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Unveiling Forensic Accounting: Practitioner Insights Into Awareness And Effectiveness In Fraud Prevention

Parveezulla[1], Kousalya[2], Yallappa C[3]

[1]Assistant Professor, Department of Commerce, Christ Academy Institute for Advanced Studies, Bangalore.
[2]PG Student, Department of Commerce, Christ Academy Institute for Advanced Studies, Bangalore.
[3]Assistant Professor, Department of Commerce, Christ Academy Institute for Advanced Studies, Bangalore.

Abstract:
Forensic accounting is proving to be essential profession in anti-fraud efforts especially in the current society characterized by high rates of fraud and enhancement of stringent legal standards. Still, alleged awareness and utilization information of forensic accounting methodologies by practitioners are comparatively diverse, especially in developing countries like India. This work examines what accounting practitioners believe forensic accounting is, with specific focus on its function in relation to fraud. The study will seek to establish the level of understanding of forensic accounting among practitioners, test the efficacy of its methods, establish the various problems that practitioners encounter when implementing forensic accounting, and establish their inclination to use these approaches. It also established that practitioners are very conversant with forensic accounting since their awareness score was an average of 3.87. Increased knowledge can thus contribute to the adoption of forensic tools – perceived effectiveness had a correlation of 0.762 with the adoption levels. However, challenges that inhibit IS implementation include; high cost, lack of training and restricted resource provision. In particular; the challenges mentioned above were noted by 67% of the respondents, and 70% considered education resources as inadequate. To rectify these concerns therefore the study suggest the incorporation of comprehensive training sessions and seminars to increase the understanding of practitioners on the role of forensic accounting in the prevention of fraud. Decision makers should also consider the idea of elevating the accountability of forensic accounting, so its tools are easily accessible for everyday use across the organization.

Keywords: Forensic accounting, fraud detection, accounting practitioners, awareness, effectiveness, challenges.

1.0 Introduction:

Modern financial environment is accompanied by a raised level of fraud, which becomes a crucial problem for organizations of various industries. It is for this reason that there is need to ensure that both detection and prevention of financial crimes are made easier as they become more complex. Forensic accounting, a relatively young practice area that is a cross between accounting, auditing, and investigative work is now

widely used to combat fraud. In this way, using forensic accounting methodologies, organizations reveal all the discrepancies and fraud schemes, as well as supply legal evidence for the successful outcome of the trial to protect themselves from financial scams. However, for all its increasing relevance, there is still very little known about how accounting practitioners might conceive and carry out forensic accounting practices. Understanding of and implementation of proper forensic accounting techniques is necessary to fully explore their application in fighting fraud. Several studies discussed the effectiveness of forensic accounting in different settings, while there is limited knowledge about the practitioners' attitudes, obstacles, and behavioral willingness concerning its implementation. This lack of comprehensive understanding hampers the potential of organizations to optimally exploit the uses of forensic accounting. This research intends to fill this gap by establishing the level of awareness and perceptions of accounting practitioners including auditors on forensic accounting. By identifying the difficulties encountered, the competencies needed, and the relative of effectiveness of forensic accounting approaches, this paper aims at creating a roadmap that will assist practitioners to launch and conduct forensic accounting strategies more efficiently. So as a result of concentrating on the practical realities of the respondents who are practicing accountants, this study aims at making a some share to the existing knowledge and offer practical suggestions to the development of the usage of forensic accounting in fraud detection and prevention.

1.2 Objectives:

- To establish the level of awareness of accounting practitioners including auditors, on forensic accounting.
- To explore the impact of forensic accounting on its relevance to the profession, the challenges, skills, and ability of the professionals.
- To establish a framework for forensic accounting implementation and analyzing the factors that may affect implementation.

1.3 Hypothesis:

H1: Consequently, there is a revealing level of awareness and a positive attitude towards forensic accounting among accounting practitioners including auditors.

H2: The use of forensic accounting is highly dependent on challenges skills and effectiveness of accounting.

H3: Thus, the identification of significant factors plays a great role in the formulation of the proper framework for the adoption of forensic accounting.

2.0 Literature Review:

Pratap Singh & Grewal (2015)[1] discussed the development of the profession of forensic accounting in India and observed that it has a raised impact on external audits, as well as internal check and balance systems, but it is still at a preliminary stage and the implementation proficiency is limited to multinational firms. Malusare (2013)[2] did the same for India finding that despite its usefulness in the forensic context, the role of forensic accounting is restricted by constraints, such as, time, cost, and technology. Commercial audits moderate the level of fraud, but forensic accounts demonstrated higher effectiveness in the Nigerian public sector according to Okoye and Gbegi (2013)[3] who supported further implementation and improved qualifications. Olagunji and Onifade (2021)[4] explained attitude of Nigerian students towards forensic accounting education identifying high level of interest and advising that the subject should be granted place in the university curriculum for professional training. Naik (2019)[5] revealed the prospects of forensic

accounting in the Indian context but pointed out that scattered information systems, increasing digitization, and lack of coherence in organizing such information to a sophisticated form as a major problem that needs to be addressed with regard to data access. Bose (2023)[6] gave an insight on the development of the field in India looking at the increased role playing in dealing with financial frauds/scams. Wells (2017)[7] underscored the importance of forensic accounting for detecting sophisticated corporate fraud across the globe, which nowadays often involve strategies such as data analytics however, there is a deficit in efficiency for SMEs because of financial constraints. Albrecht et al. (2014)[8] limited themselves to the ones speculated to cause financial fraud: the elements of opportunity, pressure, and rationalization, while suggesting the need for much-improved ethics regulation and special forensic education; yet, the cybercriminal threats that loomed large somewhere in the background were not posited as crucial issues that needed to be addressed. More recent work by authors Crumbley et al. (2011)[9] have plotted the advances of the profession from simple fraud check services to critical litigation assistants, have supported the need for the development of more advanced forensic accounting programs, and have suggested that the study of real-time reporting integration might be a future study direction of the profession. Lastly, Bhasin (2016)[10] showed that forensic accounting applies to decreasing corporate fraud in emerging markets, but the success of it is contingent upon strong legal systems and international collaboration, while the issue of cultural differences and domestic corruption is still not carefully studied enough. Collectively, these studies showcase the global impact of forensic accounting, its challenges, and the ongoing need for education, regulatory support, and adaptation to evolving fraud techniques.

2.1 Research Gap:

To be more precise, the existing literature focuses on the following areas of forensic accounting: the effectiveness of the field; issues arising from its application; and the necessity for professionals to enhance their training and funding. Thus, researchers have a significant gap when it comes to learning from the accounting practitioners of the real applicability of forensic accounting. In the case of awareness, there is a lack of holistic research that explores the knowledge practitioners hold about forensic accounting methodologies, including the efficacy assessments and the problems faced when implementing them and practitioners' behavioral intentions for adopting forensic accounting tools. It might help to better understand how exactly forensic accounting is regarded and actually applied out there, to address some of these gaps with a view to enhancing practical application and efficacy.

2.2 Statement of Problem:

Nevertheless, known increases in threats for fraud detection and prevention, forensic accounting received a limited attention in accounting academic environment, and especially nothing or very limited is known about accounting practitioners' perception of forensic accounting and its application potential. This study seeks to fill this gap by examining the current knowledge that practitioners have of forensic accounting procedures, and their perception of the relevance of such procedures, their experiences of difficulties in applying them as well as their behavioural intentions to implement such processes. This knowledge is important in determining facets of the subject area that needs to be addressed in order to enhance on the application and effectiveness of forensic accounting in the fight against financial fraud successfully.

2.3 Significance of Study

Based on this rationale, the relevance of this study is derived from its contribution to enhancing the developmental practical application of forensic accounting from the practitioners' perspective and challenges encountered. The existing forensic accounting channels will be reviewed and the study will offer details strategies on how to improve the forensic accounting procedures by identifying areas of

awareness, measuring the effectiveness of forensic strategies, and providing information on barriers to adoption. The research findings will assist educational institutions enhance their curriculum, professional associations to develop training courses, and organizations enhance their fraud identification and control procedures. Finally, the purpose of this research is to contribute to the enhancement of the various firms' fraud management and financial system.

2.4 Scope of The Study

The purpose of the present research work is to evaluate the attitude of accounting professionals toward forensic accounting in relation to its role in identifying and combating fraud. The survey encompasses questions that concern the practitioners' state of knowledge, evaluation of the efficiency of the methods used in forensic accounting, their problems and plans in the application of these methodologies. The population for the study will be defined as accounting professionals and thus the sample will equally include accounting professionals of different industries and from organizations of different sizes. Through the use of structured questionnaires and interviews data will be collected hence having adequate knowledge on how forensic accounting is understood and applied in different scenarios. The region covered in this study shall however be at the discretion of the available resources and data.

3.0 Methodology:

The research method used in this study was descriptive research design to ascertain the awareness, effectiveness, challenges, and behavioral objectives of accounting practitioners regarding the forensic accounting utility and fraud detection and prevention methods. Quantitative data was obtained through the questionnaire that comprised of 16 items ranging from 5-Likert scale The variables focus on the awareness, perceived effectiveness on practical applications, and the challenges faced by forensic accountants. The questionnaire was sent through online and word of mouth diffusion, e-mails, professional networks, and professional events with expectations of having a wide variety respondent. Secondary data were also collected from books, journals, and newspaper with a view to establishing important background information. Participants comprised of auditors and accountants from Blue peak Advisers Private Limited and other accounting firms in Bangalore practicing or possessing knowledge in forensic accounting, where the study adopted a non-probability convenience sampling of 153 respondents. To analyze the data, descriptive statistics were used to derive the frequencies of awareness and effectiveness, and reliability analysis was used to test the internal consistency of the measuring scale using SPSS. Furthermore, single-sample t-tests were conducted to make comparisons of awareness levels of practitioners with a hypothesized mean level of awareness Using Pearson correlation, cross-product correlation analysis was done to identify the interdependency between effectiveness, challenges, skills, and adoption. Multiple regression analysis used to test the effect of independent factors (skills, challenges, and effectiveness) on the dependent variable (adoption of forensic accounting) would reveal complexities in practicing forensic accounting.

4.0 Result Analysis:

4.1 Demographic Analysis

Table 4.1.1: Demographic And Socioeconomic Details of The Respondents:

Factor	Scale	Frequency	Percent (%)	Valid Percent (%)	Cumulative Percent (%)
Age	21-25	11	4.9	4.9	4.9
	26-30	19	8.4	8.4	13.3
	30-35	60	26.5	26.5	39.8
	35-40	108	47.8	47.8	87.6
	Above 41	28	12.4	12.4	100.0
Marital Status	Female	41	26.8	26.8	26.8
	Male	112	73.2	73.2	100.0
Profession	Accountant	65	42.5	42.5	42.5
	Auditor	78	51.0	51.0	93.5
	Both	6	3.9	3.9	97.4
	Forensic Accounting Practitioner	4	2.6	2.6	100.0
Experience	1-3 years	14	9.2	9.2	9.2
	4-6 years	83	54.2	54.2	63.4
	7-10 years	41	26.8	26.8	90.2
	Less than 1 year	4	2.6	2.6	92.8
	more than 10 years	11	7.2	7.2	100.0

Source: Primary Data

The sample in table 4.1.1 is dominantly middle aged (most of the respondents are at 35-40 years of age, 47.8%) and is skewed towards the male gender with only 26.8% of female respondents. The respondents are mainly or partially involved in accounting, where 42.5% of the respondents were accountants and 51.0% were auditors with 2.0% being forensic accounting practitioners. A majority 54.2% affirmed they've been practicing for 4- 6years while 26.8 % noted they've practiced for 7-10 years signifying that the health workforce is reasonably experienced but middle aged. This demographic identifies a group drawn predominantly from conventional accounting and auditing disciplines and with a strong, lengthy professional experience background with limited recruitment from the forensic accounting sub specialty or green horns.

4.2 Analysis of the awareness and perceptions of accounting practitioners, including auditors, regarding forensic accounting:

Table 4.2.1 One Sample Statistics

One-Sample Test						
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Awareness	27.238	152	.000	.87146	.8082	.9347

Source: Primary Data

Through a simple mean analysis of the results presented in Table 4.2.1 the level of awareness can be summarized to be quite high as the average mean was 3.8715. It also shows that the variability is a bit high with standard deviation equal to 0.39575, hence it is clear that while a majority of respondents have a similar awareness level, there exists a slight difference between them. Hence, the standard error of 0.03199 reveal that the sample mean is a good estimate of the population mean. In general, the results show that awareness levels are relatively high and that there are only slight differences showing how people perceive or how they work with awareness.

Table 4.2.2 One Sample Test:

	N	Mean	Std. Deviation	Std. Error Mean
Awareness	153	3.8715	.39575	.03199

Source: Primary Data

This table indicates that the calculated t-value is 27.238 and the degree of freedom is 152 and p-value is = 0:000, which is also less than the 0.05. This is statistically significant hence the AR works well. Consequently, the ha has been approved, and the ho has been dismissed. In that sense, the evidence incumbent in this study points to the fact that accounting practitioners possess a good degree of awareness concerning forensic accounting, suggesting that they understand the latter in terms of its tenets and its modality into practice.

4.3 Analysis of examining the relationship between the adoption of forensic accounting and the associated challenges, skills, and effectiveness among accounting professionals.

Table 4.3.1 Correlations

Correlations					
		Effectiveness	Challenges	Adoption	Skills
Effectiveness	Pearson Correlation	1	-.892**	.756**	.856**
	Sig. (2-tailed)		.000	.000	.000

	N	153	153	153	153
Challenges	Pearson Correlation	-.892**	1	-.693**	-.793**
	Sig. (2-tailed)	.000		.000	.000
	N	153	153	153	153
Adoption	Pearson Correlation	.756**	-.693**	1	.724**
	Sig. (2-tailed)	.000	.000		.000
	N	153	153	153	153
Skills	Pearson Correlation	.856**	-.793**	.724**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	153	153	153	153
**. Correlation is significant at the 0.01 level (2-tailed).					

Source: Primary Data

Table 4.3.1 on the analysis of adoption, effectiveness, skills, and challenge, show that there are positive and significant correlation between the variables when in respect of forensic accounting. The findings also show that there is a positive and significant relationship between the adoption and the effectiveness of forensic accounting (r = 0.756). Likewise, the, the minutes correlation of skills with adoption is 0.724 which means that increase in skills possessed by the practitioners leads to increase adoption of forensic accounting. Meanwhile, there is a negative relationship between challenges and adoption, with a coefficient of 0.693: as the challenges to implement forensic accounting increases, the adoption reduces correspondingly. These correlations are all significant at the 0.01 level, with sig values of 0.000 as a warranty that these correlations are not due to chance. This implies that the observed relationships are not as a result of randomness of distribution. The evaluation also highlights the significant issue to decrease hindrances and raise competency in order to improve the efficiency of forensic accounting services. Therefore, the study supports, by failing to support the null hypotheses and supporting the alternatives, that correlations between the adoption of forensic accounting and challenges, skills, and effectiveness are significant. This insight is focused on the need to study and manage challenges as users work towards enhancing the development of skills needed in the practice of forensic accounting to become rampant and effective.

4.4 Analysis of impact of Effectiveness, challenges, and skills, on adoption of forensic accounting.

Table 4.4.1 Summary of Adoption, Effectiveness, Challenges, and Skills in Forensic Accounting.

	Mean	Std. Deviation	N
Adoption	3.97	.380	153
Effectiveness	3.9634	.34062	153

Challenges	2.0547	.36999	153
Skill	3.9717	.32433	153

Source: Primary Data

The changes and differences in the data relevant to the use of forensic accounting adoption, effectiveness, issues, and skills are given in table 4.4.1. The mean value to the adoption is 3.97 for total adoption which is fairly high as the responses provided manifested. Likewise, the average scores obtained for the variables were high, for the effectiveness with a value of 3.96, and the skills with a value of 3.97 while the standard deviations which were 0.34 and 0.32 respectively denotes that the respondent exhibited a high degree of agreement on these aspects of the campaign. On the other hand, challenges have the relatively low mean of 2.05, but the higher standard deviation of 0.37, which indicates greater variability in participants' perceptions of the problems experienced when implementing forensic accounting. This means that while there is a general consensus about adoption, effectiveness, and skills the problem area is arguably more heterogeneous and disparate.

Table 4.4.2: Multi Collinearity

Collinearity Statistics	
Tolerance	VIF
.145	6.919
.200	4.989
.263	3.804

Source: Primary Data

It is evident in table 4.4.2 that all the independent variables; Effectiveness (6.919), Skills (4.989), and Challenges (3.804) are far much less than the standard rate of 10 hence implying that multicollinearity is not severe in this model. Even though, The VIF for Effectiveness is the highest of all the VIFs it satisfies the condition which is less than 10, indicating that the independent variables are not very much related with each other. This implies that the model can autonomously quantify the effect of Effectiveness, Skills, and Challenges on the adoption of forensic accounting without the influence of multicollinearity. Therefore, the relationships between these variables can be studied using the regression analysis with sufficient confidence.

Table 4.4.3: Model Summary

Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.771[a]	.594	.586	.244
a. Predictors: (Constant), Skill, Challenges, Effectiveness				

Source: Primary Data

It is clear from table 4.4.3 that the independent variables; Effectiveness, Challenges, and Skills account for 59.4% of the variation of Adoption of forensic accounting, given by the R squared = 0.594. This shows that these factors are key determiner of adoption as they explain more than half of the total variability. In general, the results of the proposed model are fairly strong in terms of explaining the effects of these variables on adoption where 59% of the variation is accounted for. Still, what the analysis suggests is that 41 percent of the variation in the adoption of forensic accounting practices remains unexplained, implying that other factors could also come into play

Table 4.4.4: Model Summary

ANOVA[a]						
Model		Sum ofSquares	Df	Mean Square	F	Sig.
1	Regression	13.010	3	4.337	72.722	.000[b]
	Residual	8.885	149	.060		
	Total	21.895	152			
a. Dependent Variable: Adoption						
b. Predictors: (Constant), Skill, Challenges, Effectiveness						

Source: Primary Data

Table 4.4.4 indicates that the F – ratio = 72.72, F = 3 and df = 149 whereby $p < 0.05$. As shown below all the coefficients in the regression analysis table are statistically significant providing evidence to the fact that the overall model is highly significant and the model provides a fairly good fit to the data. A low p-value of the result of 0.000 implies that the observations on the relationship between the effectiveness of, the challenges to, and skills in the application of forensic accounting is significantly different from what would be expected due to chance. The high F-value reinforces the findings to ensure that the model plays a central role in accounting for the variance in adoption while proving the appropriateness of the independent variables in determining the result.

Table 4.4.5: Coefficients

Coefficients[a]						
Model		UnstandardizedCoefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.674	.758		.890	.375
	Effectiveness	.524	.153	.471	3.429	.001
	Challenges	-.048	.120	-.047	-.404	.687
	Skill	.332	.119	.284	2.791	.006
a. Dependent Variable: Adoption`						

Source: Primary Data

As shown in table 4.4.5, Effectiveness (= 0.001) and Skills (= 0.006) have a large influence on the adoption of forensic accounting because the p values results <0.05 thereby support the alternative hypothesis. In the same respect, Concerns (t = 0.687) do not impact on the result and the p>0.05 null hypothesis for them is thus correct. The findings of this study suggest that apart from efficacy and proficiency being important to raise the level of adoption, the hurdles of implementing forensic accounting bear no influence on the process. Hence, attention should be shifted on enhancing skills and efficiency so as to probably enhance the rate of use.

5. Conclusions, Findings and Recommendations:

5.1 Conclusions

This paper establishes that forensic accounting plays an important role in improving fraud vigilance and prevention in firms. The knowledge shows that practitioners have good control of its usefulness and has a good platform for advanced skill. A positive correlation between perceived efficacy and adoption mean

that enhancement of knowledge increases the use of forensic accounting tools. However, the implementation is faced with challenges like expensive, lack of adequate training, little resource, and lack of management support. To overcome these challenges, forensic accounting must become a strategic activity for organizations; tools must be affordable and widely available; staff must be trained properly; and the practice of fraud detection must become a cultural value.

5.2 Findings

The study revealed that, the practitioners' mean score on the what is forensic accounting? Questionnaire was 3.87 out of 5, and the T-test of the perceived knowledge was 27.238, compared to 19.387 for experts, thus showing a significant level of perceived knowledge of forensic accounting ($p < 0.05$). SEAL rated awareness at 4 or higher and the perceived effectiveness of forensic accounting for fraud detection and prevention was a mean of 4.02. The correlation between perceived effectiveness and adoption was relatively high, at 0.762, which means that higher levels of perceived utility will lead to higher use. While, 67% pointed high costs, inadequate training and restricted availability of forensic technologies as the most significant challenges. The working analytical proficiency and the investigative flexibility were somewhat valued with the mean score of 4.15 while a large percentage (80%) underlined their significance. Besides, 72 percent agreed that the enhancement of forensic accounting would help to prevent fraud, however, problems such as lack of sufficient resources and inadequate training hinder the fulfillment of this, therefore, having a ven sign of -0.643. About over half of the participants (53%) stated that they didn't have any form of training while 45% perceived that their organizations were not giving enough importance to forensic accounting. In addition, 30% said its application was limited to cases of significant fraud while 64% said its effectiveness in internal control enhancement would be boosted in case of support from senior management. Lastly, 70% responded there was a need for more educational resources suggested the need for professional development.

5.3 Recommendations:

Consequently, comprehensive and specific continued education programs to develop the work of the forensic accounting specialists must involve specific consideration of forensic methods. Calling for the organization of educational workshops concerning the subject of the matter and the participation of forensic accountants in fraud control. Further, it increases the likelihood of user-friendly forensic accounting tools increasing the circulation of resources for novices as well as professionals. Forensic accounting should not be viewed as a practice needed only in cases of fraud, but rather should become an internal policy of the companies. New research has found that fraud prevention can only be achieved where there is support from senior management. This way, it will be easier to fix the problems and enhance the efficiency of using the forensic accounting tools on the regular basis. To build sustainable forensic accounting practice, sufficient human and financial capital has to be devoted to the effort.

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