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EFFECT OF FORENSIC AUDITING ON THE FINANCIAL PERFORMANCE OF SELECTED FOOD AND BEVERAGE FIRMS IN NIGERIA

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ABSTRACT
This study is based on the premise that forensic auditing plays a crucial role in the identification and rectification of financial irregularities and has the potentials to influence the financial performance of these organizations. The study examined the effect of forensic auditing on the financial performance of selected food and beverage firms in Nigeria, Specifically, the study evaluated the effects of forensic auditing techniques, forensic auditing competence and forensic data analytics on financial performance of listed food and beverages firms in Nigeria. Anchored on Stakeholder theory and adopted survey design, the study population consists of all food and beverage companies in Nigeria, while 100 employees from selected companies were selected as sample size based on purposive sampling technique. The data were collected using questionnaire and thereafter analyzed using both descriptive such as mean, standard deviation and multiple regression analysis. The results revealed that forensic auditing techniques (FAT), competence (FAC) and forensic data analytics (FDA) are powerful predictors of financial performance. Findings revealed that forensic auditing techniques have a positive and significant impact on the financial performance of selected food and beverages companies in Nigeria. The result show that there is a positive and significant effect on the financial performance of selected food and beverages companies in Nigeria. The finding of the study revealed forensic data analytics (FDA) has a positive and significant effect on financial performance. It was concluded that companies that possess a greater level of expertise in forensic auditing and make efficient use of data analytics are more likely to obtain favorable financial performance. This study provides valuable insights for policy development and corporate governance within Nigeria's food and beverage sector. It is therefore recommended that food and beverages companies should use forensic experts to investigate fraud and when fraud is found the right consequences should be taken.

Keywords: Forensic Techniques, Auditor Competence, Data Analytics, Corporate Governance.

1. INTRODUCTION
Forensic auditing has gained global significance as an essential tool in combating fraud and ensuring financial transparency in organizations. It combines accounting, auditing, and investigative skills to detect and prevent fraud, strengthen internal controls, and improve financial performance. The need for forensic auditing has grown substantially due to rising instances of financial mismanagement, fraud, and complex financial transactions that traditional auditing techniques may not detect. Forensic auditing has become a vital tool in detecting and preventing fraud, improving financial transparency, and strengthening internal controls, especially in complex

industries such as food and beverage sectors (Smith, 2020; Johnson, 2019).

The Nigerian food and beverage industry is a vital part of the economy, contributing significantly to the nation's GDP and providing numerous employment opportunities. However, the sector faces unique challenges, such as susceptibility to fraud, financial misstatements, and weaknesses in internal controls. These issues can lead to reduced profitability, weakened investor confidence, and long-term financial instability. This sector is particularly susceptible to financial irregularities due to operational complexity, high transaction volumes, and significant cash flows, making them prime candidates for forensic auditing interventions. Forensic auditing has the potential to mitigate these issues by detecting fraud, enhancing compliance, and ensuring accurate financial reporting. (Ekechukwu et al., 2018).

One major component of forensic auditing is the application of specialized auditing techniques, including background checks, document reviews, and digital analytics, to detect and analyze signs of fraud. These techniques are designed to enhance fraud detection capabilities and improve the accuracy of financial records. Auditor competence, another crucial factor, refers to the skills, knowledge, and experience required by forensic auditors to carry out investigations effectively. Studies by Kevin and Yenni (2019) highlight that skilled forensic auditors are better equipped to identify fraudulent activities and assess financial risks, positively impacting organizational performance. Forensic data analytics also plays a pivotal role in modern forensic auditing. By using data analysis tools and software, forensic auditors can identify patterns, outliers, and suspicious transactions within large datasets, providing valuable insights into potential financial misconduct. Abbas (2020) demonstrated that forensic data analytics enhances fraud detection capabilities, helping organizations maintain accurate financial statements and boosting investor confidence. In the Nigerian context, the integration of data analytics into forensic auditing can offer significant advantages, particularly in an industry with complex financial operations like food and beverage.

Financial performance refers to how well a company is doing financially and how successful it is in achieving its economic objectives (Faimuddin, 2018). This is typically assessed through key indicators like revenue, profit margins, return on assets (ROA), and return on investment (Okoye et al., 2019). A company with good financial performance is one that practices corporate governance and forensic accounting, which enhances the accountability of business operators and improves overall company performance. When a company has impressive financial performance, it demonstrates that its management is running the company effectively and efficiently (Dada et al., 2023).

The problem statement centers on the persistent challenges of financial fraud and weak controls in the food and beverage industry, which have undermined investor confidence and affected profitability. Despite implementing general auditing processes, many companies still face issues with fraud detection and mismanagement. Although forensic auditing techniques and tools are available, their application in Nigeria's food and beverage industry is underexplored, creating an opportunity to assess their effectiveness in this context. This gap highlights the need for specialized forensic auditing to strengthen financial oversight and performance. Several studies have examined the relationship between forensic auditor skills and techniques (Obiora et al., 2022), forensic auditing competence (Burzinji et al., 2022 and Susanto et al., 2019), forensic auditing experience (Adesina et at., 2020 and Oyerogba, 2021) and firms performance (Okafor et al., 2022; and Okoye, 2020). However, these studies have not empirically assessed how the specific variables influence financial performance of companies in Nigeria, thus creating gap(s) in literature. This study sought to bridge this huge gap by examining the effect of Forensic auditing on the financial performance of food and beverage firms in Nigeria by considering variables such as forensic techniques, competence and data analytics that have not been captured by other researchers. Specifically, the study:

i. examine the influence of forensic auditing techniques on financial performance of selected food and beverage companies in Nigeria.
ii. evaluate the effect forensic auditing competence has on the financial performance of selected food and beverage companies in Nigeria and
iii. investigate effects of forensic data analytics on financial performance on selected food and beverage companies in Nigeria.

Research Questions

i. How do forensic auditing techniques influence the financial performance of selected food and beverage companies in Nigeria?
ii. To what extent does forensic auditing competence affect the financial performance of selected food and beverage companies in Nigeria?
iii. What is the effect of forensic data analytics on financial performance of selected food and beverage in Nigeria?

Research Hypotheses

H_{01}: There is no significant influence of forensic auditing techniques on the financial performance of selected food and beverage companies in Nigeria.

H_{02}: Forensic auditing competence has no significant effect on the financial performance of selected food and beverage companies in Nigeria.

H_{03}: There is no reasonable influence of data analytics on the financial performance of selected food and beverage companies in Nigeria.

2. LITERATURE REVIEW

Theoretical Framework

Stakeholder Theory

Stakeholder theory, originally developed by Lan Mitroff in his book Stakeholders of the Organizational Mind (1983), gained popularity in the 1980s thanks to Edward Freeman, who defined characterized a stakeholder as "any collective or individual that has the potential to influence or is influenced by the realization of the organization's goals." Since then, this theory has become a prominent framework for examining corporate behavior and decision-making processes (Freeman et al., 2020). It suggests that organizations should consider the interests of various stakeholders, such as employees, customers, suppliers, and the broader community, beyond just shareholders. It is through this consideration of stakeholders that firms strive to achieve financial success (Pinto, 2019). In the context of the study on the effects of forensic auditing on the financial performance of selected food and beverage firms in Nigeria, Stakeholder Theory serves as a foundational perspective.

Stakeholder Theory assumes that corporations operate within a network of relationships and that the interests of multiple stakeholders must be taken into account for long-term success (Schaltegger et al., 2019). The theory posits that stakeholders have a legitimate claim on the company's activities, and their interests should be considered in decision-making processes (Freeman et al., 2020). In the Nigerian food and beverage industry, stakeholders encompass not only shareholders but also employees, suppliers, customers, and the wider community. Forensic auditing, as a mechanism to ensure financial integrity and transparency, aligns with the assumptions of Stakeholder Theory by safeguarding the interests of these diverse stakeholders.

The relevance of Stakeholder Theory to the study lies in its ability to provide a comprehensive understanding of how the effects of forensic auditing extend beyond immediate financial implications (Fabian & Onuora, 2022). By emphasizing the importance of considering the interests of various stakeholders, the theory supports the notion that forensic auditing contributes to the overall well-being and sustainability of food and beverage firms in Nigeria. The application of forensic auditing practices aligns with the social responsibility aspect of Stakeholder Theory, ensuring that the company's financial practices are conducted in the best interest of all stakeholders, as established in Fabian and Onuora (2022) and Okoye (2019).

Despite its strengths, Stakeholder Theory has faced criticism. Detractors argue that the theory lacks specificity in guiding managerial decision-making, making it challenging to implement in a practical context (Pinto, 2019). Menghwar and Daood (2021) criticized that the broad definition of stakeholders can create ambiguity, and critics contend that prioritizing stakeholders' interests may result in conflicting objectives. Regardless, within the context of the study, Stakeholder Theory provides a valuable lens through which to analyze the effects of forensic auditing on the financial performance of selected food and beverage firms in Nigeria, emphasizing a holistic approach that goes beyond mere financial metrics to consider the broader impact on all stakeholders.

Empirical Review

In a study conducted in Indonesia, Kevin and Yenni (2019) investigated the influence of auditor competency on the detection of fraudulent financial reporting. The study population consisted of certified auditors from all public accounting firms who were members of the Indonesia Public Accountant Institute (IAPI) in the 2019 calendar year. The dependent variable in this study was the identification of false financial reporting, while the independent variable was the auditor's skill. Respondents were given a questionnaire to gather information from primary sources. The data was analyzed using the partial least squares method of structural equation modeling (SEM-PLS). The findings showed a significant and positive relationship between auditor skill and the detection of fraudulent financial reporting.

Okoye et al. (2019) conducted a study to assess the impact of forensic accounting on fraud management in Nigeria. The study was carried out in Aba, Abia State, and included 190 respondents from four companies: Nigerian Breweries, Cadbury Nigeria plc, Nigerian Bottling Company, and Duril Forma Nigeria Ltd. A questionnaire was distributed to the entire accounting staff of these four companies to collect data. The data was then analyzed using the ordinary least squares (OLS) method. The results revealed that forensic accounting has a significant and positive effect on fraud identification and prevention.

Chukwu et al. (2019) evaluated the impact of basic forensic accounting skills such as communication skills, technical and analytical skills, accounting and auditing skills, and psycho-social skills on the financial reporting credibility of listed organizations in Nigeria. The study focused on firms listed on the Nigerian Stock Exchange as of January 2018, with the population consisting of users and auditors of these firms' financial reports. Users were represented by investment advisers, while auditors were represented by the Big 4 Audit Firms operating in Nigeria at that time. Employing a survey research design, primary data was collected from the sample respondents, and multivariate analysis was conducted to assess the impact of the independent variables on financial reporting. The findings revealed that, except for communication skills which showed a negative but significant impact, all other forensic accounting skills positively and significantly influenced the credibility of financial reporting.

Umar et al. (2019) conducted research in Indonesia to explore the variables of audit quality and their relationship to fraud detection. The independent variable, represented by independence and competency, was forensic auditing, while fraud detection served as the dependent variable. The primary data sources were collected through the distribution of a questionnaire to twelve respondents, and the analysis was based on this data. Multiple regression and other data analysis methods were employed. The findings showed that auditor competency had little to no impact on fraud detection.

Ekechukwu et al. (2018) conducted a study to investigate how forensic accounting affects the performance of the Nigerian banking sector. The researchers analyzed the annual reports and accounts of Guarantee Trust Bank and Access Bank Plc over a twelve-year period (2006-2017). They used the multiple regression method and considered forensic audit (FAUD) as a proxy for forensic accounting, while net profit margin (NPM), profit after tax (PAT), and dividend per share (DPS) were treated as independent variables. The study used E-view 9.0 software for data analysis and found a significant positive impact of forensic audit on the net profit margin of the selected Nigerian banks. Furthermore, the analysis showed that forensic audit also affects profit after tax and has a noticeable influence on retained earnings and dividend per share in Nigerian banks. Based on these findings, the study recommends that commercial banks prioritize the use of forensic financial information to improve profitability.

Abbas (2020) focuses on the significance of forensic auditing practices in detecting and preventing financial fraud, as well as improving the efficiency of public sector organizations. The study is particularly relevant in economies struggling with corruption and fraud, especially in developing nations like Pakistan. Large-scale public entities face hindrances to economic growth due to corruption and fraud. The study utilized a survey conducted in public sector organizations and employed Partial Least Square-Structural Equation Modeling (PLS-SEM) for data analysis. The findings highlight a positive correlation between forensic accounting and financial fraud control, internal control quality, and financial reporting credibility, emphasizing the constructive role of forensic auditing in promoting effectiveness.

Dilshad et al. (2020) aimed to investigate the relationship between competency of forensic auditing, whistle-blowing, and fraud control on organizational performance in the public and private sectors in Pakistan. Using a deductive approach within a positivist paradigm, the study employed a cross-sectional survey design. Data were collected via 230 distributed questionnaires, with 211 completed responses (24 female and 187 male participants). The data were analyzed using correlation and regression techniques in SPSS 20. The findings indicated that both forensic auditing competent and whistle-blowing positively correlate with improved fraud control and organizational performance. Conducted in Multan, Pakistan, the study concluded that the integration of forensic audits into statutory audits and the inclusion of forensic auditors in audit teams will boost firm's health.

Adesina et al. (2020) examined the importance of applying forensic audit in controlling financial frauds that threaten the stability and business continuity of Deposit Money Banks (DMBs) in Nigeria. The research employed a survey design, collecting primary data through structured questionnaires administered to seventeen out of twenty-two DMBs, representing 77.3% of the total. The study used the Ordinary Least Squares (OLS) method to analyze the data and test hypotheses. Findings indicated that the involvement of qualified and experienced forensic auditors significantly contributes to reducing financial frauds and enhances the overall integrity of the Nigerian banking sector.

Reschiwati et al. (2022) conducted a study to examine the impact of forensic auditors' professionalism and expertise on corruption disclosure, using evidence competence as an intervening variable. The study targeted forensic auditors at the Main Examiner of State Finance Director and the Deputy for Investigation at the DKI Jakarta Province BPKP Representative, employing a convenience sampling method to select respondents. Data were collected through questionnaires, resulting in 80 usable responses, and analyzed using Partial Least Square (PLS) methodology. Findings indicated that the professionalism and expertise of forensic auditors significantly influence both the competence of evidence and the disclosure of corruption. Additionally, evidence competence was found to mediate the relationship between forensic auditors' professionalism and expertise and corruption disclosure.

Although forensic auditing techniques and tools are available, their application in Nigeria's food and beverage industry is underexplored, creating an opportunity to assess their effectiveness in this context. This gap highlights the need for specialized forensic auditing to strengthen financial oversight and performance. The main objective of this study is to investigate the effect of forensic auditing on the financial performance of food and beverage firms in Nigeria. Specifically, the study aims to assess how forensic auditing techniques impact financial performance, to evaluate the effect of auditor competence on financial performance, and to examine the role of forensic data analytics in financial oversight. This study seeks to bridge this gap by examining the impact of forensic auditing on financial performance in selected food and beverage companies.

3. METHODOLOGY

This study adopted a survey research design. The choice of survey design is based on the fact that it allows for the efficient collection of quantitative data from a broad range of food and drinks businesses in Nigeria. The study's population includes all members of staff of food and beverage firms in Nigeria. The study sample size contains 100 members of staff in the accounting unit, internal audit unit, and specific management positions of 13 selected food and beverage businesses with head offices in Lagos. The sample was selected using purposive sampling technique. This technique ensures that participants have the specific expertise needed to provide valuable insights. Data were collected using a structured questionnaire titled "forensic auditing on the financial

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performance". The data collected were analyzed using descriptive and inferential statistics. Descriptive statistics such mean and standard deviation were used to answered the research question while Inferential statistics such as multiple regression analysis, was used to test the hypotheses formulated to assess the relationships between the independent variables (forensic auditing techniques, auditor competence, forensic data analytics) and the dependent variable (financial performance). This method determined the strength and significance of each variable's effect on financial performance.

4. RESULTS

Descriptive Statistics

Research Question 1: How does forensic auditing techniques influence the financial performance of selected food and beverage companies in Nigeria?

Table 1: Responses to How Forensic Auditing Techniques Influence the Financial Performance

S/N	Forensic Auditing Techniques	N	Mean	St. D	Remarks
1	Forensic auditing involves conducting background checks and reviewing financial documents to detect fraud risk	70	3.44	1.336	Agreed
2	Interview enables forensic auditors to extract information from involved parties and help identify financial misconduct.	70	3.84	1.258	Agreed
3	Forensic auditors require training to upgrade their fraud identification, investigation, analysis and reporting abilities.	70	4.48	0.607	Agreed
4	The increasing use of digital evidence in financial crimes necessitates forensic auditors to be well-trained on application of computer-assisted forensic audit techniques	70	4.25	0.943	Agreed
5	Adoption of surveillance technique helps detect and prevent of fraudulent behaviors within the organisation.	70	3.64	1.274	Agreed
6	Application of undercover technique augments effectiveness of forensic investigations.	70	4.20	0.827	Agreed
	Grand Mean Value		***3.97***	***1.041***	***Agreed***

Any mean score equals to 3.00 and above is agree otherwise is Disagree

The results depicted in table 1 revealed the opinion of the respondents on the forensic auditing techniques that influence the financial performance. Obviously from the Table 1, all the mean scores are more than the cutoff point of 3.00 which indicates the respondents agreed with all the statement as regard the influence of forensic auditing technique on financial performance. The respondents agreed that Forensic auditing involves conducting background checks and reviewing financial documents to detect fraud risk 3.44 with a standard deviation of 1.336. The respondents

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also believed that Interview enables forensic auditors to extract information from involved parties and help identify financial misconduct 3.84 and standard deviation of 1.258. The mean of 4.48 and standard deviation of 0.607 indicates that respondents agree that Forensic auditors require training to upgrade their fraud identification, investigation, analysis and reporting abilities. Similarly, the mean score of 4.25 with a standard deviation of 0.943 show that respondents believed that the increasing use of digital evidence in financial crimes necessitates forensic auditors to be well-trained on application of computer-assisted forensic audit techniques. The opinion of the respondents is that adoption of surveillance technique helps detect and prevent of fraudulent behaviors within the organization as indicated by mean value of 3.64 and standard deviation of 1.274, and the majority of the respondents were of the same opinion that application of undercover technique augments effectiveness of forensic investigations with a mean of 4.20 and standard deviation of 0.827. The grand mean value greater than 3.00 indicates that respondents agree on the effectiveness of all the forensic auditing techniques listed, with particularly strong support for the need for training in digital evidence and general forensic auditing skills. These findings highlight the importance of comprehensive training and diverse auditing methods in enhancing the effectiveness of forensic auditing in detecting and preventing financial misconduct.

Research Question 2: To what extent does forensic auditing competence affect the financial performance of selected food and beverage companies in Nigeria?

Table 2: Responses to the extent does forensic auditing competence affect the financial performance

S/N	Forensic Auditing Competence	N	Mean	St. D	Remarks
1	Forensic auditors' skills can reduce the volume of fraud cases in organization	70	3.40	1.488	Agreed
2	Forensic auditors must possess adequate knowledge of financial statement valuation and legal procedures.	70	4.48	0.880	Agreed
3	Forensic auditors' knowledge is required in investigating of employee's theft beyond the scope of statutory audit	70	4.31	1.056	Agreed
4	Investigative and accounting skills of forensic auditors can expose management fraud in the organisation.	70	3.94	1.226	Agreed
5	The higher the knowledge of computer and ICT possessed by an auditor the more effective the forensic audit service offered	70	4.04	1.244	Agreed
	Grand Mean Value		***4.03***	***1.178***	***Agreed***

Any mean score equals to 3.00 and above is agree otherwise is Disagree

The result in Table 2 shows the response of the respondent on the extent that forensic auditing competence affect the financial performance of the selected companies in Nigeria. The analysis, from Table 2, all the mean scores are above the cutoff point of 3.00, indicating that respondents agree with all the statements regarding the influence of forensic auditing competence on financial performance. The respondents were of the opinion that the skills of forensic auditors can significantly reduce the volume of fraud cases within an organization with a mean score of 3.40 and standard deviation of 1.488. The result show that mean score of 4.48 and a standard deviation of 0.880 reflects strong agreement that forensic auditors must possess adequate knowledge of financial statement valuation and legal procedures to be effective. With a mean score of 4.31 and a standard deviation of 1.056, respondents strongly agree that forensic auditors' knowledge is essential in investigating employee theft beyond the scope of statutory audits. Furthermore, the mean score of 3.94 with a standard deviation of 1.226 show that respondents agree that the investigative and accounting skills of forensic auditors are crucial in exposing management fraud within an organization. Finally, a mean score of 4.04 and a standard deviation of 1.244 show a strong agreement among the respondents that the higher the knowledge of computer and ICT possessed by an auditor, the more effective the forensic audit service offered. The grand mean value is high which means that the extent to which forensic auditing competence affect the financial performance of selected food and beverage companies in Nigeria is high. In summary, respondents agree that various competencies of forensic auditors, including skills in reducing fraud, knowledge of financial statements and legal procedures, investigative abilities, and proficiency in ICT, significantly influence financial performance. The result implies that comprehensive and specialized training leading to competence of forensic auditors would enhance their effectiveness in combating financial misconduct.

Research Question 3: What is the effect of forensic data analytics on financial performance of selected food and beverage in Nigeria?

Table 3: Respondents views on the effect of forensic data analytics on financial performance

S/N	Forensic Data analytics	N	Mean	St. D	Remarks
1	Digital Forensic data analytics is important for detecting and preventing fraud activities.	70	3.02	1.569	Agreed
2	Forensic data analytics can review patterns and suspicious activities.	70	3.91	1.471	Agreed
3	Mobile device forensic data analytics plays a significant role in identifying illicit financial transactions.	70	3.68	1.450	Agreed
4	Forensic data analytics contribute to the detection and prosecution Related to fraud	70	3.54	1.451	Agreed
5	Forensic data analytics to the identification of hidden assets involved in fraud	70	3.70	1.468	Agreed
6	Forensic data analytics enhance the detection of illicit financial transaction related to fraud	70	3.24	1.573	Agreed
	Grand Mean Value		***3.51***	***1.497***	***Agreed***

Any mean score equals to 3.00 and above is agree otherwise is Disagree

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The result in Table 3 shows the respondents views on the effect of forensic data analytics on financial performance of selected food and beverage in Nigeria. The analysis, from Table 3, all the mean scores are above the cutoff point of 3.00, shown that respondents agree with all the statements regarding the effect of forensic data analytics on financial performance. The respondents reveal that digital Forensic data analytics is important for detecting and preventing fraud activities with a mean value of 302 and standard deviation 1.569. The mean value of 391 and standard deviation of 1.471 indicate that respondents agreed that Forensic data analytics can reveal patterns and suspicious activities. Furthermore, the report reveal that respondents were of the opinion that mobile device forensic data analytics plays a significant role in identifying illicit financial transactions with a mean value of 3.68 and standard deviation of 1.450. The participants believe that Forensic data analytics contribute to the detection and prosecution related to fraud as indicated by the means value of 3.54 and standard deviation of 1.451. The view of the majority of the respondents was that Forensic data analytics to the identification of hidden assets involved in fraud as reveal by the mean value of 3.70 and standard deviation of 1.468. Finally, the respondents agreed that Forensic data analytics enhance the detection of illicit financial transaction related to fraud as indicated by the mean value of 3.24 and standard deviation of 1.573. The grand mean of 3.51 and 1.497 indicate that forensic data analytics has effect on financial performance of selected food and beverage in Nigeria based on the agreement of the respondents.

Test of Hypotheses

Table 4: Regression showing relationship between forensic techniques, forensic auditing competence, forensic data analytics, and financial performance of on selected food and beverage in Nigeria.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	R-Square	Adj. R-Square	F-Stat.	P.value
		B	Std. Error	Beta						
1	(Constant)	.606	1.418		.427	.671	0.764	0.584	30.827	0.000
	FAT	.019	.105	.017	.184	.015				
	FAC	.753	.094	.750	7.982	.000				
	FDA	.457	.088	.431	5.182	.000				

The result in Table 4 reveal R-square of 0.764 which indicate that there a composite relationship between forensic techniques, forensic auditing competence, forensic data analytics, and financial performance. The result show that 76.4% of the variation in financial performant can be explain by the predictors considered in this study. The remaining 23.6% can be attributed to other extraneous variables not considered in this study. The F-statistic of 30.827 and p. value of 0.000 indicate that the model is statistically significant which means that the result can be interpreted. The Adjusted R-Square, which accounts for the number of predictors in the model, is 0.584, suggesting that about 58.4% of the variability is explained when adjusted for the number of predictors. The result reveals the coefficient for forensic techniques (FAT) is 0.019, indicating a positive but very small effect on financial performance. Although, this effect is statistically significant (p-value = 0.015), suggesting that forensic techniques do have a significant impact on financial performance in this model. The result for forensic auditing competence (FAC) is 0.753, indicating a strong positive effect on financial performance. This effect is highly statistically significant (p-value = 0.000), suggesting that higher competence in forensic auditing is associated with better financial performance. The coefficient for forensic data analytics (FDA) is 0.457, indicating a positive effect on financial performance. This effect is also statistically significant (p-value = 0.000), indicating that effective use of forensic data analytics is associated with improved financial performance.

5. DISCUSSION OF FINDINGS

Findings revealed that forensic auditing techniques have a positive and significant impact on the financial performance of selected food and beverages companies in Nigeria. The findings corroborate with the study of Abbas' (2020) who revealed that there is a positive correlation between forensic accounting and financial fraud control, internal control quality, and financial reporting credibility, emphasizing the constructive role of forensic auditing in promoting effectiveness. Also, the finding supports the study of Ekechukwu et al. (2018) who found that there is a significant positive impact of forensic audit on the net profit margin of the selected Nigerian banks, and forensic audit also affects profit after tax and has a noticeable influence on retained earnings and dividend per share in Nigerian banks.

The result show that there is a positive and significant effect on the financial performance of selected food and beverages companies in Nigeria. The finding supports the study of Dewi and Anisykurlillah (2021) who found that experience had little impact on false financial statements. Furthermore, the finding contradicts the study of Umar et al. (2019) revealed that auditor competency had little to no impact on fraud detection. Also, the finding is in consonance the study of Kevin and Yenni (2019) who found a significant and positive relationship between auditor skill and the detection of fraudulent financial reporting.

The finding of the study revealed forensic data analytics (FDA) has a positive and significant effect on financial performance. The result could be because FDA provides comprehensive insights into financial data, enabling better strategic decision-making. Through real-time monitoring and analysis, companies can identify inefficiencies, optimize processes, and allocate resources more effectively. The finding is in agreement with the study of Okoye et al. (2019) who that forensic accounting has a significant and positive effect on fraud identification and prevention.

6. CONCLUSION

It can be deduced from this study that companies that possess a greater level of expertise in forensic auditing and make efficient use of forensic data analytics are more likely to obtain favorable financial performance. To be more specific, it was discovered that forensic auditing competence (FAC) and forensic data analytics (FDA) are both powerful predictors of financial performance, with FAC demonstrating an especially powerful influence. Considering this, the study concluded that food and beverage companies should invest in forensic auditing expertise and advanced data analytics capabilities that can assist these companies in identifying and mitigating financial anomalies, enhancing transparency, and improving their overall financial performance. The study concludes that food and drink company can boost their profits by making better use of forensic audit data.

7. RECOMMENDATIONS

The following recommendations are made based on the findings.

1. Food and beverages companies should use forensic experts to investigate fraud and when fraud is found the right consequences should be taken. If prosecution is deemed appropriate, then the investigation should follow proper forensic audit procedures and be conducted by trained experts. If there is evidence of fraud, then disciplinary action should be implemented in accordance with public service rules.

2. Companies should incorporate forensic data analytics into their risk management and corporate governance frameworks to get the most out of these technologies. The incorporation of forensic data analytics into financial auditing and reporting processes necessitates the establishment of thorough regulations and procedures. Companies can better monitor and review financial data continuously by incorporating FDA into their corporate governance structure. This will help them identify risks and adopt remedial measures more quickly. Taking this preventative measure will benefit all parties involved, including investors, regulators, and the bottom line.

3. Forensic audits and data analytics should be regularly used in financial reporting and decision-making, and this requires the establishment of transparent policies and procedures. More accurate and transparent financial reporting can be achieved when these practices are ingrained in the organizational culture and companies are able to guarantee continual supervision and responsibility.

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