit expectation gap . The study established that there was a negative significant linear relationship between forensic accountant's responsibility competence and audit expectation gap. This relationship was illustrated by the results of the overall regression model in table 4.37 shows that the coefficient $\beta_3 = -0.276$ is significantly different from 0 with a p-value=0.010 which is less than 0.05 and t

value for forensic Accountant's responsibility competence is -4.882. This indicates that the overall model applied can significantly predict outcome valuable.

These findings led to the rejection of fourth null hypothesis stated that forensic Accountant's responsibility competence has no significant relationship with the audit expectation gap in Nigeria Money Deposit Banks. This study is further supported by Fazdly and Ahmed (2004) argue that since the primary purpose of external Auditor is not to detect fraud, investigating fraud requires the service of Forensic Accountant who possess a combination of cognitive skills (technical knowledge, expertise and abilities) and personal or behavioural characteristics (principles, attitudes, values and motives) which are function of individual personality and a criminal investigator. Therefore, showing significant relationship between forensic Accountant's responsibility and narrowing audit expectation gap.

5.2.4 Relationship between Forensic Accountant's Information Technology Competence and Audit Expectation Gap in Nigeria Deposit Money Banks

The fourth objective of the study was to determine the relationship between forensic accountants' information technology competence and audit expectation gap in Nigeria Money Deposit Banks. The table 4.32 shows the R square of 0.57 which indicates that 57 % of variation in the audit expectation gap can be explained by a unit change in forensic Accountant's responsibility competence and correlation coefficient R with 0.75, indicates a moderate relationship between forensic accountant's information technology competence and audit expectation gap . The study established that there was a negative significant linear relationship between forensic accountant's information technology competence and audit expectation gap in Nigeria Money Deposit Banks. This relationship was illustrated by the results of the overall regression model in table 4.37 shows that the coefficient $\beta_4 = -0.025$ is significantly different from 0 with a p-value=0.010 which is less than 0.05 and t value for Forensic Accountant's information technology competence is -4.882. This indicates that the overall model applied can significantly predict outcome valuable.

These findings led to the failure of accepting the fourth null hypothesis stated that forensic accountant's information and technology competence do not significantly contribute in narrow audit expectation gap in Nigeria Money Deposit Banks. A study by (Gray, 2008) established that conventional Auditors are not equipped with the forensic skills actually need in practice to combat this recent cybercrime stirring in the banking industry. Further, in another research found that statutory Auditors in banks industry lacked the requisite information technology knowledge to perform their career positions (Gray, 2008). They all agree that, there is significant relationship between forensic information technology and audit expectation gap.

5.3 Conclusion

Based on the empirical evidences and results of the analysis, a number of logical conclusions are reached. The researcher concludes that, forensic Accountants make use their of their expertise competence via experience and knowledge to better understand societal expectations, therefore adapt and reorient to effectively institutionalize itself as a legitimate entity at the wider societal level. This was called for due to inability of the conventional Auditors to detect and prevent management fraud as a result of inexperience and lack of skills of conventional auditors. This is supported by the study of (Bierstaker, Brody, & Pacini, 2006)

From the study, the researcher concluded that forensic accountant's mindset intervention into the statutory auditing caused audit seniors to evaluate a biased management estimate as less reasonable. Also concluded that, to provide high audit quality in the area of complex accounting estimates, including fair values, auditors need to think broadly by enlarging their mindset via adoption of forensic accountants' mindset in other to incorporating evidence from a variety of sources into their analysis, and more critically, this supported by this is supported by the study (Wyer & Xu, 2010).

The study further concluded that, despite inclusion of professional skepticism in the code of conduct of statutory auditing, but there is need for the forensic accountants'

professional skepticism which required technical skills beyond the scope of conventional auditing, these are those factors contributing to the threaten of professional skepticism of an Auditor which lead to audit expectation gap. The study of (Hurtt, 2010) confirmed it.

The study concluded from the study that, the responsibility of detection and prevention of fraud and management frauds of forensic Accountant play major role in narrow the audit expectation gap that statutory auditing default. It has been concluded from the result of the study that the core responsibility in prevention and detection of frauds and other unethical attitude that cause audit expectation gap can be found in forensic Accountant's responsibility and it was affirmed in the study of (Salehi & Azary, 2009).

The study finally concluded that in this modern dispensation where the complex and sophisticated cyber crime fraud committed by the culprit in banks which led to audit expectation gap can only tackle with, by the adoption of forensic information technology techniques in the preparation and presentation of financial transaction and reports has enhanced the quality of financial reports which mitigate the problems of audit expectation gap. This conclusion is supported by (Lanza, 2007). Thus, the right and computer technique solutions, matched with intelligence, untiring crime detection and prevention, which all entail the approach of forensic computer will undoubtedly make any organization a pride of all and increase the confidence level of public in narrowing audit expectation gap.

5.4. Recommendations

From the study conclusion, it was revealed that incapacity of conventional auditors in exposing management fraud is as a result of inexperience and lack of skills of conventional auditors. The study recommended that bank management should have a culture of exposing their key staff and head of key department like legal, accounts and ICT to basic training on forensic accounting and investigation to ensure that they

are abreast with developments in forensic skills and knowledge to be well equipped and become forensic expert in bank auditing.

The study recommended that Nigeria banking regulatory bodies should formulate sound personnel policies involving forensic accounting mindset to attract people with good moral standing as bank employees, in other to proactive implementation of forensic mindset in banking auditing.

From the findings of the study, discovered that certain factors in the audit environment represent incentives which can offset professional skepticism. Auditors are susceptible to self serving bias and this make audit judgment to be favour client's interest unintentionally. Therefore, the study recommended that the professional bodies should amend the auditing standards to include requirements and guidance designed to help create an environment at both the firm and engagement levels in which the auditor can cultivate appropriate forensic professional skepticism. This can be achieved via fostering conditions necessary for individual auditors, engagement teams and audit firms to demonstrate the appropriate degree of forensic professional skepticism.

The study also discovered that, the primary responsibility of conventional auditor does not involve detection and prevention frauds. The study therefore recommended for continual sensitization of the public, by both the auditing profession and other stake holders on the role and duties of the auditor in the area of prevention and detection of fraud to avoid unreasonable expectation by the public, this will go a long way in reducing the gap created by the outcome of court cases on the issue of the expectation gap between the public and the auditor. Also, there is need to establish and structure necessary legal framework for forensic accounting and investigation and legislate forensic audit as in the case of financial audit legislated .

In an attempt for banking industry to operate in an environment that is free from fraud, especially in this modern era full of sophisticated frauds. The study thus, recommended that the use of forensic information technology approach should be

encouraged and adopted proactively in the preparation of financial reports of banks, since reactive approach of traditional auditing has defaulted in meeting public expectation, hence, failed to narrow audit expectation gap. Organizations should see this approach as a key success practices in the present day business environment, because once the loss has occurred, neither detection nor investigation could compensate the losses because of large sum of money will be involved and damages. Therefore, this has call for the emerge implementation of proactive approach of forensic Accountant's competence.

5.5 Suggestions For Further Studies

This study was restricted to banking industry in Nigeria. There are other players in the financial sector whose operations are close to Money Deposit Banks in Nigeria but differ in their investments and which apply forensic accounting services in their operations. This calls for another study which would ensure generalization of the study findings for all the organizations in the financial sector in Nigeria.

Secondly, as forensic accounting is a new disciple in developing countries, precisely Nigeria and since it has gained its root in developed countries like USA, Canada e.t.c, the further studies could adopt a " cross- country approach or "cross -culture approach" to enhance proper comparison of the results across different countries to improve the generalisation.

Moreover, another study should be carried out on different internal controls used by Money Deposit Banks in Nigeria to control and prevent fraudulent practices and how such controls affect the installation and implementation of forensic accounting practices in other to balance perceive performance of Auditors and reasonable expectation of public. Future studies should also be carried out on potentials, opportunities and challenges abound for a forensic accountant in his role to fraud investigation.

lastly, there is need for further studies to enlarge samples embrace the views of lawyers who are stakeholders in the practice of forensic accounting. This could provide further insight into the practice of forensic accounting in Nigeria.

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APPENDICES

APPENDIX 1: INTRODUCTION LETTER

Jomo Kenyatta University of Agriculture
and Technology,
School of Business Studies,
Department of Economics, Accounting &
Finance.

Juja.

Dear Respondent,

RE: ACADEMIC RESEARCH PROJECT

I am a doctoral degree student of Jomo Kenyatta University of Agriculture & Technology, main campus, Juja. Conducting a research in Accounting, titled: **“The Relationship between Forensic Accountants’ Competences and Audit Expectation Gap: Evidence from Money Deposit Banks in Nigeria .”** This study is undertaken in partial fulfillment of the requirements for the award of a Ph.D. Degree in Accounting.

To assist me in this regards, I would appreciate your efforts in completing the attached questionnaire as honestly as possible as this provides the best results. I assure you that all data supplied shall be used solely for the purpose of this study and will be treated and held with utmost confidentiality.

Thanks for your cooperation
Yours faithfully,

ODELABU Adedire Temitope
Research Student

APPENDIX 11: QUESTIONNAIRE

This questionnaire has statements on **"The Relationship between Forensic Accountants' Competences And Audit Expectation Gap: Evidence From Evidence From Money Deposit Banks In Nigeria."** Kindly take few minutes to complete the questionnaire as guided. Your responses will be handling confidentially and ethically.

Thank you for agreeing to participate in this academic study.

SECTION A: GENERAL / DEMOGRAPHIC DATA

Please tick your response.

1. Kindly indicate your gender

a) Male b) Female

2. What is your position with Bank?

a) Bank Staff b) Shareholder

3. Please tick appropriate box for your age

a) 18-25 b) 26-35 c) 36- 45 d) 46-60 e) above 60

4. Please indicate the highest level of education you have ever attained.

a. Secondary
b. College level
c. University level
d. Postgraduate level

5. How many years have you work in the Bank?

a. 1-5 years
b. 6-10 years
c. 11-15 years
d. Over 15 years

SECTION B: EXPERTISE COMPETENCES

This Section has statement regarding the relationship between Forensic Accountants' expertise competence and Audit expectation Gap in commercial banks. Kindly respond with the response that matches your opinion. Please mark (x) in the box which best describes your agreement or disagreement on each of the following statements.

Statements	Strongly disagree	Disagree	Undecided	Agree	Strongly agree
	1	2	3	4	5
Forensic accountants' skills can reduce the volume of fraud cases in Banks					
Experience of forensic accountants acquired can assist to defense litigation cases in banks in the court of law.					
Forensic accountants' knowledge is required in investigating of employee's theft beyond the scope of statutory audit					
Forensic accountants training assist in uncovering economic bank crimes					
Forensic accountant provides expert witness in litigation support services					
Expertise competence of forensic accountants can assist in controlling and detecting financial statement frauds in banks					
Does your bank encourage expertise training on fraud investigation and control.				Yes	No
If Yes to the question (19) above, Please indicate the categories of training employ by the bank .	Local training	International training	In-house training	Seminar training	Specify other

SECTION C: MINDSET COMPETENCES

This Section has statement regarding the relationship between Mindsets competence of Forensic Accountants and Audit expectation Gap in commercial banks. Kindly respond with the response that matches your opinion. Please mark (x) in the box which best describes your agreement or disagreement on each of the following statements

Statements	Strongly disagree	Disagree	Undecided	Agree	Strongly agree
	1	2	3	4	5
Immaterial misstatement in the accounting records of banks can be estimated properly via Forensic Accountants' mindsets					
Forensic Accountants' mindset can properly identify symptoms of Red flag in your bank.					
The mindsets of Forensic Accountants in 100% investigation and beyond the figures on accounting records of the bank can reveal management fraud.					
Extravagant lifestyles exhibited by member(s) of the banks can easily identify by Forensic Accountants' mindsets.					
Forensic Accountants' mindsets in fraud discovery increase public confidence on banks' financial report.					
Does the management of the bank recognize discrepancies and immaterial misstatement in the bank?				Yes	No
If Yes to the question (14) above, specify what measure do management adopt for immaterial misstatement in accounting records of the bank.	Write off	Disclosed in financial statement	Report to audit committee	Total ignore	Specify other

SECTION D: PROFESSIONAL SKEPTICISM COMPETENCES

This Section has statement regarding the relationship between professional skepticism competence of Forensic Accountants and Audit Expectation Gap in Nigeria Deposit Money Banks. Kindly respond with the response that matches your opinion. Please mark (x) in the box which best describes your agreement or disagreement on each of the following statements.

Statements	Strongly disagree	Disagree	Undecided	Agree	Strongly agree
	1	2	3	4	5
Investigating tenure of forensic accountants can enhance forensic accountants' professional skepticism					
Lack of time budget pressure by the management of the bank on forensic accountants can improve forensic accountants' professional skepticism					
Non-involvement of forensic accountants in non-audit exercise increase the level forensic accountants' professional skepticism .					
Avoiding related party transactions by the forensic accountants can enhance commitment of forensic accountants' professional skepticism.					
High level of forensic accountants' professional skepticism can results in identifying more fraud risk and sufficient to obtain quality report for the bank					
Does the management of your bank engage in Related Party Transaction (RPT)?				Yes	No
If Yes to the question (21)above, please indicate the relation of related party transactions to your bank	Management staff	Subsidiary	Associate	Family to staff	Friends to staff

SECTION E: RESPONSIBILITY COMPETENCES

This Section has statement regarding the relationship between Responsibility competence of forensic accountants and audit expectation gap among Nigeria Deposit Money Banks. Kindly respond with the response that matches your opinion. Please mark (x) in the box which best describes your agreement or disagreement on each of the following statements.

Statements	Strongly disagree	Disagree	Undecided	Agree	Strongly agree
	1	2	3	4	5
Fraud detection and identification responsibility of forensic accountant can expose management fraud in the bank					
Responsibility of forensic accountants on reliability of accounting information can enhance good quality of bank's report					
Dispute resolution responsibility of forensic accountants can assist bank in searching for evidence of criminal conduct.					
Shareholders' and Partnership dispute responsibility of forensic accountant can assist in narrowing audit expectation gap.					
Responsibility of forensic accountants review factual situation and provide suggestions regarding possible courses of action and proper estimation of fraud in banks					
Does the forensic accountant responsibility reduce bank failure in narrowing audit expectation gap				Yes	No
If Yes to the question (28) above, specify major factors impaired statutory Auditor's responsibility in narrowing audit expectation gap.	A				
	B				
	C				

SECTION F: FORENSIC INFORMATION TECHNOLOGY COMPETENCE

This Section has statement regarding the relationship between Forensic Information Technology competence of Forensic Accountants and Audit Expectation Gap in commercial banks. Kindly respond with the response that matches your opinion. Please mark (x) in the box which best describes your agreement or disagreement on each of the following statements.

Statements	Strongly disagree	Disagree	Undecided	Agree	Strongly agree
	1	2	3	4	5
Application of decision tree techniques by the forensic accountant can influence banks to estimate total amount of fraud					
Bayesian Network techniques of forensic accountant can influence the banks to control electronic crimes					
Application logic regression analysis of forensic accountant enhanced proper estimation of frauds amount in banks					
Anti-money laundry software of forensic accountant can assist auditor in bank to control electronic crime.					
Forensic technology assist auditors in banks to detect and prevent culprit of cybercrime.					
Does your bank encounter any problem in applying Forensic Technology?				Yes	No
If Yes to the question (35) above, specify which area of the problem that your bank usually encounter.	Software Competency	Lack of suitable Computer Facilities	Technical Expertise	Cost	Compromising Systems and data of the bank.

SECTION G: AUDIT EXPECTATION GAP

This Section has statement regarding the relationship between Audit Expectation Gap and Forensic Accountants' competences in commercial banks. Kindly respond with the response that matches your opinion. Please mark (x) in the box which best describes your agreement or disagreement on each of the following statements.

Statements	Strongly disagree	Disagree	Undecided	Agree	Strongly agree
	1	2	3	4	5
Lack of understanding by the users of accounting information on the nature of the statutory audit can lead to expectation gap.					
Over expectation and perceptions of users to auditor's performance can lead to audit expectation gap					
Rely on the representation of trusted officers in the bank by the statutory auditor can be traced to audit expectation gap.					
Unambiguous opinion of standard auditor's report on audit procedure performed and professional judgments in arriving at audit opinion lead to audit expectation gap.					
The limitation of statutory Auditor's responsibility in prevention and detection of fraud can be traced to audit expectation gap					
Does inclusion of prevention and detection of fraud in statutory code of conduct narrow audit expectation				Yes	No
If Yes to the question (42) above, please indicate which preventive measures adopted in your bank to control frauds	A				
	B				
	C				
	D				

APPENDIX III: FACTOR ANALYSIS OF AUDIT GAP EXPECTATION

S/N	INDICTORS	Factor Loading
1.	Lack of understanding by the users of accounting information on the nature of the statutory audit can lead to expectation gap	.845
2.	Over expectation and perceptions of users to auditor's performance can lead to audit expectation gap.	.673
3.	Rely on the representation of trusted officers in the bank by the statutory auditor can be traced to audit expectation gap.	.899
4.	Unambiguous opinion of standard auditor's report on audit procedure performed and professional judgments in arriving at audit opinion lead to audit expectation gap	.570
5.	The limitation of statutory Auditor's liability in the prevention and detection of frauds can be traced to audit expectation gap	.627
6.	Does inclusion of prevention and detection of frauds in statutory code of conduct narrow audit expectation gap	.647
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.787
Bartlett's Test of Sphericity Approx. Chi -Square		1304.934
Df		15
Sig.		.000

CRONBACH'S ALPHA

Number of Items	Value
6	0.854

APPENDIX IV: FACTOR ANALYSIS FOR FORENSIC ACCOUNTANT'S MINDSET COMPETENCE

S/N	INDICTORS	Factor Loading
1.	Immaterial misstatement in the accounting records of banks can be estimated properly via Forensic Accountants' mindsets	.768
2.	Forensic Accountants' mindset can properly identify symptoms of red flag in your bank.	.569
3.	The mindsets of Forensic Accountants in 100% investigation and beyond the figures on accounting records of the bank can reveal management fraud.	.835
4.	Extravagant lifestyles exhibited by member(s) of the banks can easily identify by Forensic Accountants' mindsets.	.586
5.	Forensic Accountants' mindsets in fraud discovery increase public confidence on banks' financial report.	.712
6.	Does the management of the bank recognize discrepancies and immaterial misstatement in the bank?	.450
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.576
Bartlett's Test of Sphericity Approx. Chi -Square		919.185
Df		15
Sig.		.000

CRONBACH'S ALPHA

Number of Items	Value
6	0.741

APPENDIX V:FACTOR ANALYSIS FOR FORENSIC ACCOUNTANT'S PROFESSIONAL SKEPTICISM COMPETENCE

S/N	INDICATORS	Factor Loading
1.	Investigating tenure of Forensic Accountants can enhance Forensic Accountants' professional skepticism	.768
2.	Lack of time budget pressure by the management of the bank on Forensic Accountants can improve Forensic Accountants' professional skepticism	.569
3.	Non-involvement of Forensic Accountants in non-audit exercise increase the level Forensic Accountants' professional skepticism .	.835
4.	Avoiding related party transactions by the Forensic Accountants can enhance commitment of Forensic Accountants' professional skepticism.	.586
5.	High level of Forensic Accountants' professional skepticism can results in identifying more fraud risk and sufficient to obtain quality report for the bank	.712
6.	Does the management of your bank engage in related party transactions (RPT)	.450
	Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.834
	Bartlett's Test of Sphericity Approx. Chi -Square	797.754
	Df	15
	Sig.	.000

CRONBACH'S ALPHA

Number of Items	Value
6	0.818

APPENDIX VI:FACTOR ANALYSIS FOR FORENSIC ACCOUNTANT'S RESPONSIBILITY COMPETENCE

S/N	INDICATORS	Factor Loading
1.	Fraud detection and identification responsibility of Forensic Accountant can expose management fraud in the bank	.794
2.	Responsibility of forensic accountants on reliability of accounting information can enhance good quality of bank's report	.674
3.	Dispute resolution responsibility of forensic accountants can assist bank in searching for evidence of criminal conduct.	.844
4.	Shareholders' and partnership dispute responsibility of Forensic Accountant can assist in narrowing audit expectation gap.	.272
5.	Responsibility of forensic accountants review factual situation and provide suggestions regarding possible courses of action and proper estimation of fraud in banks.	.157
6.	Does the forensic accountant responsibility reduce bank failure in narrowing audit expectation gap.	.874
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.752
Bartlett's Test of Sphericity Approx. Chi -Square		643.347
Df		15
Sig.		.000

CRONBACH'S ALPHA

Number of Items before expunge factors	Value	Number of Items after expunge factors	Value
6	0.649	4	0.720

APPENDIX VII: FACTOR ANALYSIS FOR FORENSIC INFORMATION TECHNOLOGY COMPETENCE

S/N	INDICATORS	Factor Loading
1.	Application of decision tree techniques by forensic accountant can assist Auditors in bank to develop a model for detecting managerial frauds.	.130
2.	Bayesian network techniques of forensic accountant can influence the banks to Control electronic crimes	.853
3.	Application Logit Regression Analysis of Forensic Accountant enhanced proper estimation of frauds amount in Banks	.702
4.	Anti-money laundry software of forensic accountant can assist Auditor in bank to control electronic crime.	.691
5.	Forensic Technology assist auditors in banks to detect and prevent culprit of cybercrime.	.762
6.	Does inclusion of prevention and detection of fraud in statutory code of conduct narrow audit expectation	.127
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.655
Bartlett's Test of Sphericity Approx. Chi -Square		450.766
Df		15
Sig.		.000

CRONBACH'S ALPHA

Number of Items before expunge factors	Value	Number of Items after expunge factors	Value
6	0.593	4	0.756

APPENDIX VIII: RELEVANCY OF THE MODEL REVIEWED TO THE STUDY

S/N	MODEL REVIEWED	RELEVANCY TO THE STUDY
1.	Savvy model	The model examines the traits of employees which examined <i>what</i> and <i>why</i> employees commit fraud. And highlighted the mindset, rules and norms that can be adopted proactively in an organization to prevent fraud before it materialized. It is from this model that the conceptual framework of the current study was formulated.
2.	MacDonald Commission Model	MacDonald model describes the components of the audit expectations gap, it represents the full gap possible between the highest expectations of audits to public perceptions of what audits actually seem to provide. The model also emphasis on the reasons for audit expectation gap, reasonable and unreasonable gap. It highlights ‘why’ auditor should consider reasonable expectation of the public and ‘how’ to harmonize it with his responsibility without performing beyond his scope of professional.
3.	Aderigbigbe’s Model of undisclosed Income	Model of undisclosed income may be used to discover the fraud and income from bribes or direct stealing the management or any personnel that has the opportunity which generate expectation gap from the perceptive of the public. It is relevant to the study become the model serve as one of the techniques used by the forensic expert.

APPENDIX IX:RELEVANCY OF THE THEORIES REVIEWED TO THE STUDY

S/N	THEORIES	RELEVANCY TO THE STUDY
1.	Diamond Fraud Theory	Emphasis on determinant factors forensic accountants need to be considered in other to understand why fraud occurs i.e. Pressure/ Motive, Opportunity, Irrationality and Capability. forensic accountant don't check only "what" but also emphasis on "why" perpetrator commit the fraud.
2.	Readers Response theory.	Reader-response theory may be useful in explaining the audit expectation gap. For instance, the theory could explain the reasons for various expectation of stakeholders and how forensic accountant could assist in meeting those expectation of public that conventional auditors defaulted. The theory explain different background of the stakeholders which forensic accountant should consider. It emphasis that motives, wishes and preferences of stakeholders can affect their interpretation on statement audit report (SAR) .
3.	Role Conflict Theory	The relevance of this theory is that the audit expectation gap may arise out of a role conflict where the forensic accountant is expected to perform a role for which the auditor is not competent and default to perform.
4	Mindsets and Problem Representation Theory.	Forensic accountant will be expected to have higher propensity mindsets than traditional auditors to take further investigative actions into company's financial statements to determine the occurrence of fraud.
5.	Agency Theory	The relevance of this theory is that it is the role of the auditor to supervise the agency relationship between the manager and the owners. A gap expectation occurs when the distribution of the responsibility is not well defined. The manager and the owners have to realize that the auditor does not have responsibility of the accounting, but only see that the auditing is done properly
6.	The Assurance Theory	The relevancy of this theory is that, its assumption depicts an assurance service as an independent professional service that improves the quality of information for decision making for the users. Because modern auditing and investigation required in forensic accounting services, enhanced effective internal controls reduce the likelihood of future misstatements in the financial statements, which will definitely narrow the expectation gap in commercial banks.
7.	Inspired Confidence Theory	Therefore, the theory explain how forensic accountant can meet up the public expectation by balance the equilibrium between demand for audit services from stakeholders such as accountability, transparency and confidence on company's report and supply for audit services such as audit assurance that forensic accountant should provide in narrowing audit expectation gap .

APPENDIX X: TOTAL AMOUNT INVOLVED IN FRAUD AND FORGERIES IN BANKS

YEAR	TOTAL NO OF FRAUD CASES	TOTAL AMOUNT INVOLVE (N'Million) Naira	TOTAL EXPECTED LOSS (N'Million)Naira	PROPORTION OF EXPECTED LOSS AMOUNT INVOLVED (%)	STAFF INVOLVED
2002	796	12,919.55	1,299.69	10.06	85
2003	850	9,383.67	857.46	9.14	106
2004	1,175	11,754.00	2,610.00	22.21	383
2005	1,229	10,606.18	5,602.05	52.82	378
2006	1,193	4,832.17	2,768.67	57.3	331
2007	1,553	10,005.81	2,870.85	28.69	273
2008	2,007	53,522.86	17,543.09	32.78	313
2009	1,764	41,265.50	7,549.23	18.29	656
2010	1,532	21,291.41	11,679.00	54.85	357
2011	2,352	28,400.86	4,071.00	14.33	498
2012	3,380	17,965.00	4,517.00	25.14	531
TOTAL	17,831	221,947.01	61,368.04		3,911

Source: Adapted from NDIC ANNUAL REPORTS (2002–2012)

APPENDIX XI: SUMMARY OF THE AUTHORS REVIEWED FOR THE PURPOSE OF THE STUDY

S/N	AUTHOR(S) & YEAR	OBJECTIVE OF THE STUDY	INDEPENDENT VARIABLES	DEPENDENT VARIABLE	SAMPLE SIZE /DATA SOURCE	RESEACH METHODOLOGY /INSTRUMENT & TECHNIQUES	FINDINGS
1.	Vinten (2005)	To investigate the structure, compositing and extent of audit expectation gap in England and Zealand	*auditors' performance *quality control of audit firm *auditing standard *education background of the society	Audit Expectation Gap	*950 respondents sample in total * Primary &Secondary Source	*survey design. *Questionnaires *Simple Regression Model	The findings of the study showed that the extent of gap was much less and expectation were not being fulfilled.
2.	Mahadevaswamy et al. (2008)	*To Investigate the existence of an audit expectation gap and to find similarities and differences in responsibility of audit expectation gap among auditor and investors between two countries *To measure the magnitude of auditor responsibility	*Auditors'Responsibility in Measuring Financial Performance *Auditor responsibility in controlling financial aspect *Auditor responsibility in financial misstatement and *Auditor responsibility on professional discipline	Audit expectation gap in the responsibility of Auditor	*950 respondents in India *1200 respondents in Iran. *Primary &Secondary Source	*survey design. *Questionnaires. *Mann- Whitney	*The results found that wide audit expectation in both countries in the area of auditors' responsibility exist. *Also, there were no much differences between the opinion of auditors as well as investors in both countries.

3	Jonanathan and Osasumwen (2010)	To Investigate the application of forensic accounting services by corporate organization in Nigeria is effective in deterring fraudulent practices	Forensic Accounting Services	Fraudulent Activities	*10 firms as a respondents sample * Primary & Secondary Source	*survey design./ *Questionnaires/ *Simple Regression Model	*The result reveal that application of forensic accounting services by corporate organization in Nigeria is not absolute effective in deterring fraudulent activities.
4	Muhammad (2011)	*To examining the existence of audit expectation gap in Nigeria. *To investigate how to reduce the area of the audit expectation concern.			*2088 respondents sample / Primary Source	*survey design./ *Questionnaires / * One-way ANOVA *T-test and *Chi-square Statistical tool. *Correlation analysis	The paper concluded that there is wide gap on the understanding of the role of the auditor by public
5	Islam <i>et al.</i> , (2011)	To examine the application of forensic accounting as a tool in curbing fraud and corruption in Bangladesh	*Role of forensic accounting *Forensic accounting practice.	Financial Fraud and corruption	*100 respondents sample / *Primary Source	*survey design./ *Questionnaires / *descriptive percentage	The reveals that steps should be taken for the enhancements of the utilization of the forensic

							accounting as a tool for combating fraud and corruption in Bangladesh.
6.	Onuorah <i>et al.</i> (2012)	To examine the effect of forensic accounting services on fraud detection in Nigeria.	forensic accounting services	Deterrent in Fraudulent Activities	*480 respondents *Primary & Secondary Source	*Cross Sectional Survey design / *Questionnaires. / * Descriptive Statistics, Augmented Dickey-fuller, Ordinary least square & Granger Causality	*The application of forensic accounting services affect the level of fraudulent activities of Banks
7.	Kamau (2013)	Determinant of Audit Expectation gap among companies in Kenya	Auditor Efforts, Auditor Skills, Public Knowledge and User's Need.	Level of Audit Expectation Gap	*110 respondents *Primary Source	*Mixed research design-descriptive design, Hypothesis testing design, correlation/ causal design and survey design. *Questionnaires. *Correlation & Multiple linear regression.	* The study found out that some factors suggested significantly affected the audit expectation gap
8.	Chimwua and John (2013)	To assess the role of auditing profession in narrowing the audit expectation gap	*Public knowledge of the regulatory and pronouncements *Public expectation of the auditor to perform responsibility.	Audit Expectation Gap	*130 respondents sample / * Primary Source	*survey design / *Questionnaires / *Descriptive and statistical analysis via SPSS	

APPENDIX XII:SIGNIFICANCE OF FORENSIC ACCOUNTING IN NIGERIA FINANCIAL SCAMS

S/N	SCANDAL	YEAR REPORTED	SCOPE	KEY PLAYERS	SUMMARY
1	Siphon deposited money scam	2005	N1Billion Fraud	*Frank Abayilo, a Managing Director of Lucratel and telecommunications engineer of Lucratel, an indigenous telecommunications engineering firm, *Messrs LM Ericsson *Access Bank Plc.	*Unconventional means to syphon close to a billion naira of monies deposited into Lucratel Nigeria Limited account with the Access Bank. *Access Bank hid details of all monies paid into the account by LM Ericsson gave Lucratel impressions of borrowing the firm monies while Ericsson did not pay thus, consistently making the company to be in permanent debt.
2	Frauds and forgeries scam	2011	N4.07bn to frauds and forgeries-87% of bank frauds in 2011	*Management of Top 10 banks in Nigeria Commercial Banks.	Details of the nature of the frauds show that *ATM-related frauds topped with 738 reported cases, *Fraudulent transfers/ withdrawal of deposit (331 cases), *presentation of forged cheques (280 cases) and outright theft (240 cases).Other cases include suppression of customer deposit, 219; fraudulent conversion of cheques, 123; non-dispensing of money, but registered by electronic journal, 112; and

					internet fraud, 108. *55 directors, staff and other related parties that were responsible for the collapse of 19 micro-finance banks were prosecuted to serve as deterrent to would-be fraudsters in the sector.
3.	Shareholders' Fund Eroded scam	2010	*N800 billion on shareholders' eroded *N500billion on insider trade account, *N500billion on third party related transactions	Management of the following banks: Afribank, Intercontinental Bank, Oceanic Bank, Union Bank and Finbank	*Eroded their shareholders' funds and practically breached all the ratios in banking. *Insider internal trading account: a large portfolio of privileged borrowers buy up the shares of the same lenders in a mockery of margin trading, with the loan asset and collateral predicated on the same risks and whims of dispirited stock prices. *huge amount extended to the oil and gas sector. We need to put these loans in perspective. The so-called "oil and gas" sector is a euphemism for the booming trade of a handful of middlemen in the retail sale of imported petroleum product-third party related transactions
4	Mismanagement and outright theft Scam resulted to negative Net Assets	2011	N1283986 billion- Negative Net Assets	Chief Executives and Executive Directors of Nine banks: Oceanic Bank International Nigeria Plc, Union Bank of Nigeria Plc,	*The Forensic diagnostic report highlighted significant deficiencies in capital adequacy and liquidity requirements, and illustrated

				Intercontinental Bank Plc, Bank PHB Plc, Afribank Nigeria Plc, Finbank Plc, Equitorial Trust Bank Ltd, Spring Bank Plc and Wema Bank Plc.	major weaknesses in corporate governance and risk management practices by the management. * The key initiatives included the injection of N620bn as convertible loan that amounts to Tier II capital into the banks, replacing the Chief Executives and Executive Directors of eight of the banks with competent managers with experience and integrity, introducing the guarantee of the local interbank market to ensure continued liquidity for all banks.
5	Financial scam	2001	US\$181.6 million	The scam was said to have involved a group of Nigerians and a Brazilian, Mr. Nelson Sakaguchi, a Director in Banco Noroeste Brazil.	Following this development, a committee was setup comprising: the then Bank Examination, Banking Supervision Departments and Forensic Account expert to carry out an in dept investigation into the alleged scam. The Committee, at the end of its investigation established that:- As against the belief by UBN PLC that Chief Odinigwe held 4,101,000 shares in the bank using his name and through

					<p>several other proxies and related interests, Chief Odinigwe actually acquired 65,119,000 shares in Union Bank Plc in 1998 at a price of N9.50 per share. This number rose to 86,825,328 following the bonus shares declared by the Bank in 2001;</p> <p>*First Bank Plc had no subsidiary outfit by the name of First Homes Limited.</p> <p>*The investigation report passed to the CBN Management was approved and Management forwarded it to the (EFCC) which eventually prosecuted the culprits.</p>
6.	Account falsification and Financial engineering	2006	N16.75billion	Afribank board and Akintola Williams Deloitte (AWD) the External Auditor	<p>*Wide difference between the management figures and the audited figures. *Account manipulation occurred with the knowledge of the Board of Directors and on the professional advice of the external auditors</p> <p>*As a result of investigation from forensic accountant report, Akintola Williams Deloitte (AWD) found guilty and was ordered to pay a fine of N20 million</p>

					for its failure to handle the accounts of the company with due professional diligence. Although AWD was strongly reprimanded and warned to desist from engaging in acts that might affect the investing public's confidence in the capital market, the penalty seemed light compared with the damage such anti-social practices have on Nigerian society.
7	Insider Trading and Executive fraud scam		us\$1.02billion (653 million-pound)	Access Bank Plc and Akingbola Ex-Intercontinental Bank CEO	<p>*Akingbola is liable for directing the bank to buy its own shares at a loss of about 145 billion naira (us\$902 million)</p> <p>* Siphoning money to companies controlled by him and his family to buy real estate.</p> <p>*All these result to the collapsing of the Bank. Access Bank Plc and Akingbola Ex-Intercontinental Bank CEO</p>

Source: (Researchers compilation from CBN report, 2001-2014)

APPENDIX X11I:LIST OF NIGRERIA MONEY DEPOSIT BANKS AND SHAREHOLDING ANALYSIS

S/N	List Of Money Deposit Banks (MDB)	Numbers of Shareholders having 15% and above of shareholdings
1.	Access Bank Plc	138
2.	Citibank Nigeria Limited**	-
3.	Diamond Bank Plc	37
4.	Eco bank Nigeria Plc	1
5.	Enterprise Bank**	-
6.	Fidelity Bank of Nigeria Plc	7
7.	First Bank of Nigeria Plc	31
8.	First City Monument Bank Plc	33
9.	Guaranty Trust Bank Plc	23
10.	Heritage Bank Ltd**	-
11.	Key Stone Bank**	-
12.	Main Stream Bank**	-
13.	Skye Bank Plc	5
14.	Stanbic IBTC Bank Plc	1
15.	Standard Chartered Bank Nigeria Ltd**	-
16.	Sterling Bank Plc	126
17.	Unity Bank Plc	40
18.	United Bank for Africa Plc	7
19.	Wema Bank Plc	4
20.	Union Bank of Nigeria	4
21.	Zenith Bank Plc	33

Source: Banks Directors Reports (2014)