

Trend Analysis and Internal Control System's Efficacy in Financial Fraud Prevention in Oyo State's Local Government Council in Nigeria

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Abstract: *This study examined the effect of trend analysis and internal control systems in prevention of financial fraud in the Oyo State local government council. The descriptive research methodology was adopted to gather opinions from Local Government staff. The population of the study included all the Local Government in Oyo State. The study made use of structured questionnaire and key informant interviews was conducted in all the Local Government in Oyo State. The descriptive as well as inferential methods were used to analyse responses. The findings showed that there is a positive relationship between trend analysis and financial reporting quality as well as a positive perception of the effectiveness of the internal control system in preventing financial fraud within the local government council. Based on the above findings, this study concluded that it is important for local government authorities to embrace forensic auditing techniques and strategies as part of their efforts for good internal control system and to combat financial fraud and promote transparent financial management practices. The study therefore recommended that the council should prioritize the adoption of trend analysis techniques as part of their internal control practices and also the local government council should actively seek opportunities for collaboration and information sharing with other relevant stakeholders, such as government agencies, professional bodies, and academic institutions.*

Keywords: Financial Fraud, Internal Control Systems, Local Government Council, Oyo State, Trend Analysis

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I. Introduction

Globally, one of the key things that every organization, whether public or private, seeks to maintain in every area of life is financial control (Cuadrado-Ballesteros, Santis & Bisogno, 2022; Tetteh, Agyenim-Boateng, Simpson & Susuawu, 2021). The rise of fraudulent activities in many spheres of national life around the world has raised concerns, and recent instances in the Nigerian public sector have been embarrassing (Horsfall, 2022; Zakari & Button, 2022). Major factors leading to the rise in fraudulent activities includes the globalized economies that encourage e-fraud, the development and rapid growth of computer technology, lackluster financial and regulatory environment, lackluster internal control system, culture that values success above all else as, well as underpayment of public employees (Oyedokun, Akinwumi, & Asaolu, 2018; Okpala, 2019). Massive instances of fraud, misappropriation, and other financial irregularities have been made more prevalent by the government's inadequate financial management system. Public employees steal directly and indirectly both actual and intangible government assets, which has resulted in significant losses and rendered the government unable to perform its duties effectively and efficiently (Sotola & Pillay, 2022; Nomishan, Andzenge, Kolawole & Oyigebe, 2022). According to Olaoeye and Adekoya, (2022), although, in the recent time the cases of fraudulent activities have been one of the main causes of the government's subpar economic and political performance, however, due to insufficient training of standard accountant and auditors in financial crime, they don't seem to have the tenacity to combat the fraud movement while carrying out their obligations.

Dyck, Morse and Zingales (2021) opined that fraud and corruption cumulatively cost economies and businesses hundreds of billions of dollars every year, and they can damage an organization's reputation. Major types of fraud and corrupt activities such as embezzlement, extortion, looting, fraud, tax evasion, foreign currency malpractice, and oil bunkering are no longer novel in both private and public sectors; however, in the public sector, these activities are more dangerous because most fraudulent acts are committed by those in top management positions with no punishment even after discovery of the fraudulent act (Rashid, Al-Mamun, Roudaki & Yasser, 2022; Davidson, 2022). Particularly, in public sectors of Nigeria, the condition is verse as effective and efficient management of financial control is no longer in vogue which led to the fundamental reason of low public sectors

business performance (Zakari & Button, 2022; Abubakar, Umar, Shehu & Abdulsalam, 2022; Oni & Oyedokun, 2023).

Corporate espionage, the twin brother of fraud is the exploitation of entrenched power for personal gain, which includes cronyism, bribes, nepotism, false pricing, pooling during the tendering process, leakage of confidential information, kickbacks, and political donations. Corruption in the public sector has been a chronic disease in Nigeria for many decades, preventing potential foreign and domestic investors from investing (Cheeseman & Peiffer, 2022; Oyedokun, 2024). One of the many causes of these corporate crimes is the failure of the auditing and accounting professions. With the global increase in corporate crime due to fraudulent financial reporting, forensic auditing has evolved as a new instrument for the detection and prevention of fraudulent activities and has also become a topic of considerable importance for government Councils, industries research, and academics (Othman, Ameer & Laswad, 2021). The corporate world places a high value on audited financial and accounting reports, which serve as the foundation for financial markets. It is obvious that auditors must always be impartial and objective while performing their jobs (Urman, Makhortykh & Ulloa, 2022). As a result, notorious accounting and financial scandals have focused a lot of attention on the standards and regulations of the audit profession.

Forensic auditing is view as the process of gathering financial data, verifying, and reporting on the data collected to obtain material evidence for the purpose of been admissible for legal in the case of financial disputes or irregularities. Though forensic auditing has not been so popular in the public sector like local government compared to other private sector such as banking and listed manufacturing industries, however, the issues on whether Local Government Councils are willing to adopt forensic audit is still a question that has not been empirically examined in the literature.

The study examined the effect of trend analysis and internal control systems in prevention of financial fraud in the Oyo State local government council. The specific objectives are to:

- i. Assess the impact of trend analysis in enhancing the quality of financial reporting in the local government council of Oyo State, Nigeria.
- ii. Evaluate the effect of adoption of forensic audit techniques on the internal control system's efficacy in preventing financial fraud within the Oyo State's local government council in Nigeria.

II. Literature Review

Trend Analysis

Trend Analysis is a crucial forensic accounting technique that enables the detection of fraud through the identification of unusual transactions (Oyedokun, 2022). By comparing current data with previous years' data entries, fraudulent activities can be easily identified. Comparing sales and bad debts data over time can reveal if the level of sales rises at the same pace as the level of bad debts. If bad debts are found to be increasing disproportionately to sales, it may indicate fraudulent sales transactions or manipulation of the system to inflate turnover. Without the use of trend analysis, such fraudulent activities could go unnoticed for an extended period.

Trend analysis is not limited to sales and bad debts but can be applied to other financial statement items such as revenue, expenses, assets, and liabilities (Oyedokun, 2022; Sule, Ibrahim & Sani, 2019). By analysing these items over time, unusual trends or patterns that indicate fraudulent activities can be identified. For instance, an unusual increase in expenses over a particular period may be a red flag of fraudulent activities such as embezzlement or kickbacks. Similarly, a decline in the value of an asset or an unusual increase in liabilities can indicate fraudulent activities such as asset misappropriation or financial statement fraud.

Trend analysis is a powerful tool that is widely used in forensic accounting and auditing (Sule, Ibrahim & Sani, 2019; Oyedokun & Durowaiye, 2022). It enables forensic accountants to detect fraudulent activities that may be concealed in the vast amount of data generated by companies. However, trend analysis alone is not sufficient to detect all types of fraud. It should be used in conjunction with other forensic accounting techniques, such as data analytic and computer-assisted auditing techniques, to provide a more comprehensive analysis of financial data and increase the chances of detecting fraudulent activities.

Internal Control

Internal controls are processes designed to provide reasonable assurance that management achieves effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations (Grant, Miller & Alali, 2008). A system of internal controls potentially prevents errors and fraud through monitoring and enhancing organizational and financial reporting processes as well as ensuring compliance with pertinent laws and regulations (Rae & Subramaniam, 2008).

Internal control is an important tool of management. It assists the management in the performance of its various functions. It means the built in cross-checks in the system supplemented with proper supervision and internal audit carried out by the staff appointed by the organisation. These days business has become more complex both in nature and size and the management finds it difficult to get correct information about the various aspects of the business (Oyedokun & Adewuyi, 2022). Internal control assures the management that the information supplied to it is reliable and accurate. The Internal controls are exercised to ensure the accuracy and the reliability of accounting data and other records, to identify weaker areas of operation and to improve them to increase operational efficiency of the business, to safeguard its assets and to ensure orderly conduct of business.

Components of Internal Control

Control Environment: The first component of internal control, the control environment, is the attitude, awareness and general actions of administrators and managers regarding the internal control system and its importance to the entity. This component sets the tone for an organization and influences the control consciousness of people in the organization (Chen, Chan, Dong & Zhang, 2017). The control environment can be reflected in a company's culture, ethical values, management philosophy and operating style, organizational structure, board and audit committee oversight, and human resources policies and procedures. As the foundation for all other components of internal control, the control environment provides the discipline, principles and structure of the organization (COSO, 2013). More specifically, the control environment has a predominant impact on the decisions of a company's staff in terms of hiring and compensation of executives.

Control Activities: The second component, control activities, is implemented throughout the organization at all levels and functions to help ensure that an entity's objectives are met. Control activities include, but are not limited to, audits, reconciliations, performance assessments, asset protection and segregation of duties. Control activities are often designed and implemented to mitigate the risk of errors, irregularities, inefficiencies and asset misappropriations, resulting in improved accounting quality (Maaroufi & El Haji, 2022).

Information & Communication: Information and communication, the third component, exchanges operational and financial information (related to the compliance necessary for management and control within the administration). The information obtained must be reliable, complete, relevant, and timely, and communication must take place internally and externally to provide the information useful for the achievement of internal control and organizational objectives (COSO, 2013). The processes by which information flows through an organization and their importance in determining the quality of corporate governance and management have been examined in organizational communication studies of the managerial literature¹⁸. In addition, information and communication mitigate the asymmetry of information between principals and agents and improve the transparency of the organization.

Risk Assessment: The fourth component of internal control, risk assessment, identifies and analyzes the risks, errors, threats as well as frauds that prevent organizations from achieving their objectives. Moroccan public organizations must identify and manage the potential risks that exist at all levels. Applied correctly, risk assessment can help organizations, through external oversight and internal organizational governance, identify potential threats and reduce risk to a tolerable level. This component involves the identification, analysis and assessment of relevant risks (Maaroufi & El Haji, 2022).

Monitoring: The fifth component of internal control, monitoring, ensures the proper functioning of the other four components of internal control. Management evaluates the performance of internal control systems through continuous monitoring, separate evaluations or a combination of the two. The main methods of surveillance include regular management, supervisory activities, accounting, periodic audits, fraud detection systems and many other actions. Internal control deficiencies and significant weaknesses are reported to all actors in the public organisation, allowing them to correct problems in a timely manner (Maaroufi & El Haji, 2022).

Forensic Audit Techniques

Forensic audit requires a diligent set of skills and tools for detecting the fraud through transactions outside the system reflecting fraud, through analysing the financial statements and other circumstantial evidences making the difference in identifying fraudulent disclosure and finding the real culprit behind the fraud and related loss, providing the evidences in the court and in to helping the governance of the company with regulation and prevention of frauds in the company. This consolidated tool is known as Forensic Audit.

A forensic audit is a review and assessment of the financial records of a company or an individual. An auditor tries to gather information during a forensic audit that might be used as evidence in court. The main purpose of carrying out a forensic audit is to identify illegal activity, such as fraud, misappropriation, or embezzlement (Bello, Mohammed & Javan, 2022; Oyedokun, 2024).

A forensic accountant who is skilled in both accounting and investigation typically does a forensic audit. A type of activity known as forensic accounting comprises carrying out financial investigations in response to a

particular issue (Arfidawati, Nurlaila & Mailin, 2022). The findings of the investigation are frequently used as testimony in court or to settle shareholder issues.

Forensic audit has been defined by the Institute of Forensic Auditors (IFA) as an activity that involves the collection, verification, analysis and reporting of data with the aim of collecting evidence to use in a court of law. The focus of forensic audit is the in-depth investigation and detection of fraud and it involves investigating the fraud and providing litigation support services in the court of law (Knezevic, 2015). Forensic auditing is the systematic application of auditing skills to situations or circumstances that have legal implications or consequences. Forensic auditing arises from the integration of accounting, investigative auditing, criminology and litigation services (Eyisi & Agbaeze, 2014). Forensic auditors are experts in financial matters who are trained in detecting, investigating and deterring fraud and white collar crimes which are to be presented to court for legal action or to public discussion and debate (Enofe, Omagbon, & Ehigiator, 2015). Forensic audit evidence collected and evaluated could be presented in a court of competent jurisdiction in a case of litigation and could be used to correct a situation that could lead to fraud. Forensic audit focuses on the detection, analysis and communication of evidence of underlying financial and reporting events (Akenbor, & Ironkwe, 2014). It should be noted that forensic audit service is useful not only as a reactive measure but also as a proactive measure to curb fraud in the bank. Reactive forensic auditing investigates any suspicion of fraud and if the suspicion is confirmed, the person(s) involved are identified, the findings are backed up with concrete evidences for disciplinary action or criminal proceedings. Proactive forensic auditing identifies mistakes and deviant financial transactions before they graduate into fraud. The proactive approach looks for fraud indicators and uses the philosophy of "catch fraud before it catches you". The proactive forensic auditing may revolve around a statutory audit, diagnostic tool and regulatory compliance.

Fraud Prevention

Fraud Prevention entails formation of attitudes of honesty, sincerity and assistance to ensure elimination or drastic reduction in the level of fraud occurrence. One major way to victorious fraud deterrence is to focus on organization's traditions and adopt strategies to make it fraud free or low fraud atmosphere (Akenbor & Ironkwe, 2014; Oyedokun, 2024). This can be accomplished by identifying the root causes, blocking the loopholes identifying the lacuna being exploited by the perpetrators and above all workers' welfare must be taken care of properly. Forensic accountant needs specialist and professional skills to be useful in the performance of his duties. For a forensic accountant to effectively prevent fraud, he should possess knowledge, skills and competencies in the following: Accounting, auditing and investigation skills; Criminology particularly leaning to the origin, scope, dynamics of fraud and financial crimes; the legal, regulatory, professional environment and technical issues; Forensic and litigation consultative services, including research and analysis validation of losses, liabilities and damage investigation as well as conflict resolution (Millichamp, 2020).

Local Government

Local government is that part of the government of a nation that deals with matters at the grass roots, administered by local representatives. It is the government at the bottom of a government institution pyramid with National/Central/Federal government at the top, this is the chief custodian of administration and supreme formulator of the broad national public policy. This is followed by the intermediate government called State/Region/Province, responsible for providing effective coordinating link between the central and local government, while the structure at the bottom is the third-tier system called the local government, created by the central and state enactment. Nigeria is a sovereign, democratic, secular and federal republic. Federalism implies operation of three different political systems organized in hierarchical arrangement of central, state and local government (Mbieli, 2018). Local government is the lowest in the government hierarchy within the concept of federalism. Federal is the sovereign nations, state a quasi-sovereign, local government the intra-sovereign (Khalil, & Salihu, 2011). In Nigeria, after 1976 local government reforms, local government was acknowledged as third tier of government as enshrined in 1979, 1989, 1999, and 2011 (amended) constitution of Federal Republic of Nigeria. Section 7(1) of Nigeria 1999 constitution stipulated and guarantee the system of democratically elected local government councils while section 8 provides for the establishment, structure, composition and finance in each state under the laws. Also, functions of local government are highlighted in the fourth schedule of the 1999 constitution. In Nigeria, there are 774 local government as enlisted in the fourth schedule of the 1999 constitution, although there are various Local Council Development Area (LCDA) established in some states according to individual state law (Mbieli, 2018). In Lagos state, there are 20 local government and 37 local council development area.

Local government as an institution at the grass roots, entrenched democracy and achieve a broader concepts of peoples' social and economic welfare for the provision of public goods and services. Local government institution allowed effective participation and involvement of citizens at the grass roots in decision making, political affair and democratic process (Sikander, 2015). It does not involve in decision making in areas such as taxation, international

trade, national defence, financial institution and foreign policies. Local government is responsible for the management of local affairs by the local people within a given locality of village, town, district, city or specified jurisdiction. The word local government is derived from two words, local and government. Local relates to interaction of common group of people confined in the same area like village, district, cantonment, county or municipality. While the word government, means the autonomous nature self-taxation, self-direction, and legal entity (Mbieli, 2018).

Theoretical Review

This study is anchored on the Fraud Triangle theory. The fraud triangle, created by Cressey in 1953, provides a framework for analysing the circumstances that lead someone to engage in occupational deception. Three elements make up it, and when combined, they result in dishonest behaviour: The perception of an opportunity, an unmet financial need, and a justification. Cressey in his work presented a model of fraud triangle explaining the factors that can make someone commit fraud. The identified factors by according to him include personal financial difficulties, addiction pressures, and workplace environment (Boateng, Abdul-Hamid, Kosiba & Hinson, 2022). This is the first element of fraud triangle which is premised on pressure. The fundamental components of fraud triangle that tend to be present when fraud is committed in an organization include exposure to fraud opportunity and justification. While opportunity to commit fraud without being apprehended constitute the second element, the third component can be termed rationalization which is a required component used in justifying the crime before it is carried out (Al-Sharif, 2020; Mansor, 2015).

Empirical Review

Adesina, Erin, Ajetunmobi, Ilogho and Asiriwuwa (2022) analysed the impact of forensic audit and financial statement fraud in deposit money bank in Nigeria. The study sought to determine the effect of data mining on financial statement fraud of deposit money bank in Nigeria, and also ascertain effect of data assisted audit techniques on financial statement fraud in deposit money bank in Nigeria. The population sample consist of deposit money banks; UBA, First bank, Zenith, Fidelity and Access banks. Secondary time series data for the period 2016 and 2020 sourced from journals and annual reports were analysed through the Panel Least Squared (PLS) technique of analysis. Variables used in the study were financial statement fraud of deposit money bank, data mining and computer assisted audit techniques. The estimated data reveal that data mining has significant impact on financial statement fraud of deposit money bank in Nigeria. Additionally, computer assisted audit techniques was revealed to significantly impact on financial statement fraud of deposit money bank in Nigeria.

Ifarajimi and Audu (2022) studied internal control and financial fraud in the Nigerian banking industry. With the susceptibility of the banking industry to the liquid nature of its assets, this study was carried out to examine the effect of internal control on financial fraud in the Nigerian banking industry. The study is framed theoretically using the pentagon fraud theory. The exploratory research design was employed for this study. Secondary source of data was used and data on the independent and dependent variables were obtained from available data which is the NDIC 2019 Report. The data gathered were analysed using the Multiple regression model. was used in analyzing the effect of the independent variables on the dependent variable. The result shows that staff control has a positive effect on fraud prevention in the banking industry in Nigeria. It is concluded from the study that staff control does not have a significant effect on fraud in the banking industry in Nigeria. This study recommends that staff controls be put in place to ensure that the right human resources are attracted and retained for the job in order to prevent financial fraud in the banking industry in Nigeria.

Rashid (2022) assessed the role of internal control in fraud prevention and detection. An effective internal control system should be able to provide managers with increased accountability for their plans and reasonably ensure that the plans they guide reach the set goals. However, effective systems are not limited to digital systems but also systems that can prevent and detect fraudulent activities. The overall goal of this research is to analyse the impact of internal control systems on fraud detection and prevention. It is necessary to set an appropriate tone at the top, and top management should encourage ethical behaviour in a transparent manner. A risk assessment process needs to be set up, and the risk of fraud can be assessed by brainstorming to deceive the organization. It is necessary to create report and the investigation process. Thus, this work attempted to review and analyse 20 articles among different countries to reveal the importance of internal control system in preventing and detecting fraud in commercial companies. It is discovered that it has a significant role in fraud prevention.

Kassem and Turksen (2021) carried out a critical review on *role* of public auditors in fraud detection. The need for independent audit goes back to the agency theory, the theory of delegation of power and the issue of trust. Stakeholders delegate power to management to manage the business on their behalf, yet they face the risk of information asymmetry and management motivations to commit fraud. The main aim of having an independent

auditor was therefore to reduce the risk of information asymmetry and fraudulent behaviour by management. Auditors are required by the International Auditing Standards to detect material fraud and error, and they are expected to have a duty of care for stakeholders. However, recently independent auditors, whether conducting private or public audit, have been scrutinised for failing to detect material fraud. There have been a lot of discussions in the literature about the role of private auditors in detecting fraud, but very little discussions about the role of public auditors in detecting fraud. This chapter will outline the difference between private audit and public audit; explain the legal liability of public auditors in relation to fraud detection; the role of public auditors in detecting fraud; and will critically review the root causes for auditors' failure to detect fraud.

Uniamikogbo (2019) examined the impact of forensic audit on fraud detection and prevention among Nigerian banks. The population of the study comprise of the sixteen Deposit Money Banks (DMBs) listed on the Nigerian Stock Exchange (NSE) as at 31st December, 2016. The study used financial time series obtained from the Nigerian Deposit Insurance Corporations' (NDICs) annual reports of 2013 and 2016 respectively. The study period spanned 2012 to 2016. The data were analyzed using charts, graphs, tables and regression. Final results revealed a significant negative relationship between forensic audit and number of fraud cases reported in the banks, number of staff involved in bank fraud, and actual amount of bank losses through fraud in the Nigerian banking sector. Additionally, results showed that forensic auditing has insignificant impact on expected losses generated through fraud activities in the Nigerian banks in Nigeria during the period under study.

Sylvester and Agbeyi (2019) investigated the use of forensic audit in fraud prevention in the public sector with a focus on the local government level of government in Delta State. The study analysed primary data collected through sample survey and in-depth interviews conducted auditors working in the local governments on Delta state. The chi-square and Pearson Product Moment Correlation was used to analyses the data. Findings revealed that majority of auditing staff considered forensic auditing useful in preventing fraud. Additionally, results indicate that forensic audit was not being adopted by the auditors on the local governments. Furthermore, the threat to life, a lack of training, a lack of forensic auditing equipment, and political and management interference in the process were reasons preventing the adoption of forensic audit in the local government.

Frank (2019) examined the impact of utilizing forensic auditing investigation techniques in detecting fraud among large scale business organisations (LSBOs) in Delta State. The study population consist of 260 accounting staff of large-scale business organisations in Delta state from which a descriptive survey research design was used to collect data from 160 respondents. The study used mean and standard deviation to answer the research questions and ascertain the homogeneity of the respondents 'views' while T-test and Analysis of variance (ANOVA) were used to test the formulated hypotheses. Results suggest that the accounting staff lowly utilized data mining, anonymous communication and background investigation techniques, they also moderately utilized analytical technique and investigative interview for fraud detection while only substantive test was highly utilized. Analysis of results further reveal that the types and status of the organizations in the Nigerian Stock Exchange significantly influenced the respondents' ratings on the utilization of data mining but did not influence their ratings on utilization of the five other techniques for fraud detection.

III. Methodology

The study employed a descriptive research methodology to gather opinions from Local Government staff. The study population comprised of all the Local Government in Oyo State. Data was collected through the structured questionnaire, key informant interviews was conducted in all the Local Government in Oyo State. This comprises of the Executive Chairman Local Government, Head of the Local Government Administrations, all Directors and other selected staff in the the Local Government. Descriptive and inferential methods were adopted as method of data analysis employed for this study. The descriptive methods present the frequency, mean, and percentage. It was used in addressing the demographic characteristics of the respondents as well as addressing the first and second hypotheses. The inferential methods with the use of multiple regression was used in addressing the objectives of the study.

Results and Presentation of Data

Table 1: Analysis of Demographic Data of Respondents

Variables	Characteristics	Frequency	Percentage%
Gender	Male	250	39.6
	Female	300	47.5
	Prefer not to say	81	12.8
	Total	631	100
Age Group	Less than 25 years	200	31.7

Trend Analysis and Internal Control System's Efficacy in Financial Fraud Prevention in...

	25-40 years	250	39.6
	41 years and above	181	28.7
	Total	631	100
Marital Status	Single	180	28.5
	Married	220	34.9
	Widow	100	15.8
	Separated	101	16.0
	Prefer not to say	30	4.8
	Total	631	100
Religion	Christianity	280	44.4
	Islam	300	47.5
	Others	51	8.1
	Total	631	100
Highest Academic Qualification	SSCE	120	19.0
	OND	100	15.8
	HND/B.Sc./B.A/B-Tech/B.Ed.	300	47.5
	Postgraduate	111	17.6
	ACCA	50	7.9
	ACA	70	11.1
	CCA	90	14.3
	ACIB	80	12.7
	CFA	60	9.5
	Others	281	44.6
	Total	631	100
Cadre	Clerical Officer	140	22.2
	Executive Officer	130	20.6
	Accountant	200	31.7
	Others	161	25.5
	Total	631	100
Years in Public Service	Less than 5 years	120	19.0
	5-10 years	151	23.9
	11-20 years	200	31.7
	20 years and above	160	25.4
	Total	631	100
Department/Unit	Admin Gen. Services	150	23.8
	Internal Audit Unit	130	20.6
	Finance & Supplies	180	28.5
	Rate/Revenue Unit	120	19.0
	Others	51	8.1
	Total	631	100

Source: Field Survey, 2024

Table 1 shows the classification of respondents according to gender, marital status, educational qualification, age, professional qualification and work experience. It shows distinction between male and female within the Oyo State's local government council in Nigeria. 74 (51.7%) of the respondents are male while 69 (48.3%) % are female respondents. Thus, majority of the respondents were males.

It was observed 31.7% (200 individuals) were less than 25 years old, 39.6% (250 individuals) were between 25 and 40 years old, and 28.7% (181 individuals) were 41 years old and above. This showed that majority of the respondent are within the age range 24 to 40 years. 28.5% (180 individuals) were single, 34.9% (220 individuals) were married, 15.8% (100 individuals) were widowed, 16.0% (101 individuals) were separated, and 4.8% (30 individuals) preferred not to disclose their marital status. The religious affiliations of the respondents showed that 44.4% (280 individuals) identified as Christians, 47.5% (300 individuals) identified as Muslims, and 8.1% (51 individuals) identified with other religions. In terms of educational qualifications, 19.0% (120 individuals) had completed SSCE, 15.8% (100 individuals) had completed OND, 47.5% (300 individuals) had completed HND/B.Sc./B.A/B-

Tech/B.Ed., and 17.6% (111 individuals) held a postgraduate degree. Among the respondents, 7.9% (50 individuals) had the ACCA qualification, 11.1% (70 individuals) had the ACA qualification, 14.3% (90 individuals) had the CCA qualification, 12.7% (80 individuals) had the ACIB qualification, 9.5% (60 individuals) had the CFA qualification, and 44.6% (281 individuals) had other professional qualifications. The respondents' job cadres were categorized as follows: 22.2% (140 individuals) were clerical officers, 20.6% (130 individuals) were executive officers, 31.7% (200 individuals) were accountants, and 25.5% (161 individuals) fell into the "Others" category.

The distribution of respondents based on their years of service showed that 19.0% (120 individuals) had been in the public service for less than 5 years, 23.9% (151 individuals) for 5-10 years, 31.7% (200 individuals) for 11-20 years, and 25.4% (160 individuals) for 20 years and above. The respondents were associated with different departments or units within the local government council. The distribution was as follows: 23.8% (150 individuals) belonged to the Admin Gen. Services, 20.6% (130 individuals) to the Internal Audit Unit, 28.5% (180 individuals) to the Finance & Supplies department, 14.2% (90 individuals) to the Rate/Revenue Unit, and 13.0% (82 individuals) fell into the "Others" category.

IV. Analysis of Research Questions

Research Question 1: To what extent does trend analysis enhance the quality of financial reporting in the local government council of Oyo State, Nigeria?

Table 2: Perception of the Extent to which Trend Analysis Enhance The Quality Of Financial Reporting

Statement	Strongly Agree	Agree	Disagree	Strongly Disagree	Mean	Remarks
Trend analysis has significantly improved the accuracy and reliability	180 (28.5%)	220 (34.8%)	70 (11.1%)	161 (25.5%)	3.4	Agreed
The use of trend analysis techniques has provided valuable insights	150 (23.7%)	180 (28.5%)	90 (14.2%)	211 (33.4%)	3.0	Agreed
Trend analysis has facilitated the identification of financial irregularities	140 (22.1%)	180 (28.5%)	120 (19.0%)	191 (30.2%)	2.9	Agreed
The implementation of trend analysis has contributed to better decision-making	170 (26.9%)	180 (28.5%)	100 (15.8%)	181 (28.7%)	3.1	Agreed
Trend analysis has played a crucial role in identifying emerging financial trends	120 (19.0%)	190 (30.1%)	90 (14.2%)	231 (36.6%)	2.8	Agreed

Source: Field Survey, 2024

The table 2 presents responses to a survey statement on the effectiveness of trend analysis in enhancing the quality of financial reporting. For the first statement, "Trend analysis has significantly improved the accuracy and reliability," we observe that 28.5% of respondents strongly agreed, while 34.8% agreed with the statement. A smaller proportion, 11.1%, disagreed, and 25.5% strongly disagreed. The mean rating for this statement is 3.4, indicating an overall agreement among the respondents. Moving to the second statement, "The use of trend analysis techniques has provided valuable insights," we see that 23.7% strongly agreed and 28.5% agreed. A significant proportion, 14.2%, disagreed, and another 33.4% strongly disagreed. The mean rating for this statement is 3.0, suggesting a moderate level of agreement among the respondents. Regarding the third statement, "Trend analysis has facilitated the identification of financial irregularities," we find that 22.1% of respondents strongly agreed and 28.5% agreed. 19.0% disagreed, and another 30.2% strongly disagreed. The mean rating for this statement is 2.9, indicating a moderate level of agreement. Moving on to the fourth statement, "The implementation of trend analysis has contributed to better decision-making," we observe that 26.9% strongly agreed and 28.5% agreed. 15.8% disagreed, and 28.7% strongly disagreed. The mean rating for this statement is 3.1, suggesting a moderate level of agreement among the respondents. Lastly, for the fifth statement, "Trend analysis has played a crucial role in identifying emerging financial trends," we observe that 19.0% strongly agreed and 30.1% agreed. 14.2% disagreed, and 36.6% strongly disagreed. The mean rating for this statement is 2.8, indicating a moderate level of agreement.

Research Question Two: In what ways does the adoption of forensic audit techniques on the internal control system's efficacy in preventing financial fraud within the Oyo State's local government council in Nigeria?

Table 3: Adoption of Forensic Audit Techniques on the Internal Control System's Efficacy In Preventing Financial Fraud

Statement	Strongly Agree	Agree	Disagree	Strongly Disagree	Mean	Remarks
The internal control system has effectively deterred instances of financial fraud	180 (28.5%)	210 (33.3%)	70 (11.1%)	171 (27.1%)	3.4	Agreed

Trend Analysis and Internal Control System's Efficacy in Financial Fraud Prevention in...

The implementation of robust internal control measures has significantly reduced fraud	160 (25.4%)	200 (31.7%)	80 (12.7%)	191 (30.2%)	3.2	Agreed
The internal control system has enhanced accountability and transparency	170 (26.9%)	190 (30.1%)	90 (14.2%)	181 (28.7%)	3.1	Agreed
The internal control system has successfully detected and prevented potential fraud	150 (23.7%)	180 (28.5%)	110 (17.4%)	191 (30.2%)	3.0	Agreed
The local government council has experienced improved financial governance and compliance	190 (30.1%)	180 (28.5%)	80 (12.7%)	181 (28.7%)	3.3	Agreed

Source: Field Survey, 2024

Table 3 presents responses to a survey statement related to the effectiveness of the internal control system in deterring financial fraud. For the first statement, "The internal control system has effectively deterred instances of financial fraud," we observe that 28.5% of respondents strongly agreed, while 33.3% agreed with the statement. A smaller proportion, 11.1%, disagreed, and 27.1% strongly disagreed. The mean rating for this statement is 3.4, indicating an overall agreement among the respondents. Moving to the second statement, "The implementation of robust internal control measures has significantly reduced fraud," we see that 25.4% strongly agreed and 31.7% agreed. A significant proportion, 12.7%, disagreed, and another 30.2% strongly disagreed. The mean rating for this statement is 3.2, suggesting a moderate level of agreement among the respondents. Regarding the third statement, "The internal control system has enhanced accountability and transparency," we find that 26.9% of respondents strongly agreed and 30.1% agreed. 14.2% disagreed, and another 28.7% strongly disagreed. The mean rating for this statement is 3.1, indicating a moderate level of agreement. Moving on to the fourth statement, "The internal control system has successfully detected and prevented potential fraud," we observe that 23.7% strongly agreed and 28.5% agreed. 17.4% disagreed, and 30.2% strongly disagreed. The mean rating for this statement is 3.0, suggesting a moderate level of agreement among the respondents. Lastly, for the fifth statement, "The local government council has experienced improved financial governance and compliance," we observe that 30.1% strongly agreed and 28.5% agreed. 12.7% disagreed, and 28.7% strongly disagreed. The mean rating for this statement is 3.3, indicating a moderate level of agreement.

Presentation of Data

Hypotheses Testing

Hypothesis One H₀₁: Trend analysis does not significantly enhance the quality of financial reporting in the local government council of Oyo State, Nigeria.

Table 4: Summary of Regression Analysis for the Effect of Trend Analysis on Financial Reporting Quality in the Local Government Council of Oyo State, Nigeria

Model	Beta	t	Sig.	R	R ²	Adj. R ²	Anova Sig.	F(df)
				.940 ^a	.883	.879	0.000	207.562 (1,629)
(Constant)	7.117	4.672	.000					
Trend Analysis	.843	15.924	.000					

Dependent Variable: **Financial Reporting Quality**

Predictors: (Constant), Trend Analysis.

Source: Field Survey, 2024

Table 4 presents the results of regression analysis examining the effect of trend analysis on financial reporting quality in the local government council of Oyo State, Nigeria. The table provides information on the model summary, regression coefficients, t-values, significance levels, and other relevant statistics. The model summary indicates that the model equation fits the data well, with an R-squared value of 0.883. This implies that approximately 88.3% of the variance in financial reporting quality can be explained by the variable of trend analysis. The Adjusted R-squared value of 0.879 suggests that the model has good predictive power, considering the number of predictors in the model. The results of the regression analysis reveal that trend analysis has a significant positive

effect on financial reporting quality. The regression coefficient for trend analysis is 0.843, with a t-value of 15.924 and a highly significant p-value of 0.000. This finding suggests that the use of trend analysis is associated with improved financial reporting quality in the local government council. The ANOVA results indicate that the overall model is statistically significant, with an F-value of 207.562 and a very low p-value of 0.000. This implies that the effect of trend analysis on financial reporting quality is significant. The results of the regression analysis demonstrate a strong positive relationship between trend analysis and financial reporting quality in the local government council of Oyo State, Nigeria. The use of trend analysis is associated with enhanced financial reporting quality. These findings provide empirical evidence supporting the effectiveness of trend analysis in improving the quality of financial reporting in the local government council.

Hypothesis Four H₀₂: There is no significant effect of adoption of forensic audit techniques on the internal control system's efficacy in preventing financial fraud within the Oyo State's local government council in Nigeria.

Table 5: Summary of Multiple Regression Analysis for the Effect of Adoption of Forensic Audit Techniques on Internal Control System's Efficacy in Preventing Financial Fraud Within the Oyo State's Local Government Council in Nigeria

Model	Beta	t	Sig.	R	R ²	Adj. R ²	Anova Sig.	F(df)
				.692 ^a	.640	.775	0.000	218.569 (4,629)
(Constant)	16.617	7.365	.000					
Data mining	1.76	6.1505	.000					
Computer-Assisted Auditing Software (CAAS)	-2.493	-5.406	.000					
Anonymous Communication	.767	2.338	.024					
Trend Analysis	4.340	8.057	.000					

Dependent Variable: Internal Control System's Efficacy

Predictors: (Constant), Data mining, Computer-Assisted Auditing Software (CAAS), Anonymous Communication, Trend Analysis.

Source: Field Survey, 2024

Table 5 presents a model summary that assesses how the model equation fits the data in the study. The Adjusted R-squared (Adj R²) is used as a measure of the predictive power of the model. From the results in Table 4.4, it is observed that the adoption of forensic audit techniques has a significant overall effect on the efficacy of the internal control system in preventing financial fraud within the Oyo State's Local Government Council in Nigeria. The model has an Adjusted R-squared (Adj R²) value of 0.775, indicating that the variables included in the model explain 77.5% of the variation in the efficacy of the internal control system. The constant term (Constant) in the model has a coefficient of 16.617, a t-value of 7.365, and a highly significant p-value of 0.000, indicating its strong influence on the efficacy of the internal control system.

Among the predictor variables, Data mining has a positive coefficient of 1.76, a t-value of 6.1505, and a highly significant p-value of 0.000. This suggests that the adoption of data mining techniques has a positive impact on the efficacy of the internal control system in preventing financial fraud. On the other hand, Computer-Assisted Auditing Software (CAAS) has a negative coefficient of -2.493, a t-value of -5.406, and a highly significant p-value of 0.000. This indicates that the adoption of CAAS is associated with a decrease in the efficacy of the internal control system. Anonymous Communication has a positive coefficient of 0.767, a t-value of 2.338, and a significant p-value of 0.024. This suggests that the use of anonymous communication methods contributes to the effectiveness of the internal control system in preventing financial fraud. Lastly, Trend Analysis has a positive coefficient of 4.340, a t-value of 8.057, and a highly significant p-value of 0.000. This indicates that the adoption of trend analysis techniques has a strong positive impact on the efficacy of the internal control system.

Overall, the results of the multiple regression analysis support the conclusion that the adoption of forensic audit techniques, specifically Data mining, Anonymous Communication, and Trend Analysis, significantly affects the

efficacy of the internal control system in preventing financial fraud within the Oyo State's Local Government Council in Nigeria. However, the adoption of Computer-Assisted Auditing Software (CAAS) is associated with a decrease in efficacy.

V. Discussion of Findings

The findings from Objective one of this study contribute to our understanding of the impact of trend analysis on the quality of financial reporting within the local government council of Oyo State, Nigeria. The survey responses indicate a positive perception of trend analysis and its influence on financial reporting practices. Participants agree that trend analysis has resulted in improved accuracy and reliability of financial reports, provided valuable insights into financial data, facilitated the identification of financial irregularities, contributed to good decision-making processes, and played a crucial role in identifying emerging financial trends. The results of the regression analysis further support the positive relationship between trend analysis and financial reporting quality. The strong positive relationship suggests that the use of trend analysis techniques is associated with enhanced financial reporting quality within the local government council of Oyo State, Nigeria. These findings provide empirical evidence supporting the effectiveness of trend analysis in improving the overall quality and reliability of financial reporting practices.

The positive perception of trend analysis aligns with previous studies that have highlighted the benefits of this technique in financial analysis and reporting. A study by Al-Hashimi (2019) on the impact of trend analysis in local government councils and the findings also demonstrated a positive association between trend analysis and financial reporting quality. This supports the notion that trend analysis is an effective tool for identifying and analyzing financial trends, which in turn improves the accuracy and reliability of financial reports. By utilizing trend analysis techniques, local government councils can gain valuable insights into their financial data, identify potential irregularities or anomalies, and make more informed decisions regarding financial management. The ability to identify emerging financial trends is particularly important as it enables councils to proactively address potential risks and take necessary measures to ensure financial stability and accountability. However, it is essential to acknowledge the limitations and challenges associated with trend analysis. While trend analysis can provide valuable insights, it is not a standalone solution for ensuring financial reporting quality. Other factors, such as data accuracy, data completeness, and the expertise of financial personnel, also play crucial roles in maintaining high-quality financial reporting practices (Zahara, 2018; Ile & Odimmega, 2018).

Furthermore, it is important to consider the specific context of the local government council of Oyo State, Nigeria, when interpreting these findings. The effectiveness of trend analysis may vary across different organizational settings, and factors such as data availability, technological infrastructure, and organizational culture can influence the implementation and impact of trend analysis techniques. Therefore, it is recommended that local government councils assess their unique circumstances and resources to determine the feasibility and suitability of adopting trend analysis in their financial reporting practices. Additionally, related studies have explored the impact of trend analysis in various organizational contexts, further supporting the findings of this study. Ile and Odimmega (2018) in their study find a significant influence of the effectiveness of forensic auditing in financial reporting across different industries, including local government councils. Their findings consistently demonstrated that trend analysis contributed to improved financial reporting quality by providing a comprehensive understanding of financial performance and highlighting areas of concern or improvement.

However, it is important to acknowledge potential limitations and challenges associated with trend analysis. One limitation is the reliance on historical data, which may not always capture current market conditions or unexpected events that could impact financial reporting (Al-Hashimi, 2019). Additionally, the interpretation of trends requires careful analysis and expert judgement to avoid misinterpretation or drawing inaccurate conclusions. Moreover, the successful implementation of trend analysis relies on the availability of accurate and reliable data. Data quality issues, such as inconsistencies or inaccuracies, can significantly impact the effectiveness of trend analysis techniques (Ile & Odimmega, 2018; Nasrah, Muda & Kesuma, 2023). Therefore, it is crucial for local government councils to ensure the integrity and completeness of their financial data to maximize the benefits of trend analysis. The findings of this study and the supporting literature provide valuable insights for local government councils in Oyo State, Nigeria, and beyond. The positive perception of trend analysis and its association with enhanced financial reporting quality suggest that local government councils can leverage this technique to improve their financial transparency, decision-making processes, and overall accountability.

Building upon the findings of this study, it is important to consider related studies that provide further insights into the effectiveness of trend analysis in improving the quality of financial reporting. Previous studies examined the impact of forensic audit including trend analysis on financial reporting in various organizations, including local

government councils. Their research findings demonstrated that trend analysis played a significant role in identifying emerging financial trends, detecting anomalies, and facilitating informed decision-making (Al-Hashimi, 2019; Nasrah, Muda, & Kesuma, 2023; Abu, Mohammed & Mike, 2022). These findings align with the positive perception of trend analysis in the local government council of Oyo State, Nigeria, and provide additional empirical evidence supporting its effectiveness. Moreover, a study by Ogbomo, Tella, Kolade, IzedonmiandUkarin (2022) explored the integration of trend analysis within the internal control systems of local government councils. Their research findings indicated that trend analysis enhanced the effectiveness of internal controls by identifying potential risks and enabling timely corrective actions. The study emphasized the importance of utilizing trend analysis as a proactive tool for improving financial reporting quality and minimizing the occurrence of fraudulent activities. The findings from this study and the supporting literature provide empirical evidence supporting the effectiveness of trend analysis in improving the quality of financial reporting within the local government council of Oyo State, Nigeria. The positive perception of trend analysis among survey participants, as well as the strong positive relationship identified in the regression analysis, reinforce the notion that trend analysis techniques contribute to enhance financial reporting accuracy, reliability, and decision-making processes. However, it is crucial for local government councils to consider the specific context and challenges associated with trend analysis implementation to maximize its benefits and ensure the overall integrity of financial reporting practices.

Additionally, it is worth noting that the successful implementation of trend analysis requires continuous monitoring and evaluation to adapt to changing business environments and emerging trends. This ensures that the analysis remains relevant and effective in capturing evolving financial reporting requirements and addressing emerging risks and challenges. The findings of this study, along with the supporting literature, highlight the positive perception and empirical evidence regarding the effectiveness of trend analysis in improving the quality of financial reporting within the local government council of Oyo State, Nigeria. By leveraging trend analysis techniques effectively and considering the broader organizational context, local government councils can enhance financial transparency, accountability, and decision-making processes. However, it is essential for local government councils to remain vigilant of potential limitations and challenges associated with trend analysis, such as data quality issues and the need for skilled interpretation. Continued research and evaluation in this area are encouraged to further explore the optimal utilization of trend analysis and its integration with other advanced forensic auditing techniques and practices in financial reporting within local government councils.

The findings from objective two of this study indicate a positive perception of the effectiveness of the internal control system in preventing financial fraud within the local government council. Respondents agreed that the system has played a significant role in deterring instances of financial fraud, reducing fraud through robust control measures, enhancing accountability and transparency, and contributing to improved financial governance and compliance. These findings suggest that the internal control system is seen as a valuable mechanism for mitigating financial fraud risks and promoting sound financial management practices within the local government council.

To further evaluate and discuss these findings, it is important to consider related studies that either support or challenge the effectiveness of internal control systems in preventing financial fraud. Several studies have examined the role of internal control systems in fraud prevention across various organizational settings. A study conducted by Ogbomo, Tella, Kolade, IzedonmiandUkarin (2022) on the effectiveness of internal control systems in local government councils and found that well-designed and properly implemented control measures can significantly reduce the occurrence of financial fraud. Their findings support the positive perception of the internal control system's effectiveness in preventing financial fraud within the local government council of Oyo State, Nigeria. Similarly, Abiodun (2020) investigated the impact of internal control systems on financial fraud prevention in public sector organizations, including local government councils. Their research findings highlighted the importance of strong internal control mechanisms in deterring and detecting fraudulent activities, improving financial accountability, and ensuring compliance with regulations. These findings align with the positive perception of the internal control system's effectiveness in preventing financial fraud within the local government council. However, it is important to acknowledge that not all studies present unequivocal support for the effectiveness of internal control systems in preventing financial fraud. A study on the limitations of internal control systems in detecting and preventing sophisticated fraud schemes (Idowu, Adedipe&Aderoju, 2022). Their research findings emphasized the need for additional measures, such as continuous monitoring and advanced data analysis techniques, to complement the internal control system and enhance fraud detection capabilities. While this study raises some concerns, it is essential to note that the effectiveness of internal control systems may vary depending on the specific context and implementation within the local government council.

Despite the overall positive perception of the effectiveness of the internal control system in preventing financial fraud within the local government council, it is worth noting that there was some level of disagreement and strong disagreement among respondents, particularly regarding the statements on reducing fraud through control measures and detecting/preventing potential fraud. These differing viewpoints suggest that there may be variations in the implementation and understanding of the internal control system among individuals within the local government council. To further contextualize the findings and provide a comprehensive discussion, it is important to consider related studies that may either support or challenge the effectiveness of the internal control system in preventing financial fraud within local government councils. For instance, studies explored the challenges and limitations of internal control systems in the context of local government councils in developing countries (Idowu, Adedipe & Aderoju, 2022; Adebowale & Oluwafemi, 2021). Their findings indicated that factors such as inadequate resources, insufficient training, and weak enforcement mechanisms could undermine the effectiveness of internal controls in preventing financial fraud. These findings suggest that the effectiveness of the internal control system may be influenced by contextual factors and organizational constraints.

Additionally, a study investigated the role of internal auditors in assessing the effectiveness of the internal control system in local government councils (Ogbomo, Tella, Kolade, Izedonmi & Ukarin, 2022). Their research findings highlighted the importance of independent internal audit functions in evaluating and enhancing the internal control system's effectiveness. They emphasized the need for internal auditors to conduct regular assessments, identify control weaknesses, and provide recommendations for improvement. These findings underscore the significance of internal audit functions in ensuring the ongoing effectiveness of the internal control system in preventing financial fraud. Furthermore, taking into account the related studies, the findings from this study align with the existing body of literature that generally supports the effectiveness of the internal control system in preventing financial fraud within local government councils. While the survey responses indicate a generally positive perception of the internal control system's effectiveness, it is crucial to acknowledge that perceptions may not always align with the actual outcomes (Idowu, Adedipe & Aderoju, 2022; Adebowale, & Oluwafemi, 2021; Nwaorgu, Iorombagah & Abiahu, 2021). There could be instances where financial fraud occurs despite the presence of an internal control system, indicating potential weaknesses or gaps in its implementation or enforcement. Therefore, it is essential for the local government council to regularly evaluate and monitor the effectiveness of their internal control system through periodic assessments and audits to ensure its continued efficacy. Another important consideration is the potential impact of external factors on the effectiveness of the internal control system in preventing financial fraud. For instance, changes in regulations, economic conditions, or technological advancements may require continuous adaptation and updating of the internal control system to address emerging risks (Abiodun, 2020; Idowu, Adedipe & Aderoju, 2022). It is crucial for the local government council to stay informed about industry best practices, evolving fraud schemes, and regulatory requirements to ensure that their internal control system remains robust and effective in mitigating financial fraud risks.

Overall, the findings of this study, along with the related literature, support the conclusion that the internal control system is perceived as effective in preventing financial fraud within the Oyo State's local government council in Nigeria. The positive perception is consistent with previous research highlighting the role of internal control systems in deterring fraud, enhancing accountability, and promoting sound financial management practices. However, it is crucial to consider the limitations and challenges associated with internal control systems, such as the need for continuous monitoring, advanced data analysis techniques, and the careful implementation of technology solutions. These findings emphasize the importance of a comprehensive approach to fraud prevention that combines robust internal controls with other complementary measures to effectively mitigate financial fraud risks within the local government council. On a final note the findings from this study provide empirical evidence supporting the effectiveness of the internal control system in preventing financial fraud within the local government council of Oyo State, Nigeria.

VI. Conclusion and Recommendations

The findings highlight the crucial role of trend analysis in improving financial reporting quality. The study demonstrates a strong positive relationship between trend analysis and financial reporting quality, indicating that the use of trend analysis techniques enhances accuracy, reliability, and the identification of financial irregularities. This underscores the importance of leverage trend analysis as a valuable tool for financial governance and compliance within the local government council.

The findings of this study provide valuable insights into the impact of different forensic auditing techniques on the efficacy of the internal control system in preventing financial fraud within the Local Government Council of Oyo

State, Nigeria. The statistical analysis reveals significant relationships between the adoption of trend analysis, and the effectiveness of the internal control system in detecting and preventing financial fraud.

In summary, this study provides empirical evidence supporting the effectiveness of trend analysis in improving financial fraud detection and financial reporting quality within the Local Government Council of Oyo State, Nigeria. These findings emphasize the need for local government authorities to embrace forensic auditing techniques and strategies as part of their efforts for good internal control system and to combat financial fraud and promote transparent financial management practices.

The study highlights the positive impact of trend analysis on financial reporting quality. Based on the findings of this study, the study therefore recommended that the local government council should invest in training and resources to effectively utilize trend analysis techniques. By analysing financial trends, patterns, and irregularities, the council can improve the accuracy, reliability, and compliance of financial reports.

For internal control system, the local government council should prioritize the adoption of trend analysis techniques as part of their internal control practices. This will enhance the detection and prevention of financial fraud by identifying emerging trends, improving financial reporting accuracy, and detecting irregularities. The council should evaluate the potential impact on the effectiveness of the internal control system and take necessary measures to mitigate any negative effects. The council should establish and promote anonymous reporting channels to encourage whistleblowers to come forward with information on financial fraud. This will contribute to the effectiveness of the internal control system by facilitating early detection and investigation of fraudulent activities.

To fully harness the potential of trend analysis, it is crucial to provide continuous training and education to relevant staff members within the local government council. This will ensure they have the necessary skills and knowledge to effectively utilize these forensic auditing techniques and techniques in their daily operations.

It is recommended that the effectiveness of these technique and strategy be regularly evaluated and monitored. Conducting periodic assessments and reviews will help identify any shortcomings or areas that require improvement. This proactive approach will enable the council to adapt and refine its anti-fraud measures and financial reporting practices continuously.

The local government council should actively seek opportunities for collaboration and information sharing with other relevant stakeholders, such as government agencies, professional bodies, and academic institutions. By collaborating with experts in the field, the council can stay abreast of emerging forensic auditing techniques and best practices in financial fraud detection and reporting, further enhancing its overall effectiveness.

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