



NEED TO INTRODUCE FORENSIC ACCOUNTING COURSES IN COLLEGES OF EDUCATION OFFERING BUSINESS EDUCATION PROGRAMMES

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Abstract

Forensic Accounting has existed for many years. Its roots can be traced back to American's prohibition days when AL Capone, one of the most famous gangsters of the 20th century was prosecuted for tax evasion with the use of a forensic accountant by the internal revenue service. In the 21st Century there is the growing complexity of business environment and growing number of business related activities given rise to heightened awareness and growing intolerance of fraudulent activities in the public and private sectors, which spur the increasing demand for forensic accountants. The purpose of this study was to examine the need to introduce forensic accounting courses in colleges of education offering business education programmes. It was recommended that NCCE should endeavour to introduce forensic accounting in curriculum contents of NCE business education programmes. The following aspects were examined; relevance of articulation of forensic accounting courses in colleges of education offering business education programmes, recommended curriculum contents of forensic accounting in colleges of education offering business education programmes.

Keywords: *Forensic Accounting; Business Education; Colleges of Education.*

Introduction

Education is a lifelong supporter of man. The quest for human survival has exposed man to discovery, invention and innovation (Shana, 2008). Forensic accounting has not been popular in many parts of the world. The growing complexity of business environment has attracted the need for articulation of forensic accounting in public and private sectors in Nigerian economy.

According to Arnoff & Jacobs (2001), forensic accounting refers to the use of accounting skills to investigate fraud or embezzlement and to analyze financial information for use in legal proceedings. In consonance, Jack & Lindquist (1985) defined forensic accounting as the application of accounting concepts and techniques to legal problems. According to them, forensic accountants investigate



and document financial fraud and white collar crime such as embezzlement, provide litigation support to attorneys and law enforcement agencies investigating financial wrongdoing.

Macmillan English Dictionary (2002) defined forensic as the use of scientific methods to solve crimes and to find out who committed them. For elaborate analysis, Larry, Heitger & Stevenson (2005) maintained that forensic accountants utilize an understanding of economic theories, business information, financial reporting system, accounting and auditing standards and procedures, data management and electronic discovery, data analysis techniques for fraud detection, evidence gathering and investigative techniques, litigation process and procedures to perform their work. He went further to maintained that forensic accountants engages in risk reduction roles by designing and performing extended procedures as part of the statutory audit, acting as advisers to audit committees, fraud deterrence engagements and assisting in investment analyst research.

Shana (2008) explained that these forensic investigators track down criminals using DNA samples, that is deoxyribonucleic acid (a substance that carried genetic information in the cells of the body), finger prints, blood stains, photos and other clues. According to him, forensic accounting sound glamorous, the field has received more attention in recent years. This is due to the rampant profile of financial white collar crimes. Beside, the federal government employs impartial forensic accountants to uncover the extent of fraud and other accounting irregularities practiced by executives and the accounting firms associated with them. In addition, Silverston & Sheetz (2007) noted that, today, many different organizations consult accountants, corporations hire accountants to investigate allegations of fraud on the part of their employees, suppliers, or customers. According to them attorneys consult accountants to obtain estimates of losses, damages and assets related to specific legal cases in many areas of the land, including product liability, shareholder disputes and breaches of contract. According to them, in criminal investigations, accountants analyze complex financial transactions such as those in stock market manipulations and price fixing schemes. They also help governments achieve compliance with various forms of regulation.

Forensic accountants are the detectives of the finance world and help to investigate fraud and the financial misrepresentation. According to Certified Fraud Examiners (CFE) forensic accountants are provided with the technical knowledge necessary to perform effective investigations. In contrast to auditors, who typically take a more consistent and standardized approach to their work, forensic accountants must



determine which areas people or functions of the organization require their attention. Because people committing fraud have hidden the evidence of their crimes, forensic accountants must look beyond the numbers and anticipate criminal actions. Some forensic accountants specialize in specific industries that are susceptible to fraud such as insurance or banking and learn the business practices associated with these fields.

Crumbly (1995), Denise (2005), Parr & Smith (2005), Dellaportas & Gilbson (2005) noted that, unlike accountant, when forensic accountants conduct audit, they are actively looking for signs of fraud. According to them, regardless of whether their assignments are criminal or civil, the forensic accountants follow basics when conducting their investigations. To their views, in the first place, they meet with a government representative, attorney or other client to learn the specifics of the alleged fraud. Then they begin their initial research and plan the logistics of the investigation. The next step is to search the records-bank statements, credit statements, journals, ledgers, database, e-mails and memos, anything that will offer a bigger picture of the financial situation. Thus, after gathering the records, forensic accountants often conduct interviews with the accused and other involved parties to get individual stories about the irregularities. To their views, forensic accountants must possess observational skills to pick up subtle links or suspicious clues that may eventually lead them to the perpetrator. Clues may include new cars bought, numerous vocations and starting additional businesses without other visible sources of capital etc. However, the usage of forensic is also applicable to other fields of life as it is in accounting.

Relevance of Articulation of Forensic Accounting Courses in Colleges of Education Offering Business Education Programmes

The National Commission for Colleges of Education, NCCE, was established by Decree No.3 of 13th January 1989, as the third leg of the tripod of excellence in the supervision of colleges of education in Nigeria. Its mandate includes, inter alia, the laying down of minimum standards for all programmes of teacher education and accrediting their certificates and other academic awards.

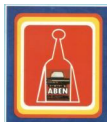
In realization of the fact that curriculum development is a continuous process, it is imperative to advise the NCCE to introduce forensic accounting courses in NCE Minimum standards documents. The forensic accounting courses will be more focused towards the attainment of the doctrine of prudence, transparency and accountability in private and public sectors of Nigerian economy.



As the society is dynamic, so do the curriculum also changes. Public sector accounting course was introduced in the Nigerian universities and polytechnics offering accounting major to take care of the growing complexity of managing government funds, its agencies and parastatals, at the local, state and federal levels. Thus, forensic accounting should be introduced in colleges of education to increase manpower development in handling monumental fraud in the Nigerian public and private sectors. Forensic accounting according to Iregbu (2008) is an advanced approach to discover scam from the boardroom to the courtroom. According to him, forensic accountants search out hidden assets in high profile, divorces and aid the government in tax evasion and fraud etc. Although forensic accounting sounds like a new career, it has been a profession since the early 20th century. During this time, the American economy was beginning to grow. It was easy for companies, and businessmen to hide sales and income to avoid paying taxes. In attempt to foil this common problem, the U.S Department of Justice created investigating unit that could specialize in handling interstate transactions. These accountants were hired to help government find income that businesses were hiding in an attempt to avoid paying taxes. www.forensicaccounting.net.

However, introducing forensic accounting courses in Nigerian colleges of education offering business education programmes is one of the aspects of accomplishing Sustainable Development Goals (SDGs). Graduates could be produced to sustain the country's development agenda. The mandate is to bridge the gap between theory and practice arising from manpower development through teaching practice in one hand and student Industrial Work Experience Scheme (SIWES) in the other. The products as forensic accountants could serve dual purpose as a teacher and be self reliant.

It is argued that business education is an important part of the total education programmed as observed on the compulsory introduction/implementation of entrepreneurship course in all fields of endeavour in Nigerian tertiary institutions. The job of the business teacher education is essential to the preparation of students as workers and consumers. The introduction of forensic accounting in colleges of education offering business education programmes signify favourable position in the teaching profession since preparation qualifies forensic accountant for either of two careers-one in business and the other in teaching. According to Akpan (1999) he is an embodiment of both what to teach and how to teach. The role and mission of the business teacher education programmes at the colleges of education is to train the necessary middle level manpower for industry, business, public and private sectors or business establishments. Therefore, there is absolute need to introduce forensic



accounting courses in colleges of education offering business education programmes.

Recommended Curriculum Contents of Forensic Accounting in Colleges of Education Offering Business Education Programmes

The success of any educational system starts with curriculum development. Azuka, Nwosu, Kanu & Agomuo (2006) noted that curriculum development describes the effort to integrate the components of learning programme in such a way that when fully implemented, the desired learning outcome will be guaranteed. At this juncture, the curriculum contents of forensic accounting in colleges of education offering business education programme is recommended below. The curriculum contents covers a 3 year duration for the students who would be awarded NCE Business Education (Accounting option). Table 1 below shows the recommended programme of studies for the NCE 1, 2 & 3 taking forensic accounting courses with *hypothetical course code, course title and credit units*.

Table 1. *Programme of Studies*

Year 1 First Semester		
Course Code	Course Title	Credit Units
BED 118	Introduction to Forensic Accounting I	2
Year 1 Second Semester		
Course Code	Course Title	Credit Units
BED 128	Computer Forensic	2
Year 2 First Semester		
Course Code	Course Title	Credit Units
BED 219	White Collar Crime	2
Year 2 Second Semester		
Course Code	Course Title	Credit Units
BED 227	Securities Fraud	2
Year 3 First Semester (Accounting Option)		
Course Code	Course Title	Credit Units
BED 324	Teaching Practice	6
Year 3 Second Semester (Accounting Option)		
Course Code	Course Title	Credit Units
BED 330	Banking Transactions Fraud	2

Source: *Author's Field Work (2019). Course Descriptions*



BED 118: Introduction to Forensic Accounting (2 Credit Units)

- The meaning, nature and roles of forensic accounting
- Business valuations, excessive/fictitious expenses
- Business Disputes
- Fraud, concealment and misrepresentation
- Lost income/profits
- Check kitty
- Qualities of forensic accountant.

BED 128: Computer Forensic (2 Credit Units)

- Investigations in criminal cases, civil litigations and employment proceedings.
- Computer applications
- Regression analysis
- Data management and electronic discovery
- Debugging fraud.

BED 219: White Collar Crime (2 Credit Units)

- Money laundering
- Telemarketing fraud
- Contract and procurement fraud
- Bankruptcy fraud
- Embezzlement
- Anti fraud and investigation services
- Financial institution and health care fraud

BED 227: Securities Fraud (2 Credit Units)

- Insurance claims
- Personal injury claims
- Fraud prevention and detection
- Dividend fraud and shareholder disputes
- Oil and gas fraud.

BED 330: Bank Transactions Fraud (2 Credit Units)

- ATM card fraud
- Bank charges fraud
- Loan and interest fraud
- Credit and debit card fraud
- Collateral security fraud.



Note: The following course descriptions could be introduced in the university undergraduate offering accounting education programmes.

1. Damage Assessment (2 credit units)
 - Location of hidden assets
 - Training illicit fund
 - Royalty and licensing audits
 - Gratification
 - Terrorism financing.
2. Legal System and Procedure (2 credit units)
 - Demonstrative evidence and expert testimony
 - Assessment of matrimonial disputes
 - Investigation and professional negligence claims
 - Forensic services to election petitioners
 - Director and officer liability.
3. Interpersonal Communication (2 credit units)
 - Verbal and written communication
 - Attention, analytical, integrity, objective, independence and creditability.
 - Due diligence reviews
 - Accounting procedures.

Source: Author's Field Work (2019).

Recommendation

The agencies of curriculum development as it affect colleges of education should be liberal to consider this proposal. These agencies are: NCCE and its subject panel of vocational and technical education, CESAC, NERDC, FME, the vocational and technical education teachers and the NUC inclusive.

Conclusion

The introduction of forensic accounting in Nigerian Colleges of Education is however long overdue. Forensic accounting has contributed a lot of positive impacts in Nigerian economy. Many business disputes has been settled through the court by the aid of forensic accountants; institutional fraud discovered by forensic accounting, matrimonial disputes settled through forensic accounting, some winners of election through fraud, reverted in the law court through the aid of forensic accounting etc.

It is noteworthy that forensic accounting has touched all segments of Nigerian economy hence its need to be introduced in colleges of education so that the services of forensic accountants in near future shall be proportional to its demand.



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