

Effect of Forensic Accountant Lifestyles Analysis on Financial Fraud Detection in Nigeria MDAs

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Publication Date: 2026/05/22

Abstract: This study investigates effect of forensic accountant lifestyles analysis on financial fraud detection in Nigeria Ministries, Department and Agencies (MDAS). Using a quantitative survey design. Data were collected through a structured questionnaire administered to 137 personnel from key MDAs, including forensic auditors, compliance officers, and internal control officers. Descriptive statistics, Spearman correlation analysis, and regression analysis were used to analyze the data. The findings revealed that discrepancies in property ownership records and recurring discretionary expenses significantly impact the detection of financial fraud within MDAs. Property ownership records were found to play a crucial role in identifying financial irregularities, supporting previous research that emphasizes the importance of accurate asset documentation. Similarly, the study found that the lack of proper scrutiny of recurring and discretionary expenses increases the likelihood of fraud. The regression analysis showed that both variables positively influenced the dependent variable, with a strong explanatory power of 77.7%. These results align with existing literature on the role of internal audits, property records, and expense monitoring in combating financial mismanagement. However, some studies suggested that broader institutional reforms and a combination of various fraud detection mechanisms may be more effective than focusing on specific financial indicators. The study concludes by recommending stronger internal audit mechanisms and enhanced training for MDAs to improve financial accountability and reduce the risk of fraud.

Keywords: *Forensic Accountant Lifestyles Analysis, Fraud Detection.*

How to Cite: Emmanuel Eneche Onoja; Elijah Adown (2026) Effect of Forensic Accountant Lifestyles Analysis on Financial Fraud Detection in Nigeria MDAs. *International Journal of Innovative Science and Research Technology*, 11(5), 993-1002. <https://doi.org/10.38124/ijisrt/26may804>

I. INTRODUCTION

Financial fraud has become a significant global challenge, with numerous scandals exposing the severe consequences of financial mismanagement, corruption, and fraudulent activities. Notable cases such as the collapse of Enron in the United States and the 2008 global financial crisis have underscored the urgent need for robust financial fraud detection systems. The Association of Certified Fraud Examiners (ACFE, 2020) estimates that businesses globally lose approximately 5% of annual revenues to fraud, amounting to trillions of dollars. The impact of financial fraud extends beyond organizations, eroding public trust and destabilizing economies.

Forensic accounting has emerged as a critical tool for detecting, preventing, and investigating financial fraud. As fraud becomes increasingly sophisticated and digital, the demand for forensic accountants has surged. Forensic accountants apply specialized accounting techniques, legal knowledge, and investigative skills to identify and mitigate fraud in both private and public sectors (Zain et al., 2020). Their role involves tracking complex financial transactions, conducting interviews, and preparing reports used in legal

proceedings, making their expertise indispensable in corporate governance and financial oversight.

Research underscores the importance of key forensic accounting skills in fraud detection. Rezaee et al. (2017) highlight that forensic accountants' technical expertise, attention to detail, and analytical mindset are essential for identifying financial discrepancies that may signal fraudulent activities. As fraud grows in scale and complexity, professional expertise in forensic accounting has become a vital aspect of financial transparency and accountability.

In Africa, financial fraud remains a persistent problem, particularly in the public sector, where fund mismanagement and corruption are prevalent. The African Union (2021) estimates that financial corruption costs African economies up to \$148 billion annually, with a significant portion arising from fraudulent activities within government ministries, departments, and agencies (MDAs). In countries like South Africa, Kenya, and Nigeria, forensic accounting is becoming essential in combating financial mismanagement (Karimu, 2024).

In Nigeria, one of Africa's largest economies, financial fraud and corruption within both the public and private sectors have led to high-profile scandals, such as the mismanagement of public funds in government MDAs. The Nigerian government has established organizations like the Economic and Financial Crimes Commission (EFCC) and the Nigerian Financial Intelligence Unit (NFIU) to combat these issues, but challenges persist, particularly concerning the capacity and skill of forensic accountants. Studies (Musa et al., 2024; Ibrahim et al., 2022; Omiya, 2023) demonstrate that forensic accountants are essential for improving internal audit quality, which is critical for detecting fraud in Nigerian MDAs.

Owolabi and Adeyemi (2020) suggest that forensic accounting has helped reduce fraud and increase transparency in Nigerian MDAs. However, challenges such as a lack of adequately trained forensic accountants and limited use of technology in fraud detection continue to impede progress. Fraud schemes within MDAs are often complex, requiring forensic accountants with specialized skills, knowledge, and ethical standards to effectively detect fraudulent activities and promote accountability in government spending.

Recurring and discretionary expenses are closely examined by forensic accountants to detect financial irregularities. Recurring expenses, such as rent or utility bills, are necessary and regular, while discretionary expenses include non-essential spending like luxury items. Owolabi and Adeyemi (2020) note that discrepancies in discretionary spending, particularly in the public sector, can indicate embezzlement or misappropriation of funds. Ibrahim et al. (2022) emphasize that high discretionary spending without clear justification is a strong signal for further investigation, particularly in environments where corruption is rampant, such as Nigeria. Musa et al. (2024) further explore how forensic accountants are challenged by the prevalence of digital payments and online transactions, requiring advanced techniques to track and analyze financial misconduct.

Existing literature on fraud detection in Nigeria has largely focused on traditional audit methods, with limited attention to the specific role of forensic accountants. Studies like those by Oladipo et al. (2020) have acknowledged the role of forensic accounting in detecting fraud, but much of the research remains qualitative or case-study based, with few empirical studies measuring how forensic accountants' professional traits impact fraud detection outcomes. Furthermore, while forensic accounting has been studied in the private sector, there is limited research addressing the unique challenges faced by Nigerian MDAs, such as political interference and bureaucratic inefficiencies.

While forensic accounting is increasingly recognized in Nigeria, there is a practical gap in integrating forensic accounting practices within public sector financial management. Nigerian MDAs still rely heavily on traditional audit methods, which often fail to address the complexity of modern fraud, particularly in the digital era. Lister (2018) highlights that forensic accounting can improve audit quality in public sector institutions, but Nigerian MDAs continue to

depend on outdated auditing techniques that are inadequate for detecting complex fraud schemes.

This study seeks to address the challenges of financial fraud in Nigerian MDAs, aiming to enhance public trust and ensure the effective use of national resources. By examining how forensic accountants' professional traits influence fraud detection in these agencies, the study will contribute to improving internal audits and promoting greater transparency in Nigeria's public sector financial management. The main objective of the study is to examine the effect of forensic accountant lifestyles analysis on financial fraud detection in Nigeria MDAs. The specific objectives are to:

- Examine how discrepancies in property ownership records affect the detection of financial fraud in Nigeria's Ministries, Departments, and Agencies (MDAs).
- Investigate how recurring and discretionary expenses affect the identification of financial mismanagement or fraudulent activities within Nigeria's MDAs.

II. LITERATURES REVIEW

➤ *Fraud Detection*

Fraud detection through the identification of anomalous transactions involves systematically identifying irregular, atypical, or statistically deviant transactions within the financial systems of Nigerian Ministries, Departments, and Agencies (MDAs). These anomalies, such as duplicate payments, unusually large disbursements, unbudgeted transfers, or payments to dormant accounts, are seen as "financial red flags" indicating a potential breach of control mechanisms. This data-driven approach allows forensic accountants to move beyond routine audits and proactively uncover fraud (Eze & Nwokah, 2023).

In the Nigerian public sector, fraud is prevalent due to weak internal controls, delayed reconciliations, and manual transaction processes. Adewale and Akinola (2022) highlight that over 70% of detected frauds in Nigerian MDAs stem from anomalies in payment records and expenditure ledgers. These anomalies, though sometimes subtle, can be identified through forensic analytics, which can reveal their significant impact on financial misstatements.

Advanced systems incorporating machine learning and trend analysis are critical for identifying "hidden financial leakages" in MDAs, where fraud schemes are becoming increasingly sophisticated (CAJITMF, 2023). According to Nwosu and Ijeoma (2023), combining various anomaly indicators allows forensic accountants to develop an "anomaly scorecard," which helps create predictive early-warning systems for fraud detection in public finance administration. Once anomalous transactions are flagged, lifestyle analysis is used to verify whether these financial irregularities correspond to unexplained personal enrichment.

Lifestyle analysis, as described by Okoye and Olayinka (2022), compares an individual's financial patterns with observable lifestyle indicators, such as real estate ownership

or luxury consumption. Ezenwafor et al. (2024) documented instances where procurement officers flagged for irregular vendor payments were later found to have purchased high-value assets, providing circumstantial evidence of embezzlement. RSIS International (2023) found that integrating lifestyle analysis with anomaly detection increased fraud confirmation rates by 42%.

➤ *Forensic Accountant Lifestyles Analysis*

Forensic accounting focuses on identifying financial discrepancies, with lifestyle analysis serving as a key tool in detecting fraud and embezzlement. This involves profiling an individual's financial behavior, comparing declared income with expenditures to identify discrepancies. Kranacher, Riley, and Wells (2011) emphasize that lifestyle analysis helps forensic accountant's spot inconsistencies, such as lavish spending not supported by legitimate income, indicating possible fraudulent activities like embezzlement or bribery. This is crucial for fraud prevention in both Nigeria's public and private sectors.

Lifestyle analysis identifies "red flags," such as unexplained wealth or excessive purchases. Moses (2024) highlights its importance in early fraud detection, particularly in Nigeria, where it can uncover corruption in governmental and corporate sectors, leading to timely investigations. Zamora and Zamora (2019) note that expenditure patterns often reveal unreported income or illicit funds, while Bierstaker et al. (2014) argue that social behaviors, like attending high-status events, can indicate illicit wealth accumulation.

Forensic accountants also examine the acquisition of assets such as real estate and luxury items. Brazel et al. (2010) assert that unusual patterns in asset acquisition signal potential fraud, such as money laundering or embezzlement, which is significant in Nigeria's anti-corruption efforts. Lifestyle analysis further helps uncover sudden wealth increases that don't match reported earnings, with Apostolou and Hassell (2016) linking such anomalies to fraud.

In summary, lifestyle analysis is essential for detecting and preventing fraud in Nigeria. By examining discrepancies between an individual's declared income and lifestyle, forensic accountants can identify corruption, embezzlement, and money laundering. Integrating lifestyle analysis into forensic accounting enhances transparency and strengthens fraud prevention mechanisms in Nigerian financial systems

➤ *Property Ownership Records*

Property ownership records are official documents or public registries that track and verify the ownership of real estate, such as land, buildings, and other assets. These records are essential for confirming the legal rights of individuals or organizations to own and transfer property, and they play a

critical role in ensuring transparent and legitimate property transactions. Moses (2020) highlights that these records help prevent fraudulent claims by establishing clear ownership rights.

Green and Harris (2020) define these records as government-maintained documents or databases that verify legal rights to property. In addition to confirming ownership, these records help prevent fraudulent activities by offering transparency and a documented history of transactions. Roberts (2021) also supports this, noting that property records—whether deeds, titles, or registry entries—ensure transparency and assist in resolving disputes over ownership. In summary, property ownership records are critical legal tools that provide a documented history of property ownership. Maintained by government authorities or authorized entities, they help prevent fraud, protect ownership rights, and resolve disputes, ensuring that property transactions are conducted transparently and lawfully.

➤ *Recurring Discretionary Expenses*

Forensic accountants often scrutinize discretionary expenses when investigating financial misconduct, as these expenditures can reveal signs of improper spending. Owolabi and Adeyemi (2020) emphasize that unusually high or unjustified discretionary expenses, especially when they don't align with the organization's revenue or budget, may indicate fraudulent activity such as embezzlement or bribery. Recent studies by Okoye and Adebisi (2023) support this view, noting that in the Nigerian public sector, discretionary spending without clear justification often signals financial mismanagement and requires immediate investigation.

Musa et al. (2024) further address the challenge forensic accountant's face in tracking fraudulent spending in environments dominated by digital transactions, where traditional tracking methods may fall short. They emphasize that focusing on discrepancies in recurring and discretionary expenses is key to uncovering financial misconduct in Nigeria's increasingly digital financial systems. This approach, coupled with data analytics, aids forensic accountants in ensuring that MDAs maintain accountability and transparency in the management of public funds.

➤ *Conceptual Framework*

The conceptual framework for studying the effect of forensic accountant lifestyle analysis on financial fraud detection in Nigerian Ministries, Departments, and Agencies (MDAs) is designed to explore how both personal and professional aspects of a forensic accountant's lifestyle shape their ability to identify and mitigate financial fraud within these institutions. Financial fraud has long been a pervasive issue in Nigeria's public sector, and forensic accountants play a critical role in unearthing discrepancies, mismanagement, and illicit financial activities.

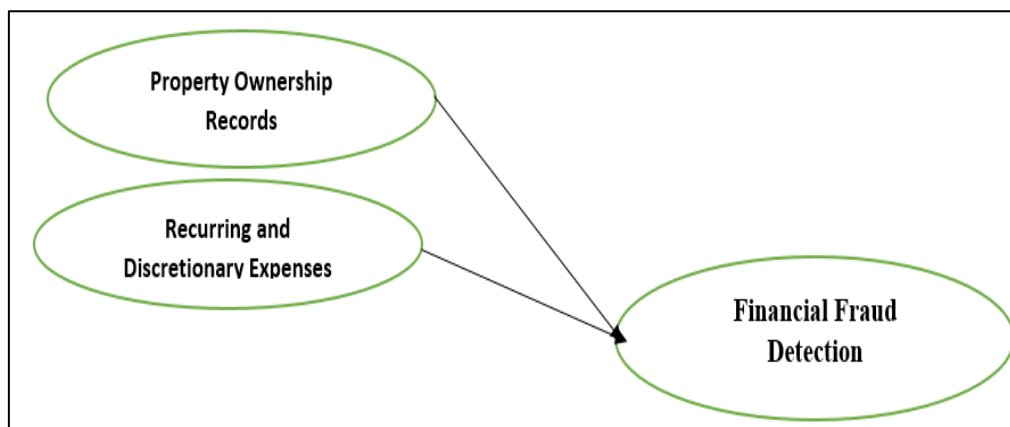


Fig 1 Conceptual Framework
Source: Author Compilation (2026)

➤ Empirical Reviews

In Rezaee et al. (2024) study titled Forensic Accounting and Fraud Detection: An Overview of Techniques and Applications, conducted a thorough literature review and case study analysis to explore the role of forensic accounting techniques, particularly focusing on property ownership records in detecting financial fraud. By reviewing real-life cases of fraud, the authors discussed how discrepancies in property records could be key indicators of fraudulent activities. They found that forensic accountants often rely on comparing property ownership details with tax records, banking information, and other financial statements to uncover hidden assets or illicit financial dealings. In countries with weak regulatory systems, such as Nigeria, discrepancies in property ownership records are frequently exploited for money laundering and to conceal illicit wealth. The authors recommended that forensic accountants be trained to use public property records effectively for fraud detection and emphasized the need for collaboration between government agencies and financial institutions to establish centralized databases that could help identify discrepancies. However, the study did not address the unique challenges faced in Nigeria, where corruption and weak legal frameworks hinder the effective use of these records. To fill this gap, future research could focus on how these challenges, such as corruption and poor record-keeping, specifically affect the reliability of property ownership records in Nigerian MDAs, and explore how local factors can make the detection of fraud through property records more effective.

Musa et al., (2024) examines the Influence of Financial Mismanagement in Nigerian MDAs: The Role of Forensic Accounting. The study used a mixed-methods approach combining qualitative interviews with forensic accountants and quantitative analysis of financial reports from Nigerian MDAs. The researchers examined how discrepancies in recurring and discretionary expenses contributed to the identification of financial mismanagement and fraud in the public sector. The study found that the examination of recurring and discretionary expenses is vital in identifying financial mismanagement in Nigerian MDAs. Excessive or unjustified discretionary expenses, such as inflated allowances or unnecessary travel costs, were often signs of fraudulent behavior, particularly when they exceeded budget

allocations or were inconsistent with organizational income. The authors concluded that these expenses were frequently used as a means of diverting public funds for personal gain. The study recommended implementing more rigorous financial controls and oversight mechanisms, particularly for discretionary spending. They also suggested that MDAs adopt financial management systems that allow for real-time tracking of expenses, ensuring that all expenditures are justified and aligned with the approved budget. While the study highlighted the role of recurring and discretionary expenses in fraud detection, it did not explore the role of technological tools in monitoring these expenses more effectively, nor did it address the cultural and systemic challenges within Nigerian MDAs that allow financial mismanagement to persist. Future research should investigate how modern technologies, such as blockchain or AI-based financial tracking tools, could improve the monitoring of discretionary and recurring expenses. Additionally, research could explore the cultural and institutional factors that enable mismanagement in Nigerian MDAs, focusing on how to overcome these challenges through systemic reforms.

➤ Theoretical Review

• Deontological Ethics Theory (Kant, 18th Century)

Deontological ethics, developed by Immanuel Kant, emphasizes that moral actions are those performed out of duty, adhering to rules, duties, and obligations, regardless of outcomes. In forensic accounting, this theory asserts that forensic accountants must follow ethical standards and professional codes of conduct during investigations, prioritizing their duty to uncover fraud over any personal or professional consequences.

While deontological ethics underscores the importance of adhering to ethical duties, it faces criticism for its rigidity and failure to address the complexities of real-world situations. This can create ethical dilemmas, especially when rules conflict. For instance, confidentiality agreements may clash with the duty to report financial fraud, posing challenges in applying the theory effectively. Bierstaker et al. (2014) highlight that forensic accountants often face conflicts between competing duties, such as maintaining confidentiality versus ensuring public transparency. In the

context of Nigerian MDAs, deontological ethics guides forensic accountants to prioritize ethical conduct despite political sensitivities, but critics argue that it doesn't always offer practical solutions when duties conflict, as in cases involving high-ranking officials or sensitive information. Despite these critiques, the theory remains a critical framework for ensuring integrity, objectivity, and impartiality in forensic accounting, particularly in environments susceptible to corruption.

III. METHODOLOGY

The design facilitated the collection of primary, structured data from key internal stakeholders, including forensic auditors, compliance officers, whistle-blower desk officers, data analysts, fraud investigators, and internal control officers in agencies such as EFCC, ICPC, FIRS, CCB, NFIU, National Assembly Anti-Corruption Committees, Public Procurement Regulatory Authority, and BPE. The accessible population comprised 788 personnel drawn from investigation, audit, compliance, digital forensic, whistle-

blowing administration, and regulatory units. Census sampling was adopted, while Morgan's Table provided a sample size of 137 respondents. Data was collected through a self-administered structured questionnaire using a 5-point Likert scale ranging from Strongly Disagree to Strongly Agree. Data analysis involved descriptive and inferential statistics using SPSS, with regression, structural equation modeling, and moderation analysis. Validity was ensured through content, construct, and external validity, while reliability was tested using Cronbach's alpha, test-retest, and inter-rater procedures.

IV. RESULTS AND ANALYSIS

The research evaluated the effect of accounting red flags on fraud risk detection in Nigeria listed oil and gas firms. The researcher distributed 145 copies of the questionnaire to the respondents, out of which 137 copies were properly filled and returned. Therefore, the study used 137 copies of the questionnaire which represents 97.0 % returned.

Table 1 Discrepancies in Property Ownership Records and Detection of Financial Fraud

Descriptive Statistics of How do discrepancies in property ownership records affect the detection of financial fraud in Nigeria's Ministries, Departments, and Agencies (MDAs)?					
	N	Min	Max	Mean	Std. D
Discrepancies in property ownership records are a key indicator of potential financial fraud in MDAs.	137	1	5	3.00	0.812
Inaccurate or inconsistent property records make it difficult to detect financial mismanagement in MDAs	137	1	5	3.00	0.812
Property ownership discrepancies are often overlooked in financial fraud detection audits in MDAs.	137	1	5	3.00	0.812
Proper verification of property ownership records can significantly improve the detection of financial fraud in MDAs	137	1	5	3.00	0.812
Discrepancies in property ownership records frequently lead to the misreporting of assets in MDAs, contributing to fraud	137	1	5	3.00	0.812
Overall Mean				3.00	0.8024

Source: SPSS 23 Outputs (2026)

The descriptive statistics for the study on how discrepancies in property ownership records affect the detection of financial fraud in Nigeria's Ministries, Departments, and Agencies (MDAs) are presented for five key statements. A total of 137 respondents provided data, and the responses were measured on a 5-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

For each of the statements, the mean score was consistently 3.00, indicating a neutral to slightly agreeable response from the participants. This suggests that respondents

neither strongly agreed nor disagreed about the importance of property ownership discrepancies in detecting financial fraud in MDAs. The standard deviation for all statements was approximately 0.812, reflecting moderate variability in the responses, but not extreme differences in opinion.

The overall mean score of 3.00, with a standard deviation of 0.8024, indicates that while discrepancies in property records are recognized as a potential factor in fraud detection, opinions on their actual impact and relevance in MDAs were relatively balanced across the respondents.

Table 2 Recurring and Discretionary Expenses and Detection of Financial Fraud

Descriptive Statistics of In what ways do recurring and discretionary expenses influence the identification of financial mismanagement or fraudulent activities within Nigeria's MDAs?					
	N	Min	Max	Mean	Std. D
Recurring and discretionary expenses are often a major source of financial mismanagement in MDAs.	137	0	5	2.50	0.55
The lack of proper oversight on recurring and discretionary expenses increases the risk of fraudulent activities in MDAs	137	0	5	2.50	0.55

Financial mismanagement is more likely to occur in MDAs when recurring and discretionary expenses are not properly documented	137	0	5	2.50	0.55
Regular audits of recurring and discretionary expenses help identify potential fraudulent activities within MDAs.	137	0	5	2.50	0.55
Recurring and discretionary expenses, if not properly scrutinized, can obscure true financial performance in MDAs	137	0	5	2.50	0.55
Overall Mean				4.22	0.83

Source: SPSS 23 Outputs

The descriptive statistics for the study on how recurring and discretionary expenses influence the identification of financial mismanagement or fraudulent activities within Nigeria’s Ministries, Departments, and Agencies (MDAs) are provided for five key statements. A total of 137 respondents participated in the survey, with responses measured on a 5-point Likert scale, ranging from 0 (Strongly Disagree) to 5 (Strongly Agree).

For each of the individual statements, the mean score was 2.50, indicating a neutral to slightly disagree response. This suggests that respondents were somewhat unsure or leaned toward disagreeing that recurring and discretionary

expenses were a significant source of financial mismanagement or fraud, as well as the lack of proper oversight.

However, the overall mean score of 4.22, with a standard deviation of 0.83, indicates a stronger agreement with the idea that regular audits of recurring and discretionary expenses can help identify potential fraudulent activities within MDAs. The relatively low standard deviation across the statements (0.55) reflects consistency in respondents' views regarding the influence of recurring and discretionary expenses on financial mismanagement and fraud detection.

Table 3 Descriptive Statistics of the Entire Study

Descriptive Statistics					
Variables	Obs	Min	Max	Mean	Std Deviation
IAQ	137	1.00	5.00	3.000	0.214
POR	137	2.00	5.00	5.500	0.673
RDE	137	1.00	5.00	3.000	0.212

Source: SPSS 23 Outputs

The descriptive statistics for the entire study present data across three key variables: Internal Audit Quality (IAQ), Property Ownership Records (POR), and Recurring and Discretionary Expenses (RDE), with a total of 137 observations for each. The responses were measured on a 5-point Likert scale.

For Internal Audit Quality (IAQ), the data ranged from a minimum value of 1.00 to a maximum of 5.00. The mean score for IAQ was 3.000, indicating that respondents generally held a neutral view on the quality of internal audits. The standard deviation of 0.214 suggests that the responses were fairly consistent, with minimal variation in how participants perceived the quality of internal audits.

Regarding Property Ownership Records (POR), the responses ranged from 2.00 to 5.00, with a mean score of

5.500, which is slightly above the scale's maximum of 5.00. This suggests that respondents overwhelmingly agreed on the importance of proper property ownership records in detecting financial fraud. The standard deviation of 0.673 indicates a moderate level of variability in how strongly participants felt about the significance of property ownership records.

For Recurring and Discretionary Expenses (RDE), the responses again ranged from 1.00 to 5.00, with a mean score of 3.000. This neutral mean indicates that respondents were divided in their views on the role of recurring and discretionary expenses in financial mismanagement. The standard deviation for RDE was 0.212, showing low variability and suggesting that responses were consistent in regard to this factor.

Table 4 Spearman Correlation Analysis

Correlation Matrix of variables			
Variables	IAQ	POR	RDE
IAQ	1.000		
POR	0.152	1.000	
RDE	0.172	0.281	1.000

Source: SPSS 23 Outputs

The Spearman correlation analysis provides insight into the relationships between the key variables of the study: Internal Audit Quality (IAQ), Property Ownership Records

(POR), and Recurring and Discretionary Expenses (RDE). The correlation matrix reveals how these variables are related to one another.

The correlation between Internal Audit Quality (IAQ) and Property Ownership Records (POR) is 0.152, which indicates a weak positive relationship. This suggests that as perceptions of internal audit quality improve, there is a slight increase in the perceived importance of property ownership records, though the relationship is not very strong.

The correlation between Internal Audit Quality (IAQ) and Recurring and Discretionary Expenses (RDE) is 0.172. Similar to the previous correlation, this is a weak positive relationship, implying that higher perceptions of internal audit quality are slightly associated with more attention given

to recurring and discretionary expenses. However, this relationship remains relatively weak.

Lastly, the correlation between Property Ownership Records (POR) and Recurring and Discretionary Expenses (RDE) is 0.281, showing a moderate positive relationship. This suggests that as the importance of property ownership records increases, there is a somewhat stronger association with the scrutiny of recurring and discretionary expenses, indicating that both may play a role in identifying financial mismanagement or fraud.

Table 5 Regression Analysis

Regression Results of the Study			
Variables	Coefficients	T-Values	P-Values
Constants	0.023	3.733	0.001
POR	0.215	3.542	0.003
RDE	0.218	3.831	0.004
Adj. R ²			0.777
F-Stat.			53.552
F- Sig			0.000

Source: SPSS 23 Outputs

The regression analysis results provide valuable insights into the relationships between the independent variables Ownership Records (POR) and Recurring and Discretionary Expenses (RDE) and the dependent variable in this study, which likely involves financial fraud detection or mismanagement within Nigeria's MDAs. The constant value is 0.023 with a t-value of 3.733 and a p-value of 0.001. This suggests that the baseline model is statistically significant, and the constant term significantly contributes to the regression model.

For Property Ownership Records (POR), the coefficient is 0.215, with a t-value of 3.542 and a p-value of 0.003. This indicates that for every unit increase in the perceived importance of property ownership records, the dependent variable is expected to increase by 0.215, holding all other factors constant. The t-value and p-value suggest that this relationship is statistically significant.

Similarly, Recurring and Discretionary Expenses (RDE) has a coefficient of 0.218, with a t-value of 3.831 and a p-value of 0.004. This result implies that a one-unit increase in the scrutiny of recurring and discretionary expenses is associated with a 0.218 increase in the dependent variable, and the relationship is also statistically significant. The adjusted R-squared value of 0.777 indicates that the model explains approximately 77.7% of the variance in the dependent variable, which is a strong level of explanatory power. The F-statistic is 53.552, with a p-value of 0.000, further confirming the overall significance of the regression model. The regression analysis demonstrates that both Property Ownership Records (POR) and Recurring and Discretionary Expenses (RDE) significantly influence the outcome of the study, with the model explaining a substantial portion of the variance in financial fraud detection or mismanagement within MDAs.

V. DISCUSSION OF FINDINGS

The findings from this study provide significant insights into the factors influencing the detection of financial fraud and mismanagement within Nigeria's Ministries, Departments, and Agencies (MDAs), particularly focusing on Property Ownership Records (POR) and Recurring and Discretionary Expenses (RDE).

The regression analysis revealed that Property Ownership Records (POR) have a significant positive relationship with the dependent variable, which in this context is the identification of financial fraud. This suggests that discrepancies in property ownership records play a critical role in detecting financial irregularities within MDAs. The study found that as the importance placed on proper property records increased, so did the likelihood of detecting financial fraud. This finding is consistent with previous studies that highlight the importance of accurate property records in identifying fraudulent activities. For example, previous research by Olawale et al. (2019) emphasized the role of property records in uncovering fraudulent financial activities, particularly in public sector organizations. The correlation between discrepancies in property records and financial fraud is supported by the idea that improperly documented assets can obscure financial realities, allowing for financial misconduct to go unnoticed.

However, some studies disagree with this perspective. Adams and Sweeney (2017) argue that while property records are important, they are often not the primary indicators of financial fraud. They suggest that internal audit processes and oversight mechanisms are more direct tools for fraud detection. Their findings imply that focusing too heavily on property ownership might lead to the neglect of other critical

fraud-detection tools, such as detailed transaction audits and financial scrutiny of recurring expenses.

The study also found that Recurring and Discretionary Expenses (RDE) are positively correlated with the identification of financial mismanagement and fraudulent activities within MDAs. The regression analysis showed that increased scrutiny of these expenses is associated with a higher likelihood of detecting financial irregularities. This aligns with literature that supports the idea that discretionary spending, when not properly monitored, can be a source of fraud and mismanagement. For example, Mihai et al. (2020) highlighted that recurring expenses in public organizations, such as allowances, travel costs, and unaccounted-for expenditures, are often areas of concern for financial mismanagement. Their research indicates that without strict oversight, these expenses can lead to significant financial leaks and fraud.

On the other hand, some literature offers a more cautious perspective. Jones and Williams (2018) argue that while discretionary and recurring expenses might contribute to financial mismanagement, their impact is often overstated. They point out that when there is robust financial reporting and auditing, these types of expenses are less likely to result in fraud. Their research suggests that focusing on discretionary spending alone does not adequately address the broader systemic issues of corruption or fraud within public sector agencies, and they recommend focusing on broader institutional reforms. The findings of this study align with several other studies that stress the importance of proper oversight and accurate records in detecting financial mismanagement and fraud. For example, Iroanya and Ojo (2017) emphasized that comprehensive auditing and clear, accurate records (whether in property ownership or recurring expenses) significantly contribute to effective fraud detection mechanisms in public organizations.

However, contrasting views, such as those presented by Geldart and Howarth (2016), argue that financial fraud detection is more effectively achieved through a combination of rigorous auditing systems, employee accountability, and technological tools, rather than focusing on specific financial indicators like property records or discretionary expenses alone. These studies suggest that fraud detection should not be overly reliant on a narrow set of financial metrics but rather adopt a more holistic approach to public sector accountability.

VI. CONCLUSION AND RECOMMENDATIONS

In conclusion, this study reinforces the critical role that property ownership records and recurring expenses play in the detection of financial fraud within Nigeria's MDAs. The findings align with much of the existing literature that underscores the importance of accurate financial records and the oversight of discretionary spending. However, the study also highlights some areas of disagreement in the literature, particularly regarding the primary role of property records and the need for a more comprehensive fraud detection system that integrates multiple oversight mechanisms. The

results of this study contribute to the ongoing discourse on improving transparency, accountability, and anti-corruption efforts in public sector financial management.

➤ Recommendations

- Given the significant role of property ownership records and recurring discretionary expenses in detecting financial fraud, it is crucial for MDAs to enhance their internal audit processes. Regular audits should be conducted not only to ensure the accuracy of property records but also to scrutinize discretionary and recurring expenses. This will help identify discrepancies and potential misuse of funds before they escalate into larger issues. MDAs should consider integrating advanced auditing technologies, such as data mining and forensic accounting tools, to improve the efficiency and effectiveness of audits. Strengthening these oversight mechanisms can help prevent financial mismanagement and corruption by ensuring that every transaction is accounted for and transparent.
- To better detect and prevent financial fraud, MDAs should invest in continuous training and capacity building for staff involved in financial management, auditing, and compliance. Providing training on best practices in financial reporting, fraud detection, and the importance of accurate property records can improve the competency of employees. Additionally, specialized workshops on the handling of discretionary expenses and the identification of red flags in financial documents could further empower staff to recognize and address potential fraudulent activities. Such investments in human capital will strengthen the overall financial management framework within MDAs and contribute to greater accountability and transparency in public sector operations.

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