

An Investigation on the Effectiveness of Forensic Audit as a Tool for Fraud Detection and Prevention

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Abstract: Internal fraud in organizations is now more common and well organized which can pose a threat to the financial health of an organization as well as its reputation. Forensic audit — a special segment of accounting and auditing has gained significant relevance because these fraudulent acts need to be curtailed. The effectiveness of forensic audit as a tool for fraud detection and prevention Question Four: How can the use of computer auditing help in fraud reduction? This research is to look for the skills forensic auditors perform, aspects of these competence abilities and constraints with regarded to banks. Using an integrative review of literature and case studies, the paper seeks to generate insights on forensic audit as a tool in fighting fraud.

At a time when business operations are more complex and globalized than at any point in history, organizations across the globe — from every industry sector imaginable — face an ongoing threat of fraud. The need for detecting fraud has also paved the way to forensic auditing, and its distinctive strategies used in finding financial wrongdoing. This paper aims to investigate the existence of frauds, and more specifically discuss how forensic auditing can be used to prevent fraud in employee such as local governments etc.

This study will be focusing on unearth the significant impact of forensic audit to investigating and prevention frauds in any financial performances or corporate companies. Need for Forensic Auditor – Continuous Financial Fraud leading into corporate collapse and Statutory Audits failure to detect or prevent the criminal activities which caused losses to investors being major reasons, has given rise of this phenomenon called forensic auditor. In light of the foregoing this paper examines how forensic auditor influence corporate governance. The research was conceptual based which impinge the part of forensic auditors to avoid fraud, difference between forensic auditor & statutory auditor > characteristic of Forensic auditing and effect on company governance. The data generated were analyzed by using charts, graphs, tables and regression. Our results showed the forensic audit and their significant relation with fraud cases, number of staff being caught in fraudulent activities through our valuable sample size at 125 respondents from Auditors, Accountants, Managers, Professional accountants as well as Accounting knowledge Persons by collecting Valid data using a very good Questionnaires it helped us to analysis the Regression & Correlation Coefficient for this we have used Spss Methodology which includes Descriptive statistics too At last all these test are connected scientifically w. r.t Anova And Then Tested With Factor Analysis. 3.4 Effect of Impact Management Accountability on Corporate Governance One feature that is fairly shown from the result of this paper was forensic auditors impact in improving management accountability, strengthening external auditor's independence through assisting audit committee members in carrying out their oversight function by providing assurance over internal audit report thus reducing corporate failure and ultimately impoverishment investors (see Table 1).

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