

The Analytic Legal Accounting Practices and Control of Swindles in Warranty Cash Stores

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Abstract

The investigation concentrated on analytic legal accounting practices and uncovering/control of swindles in Warranty Cash Stores. It was first and foremost aimed at defining whether analytic legal accounting practices may possibly be used as an instrument in monitoring swindles in Warranty Cash Stores. A survey instrument was developed, validated, and used to accumulate the relevant data for investigation. The analysis was done using Pearson's product-moment correlation coefficient and multiple regression techniques. The end result of the examination had displayed that analytic legal accounting practices substantially influence uncovering and control of swindles in Warranty Cash Stores, suggesting that analytic legal accounting techniques could be used to discover and control swindles in Warranty Cash Stores maneuvers. From this time, it suggested that analytic legal accounting techniques be entrenched in the internal control system of Warranty Cash Stores in order to make certain the exposure and control of swindles in their maneuvers.

Keywords: Analytic, Accounting, Cash, Control, Legal, Practices, Stores, Swindles, Warrant

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1.0 INTRODUCTION

Analytic legal accounting is a terminology that designates a wide-ranging understanding of swindle examination that is aimed at ascertaining and discovering the innumerable swindle structures and by means of the strips of

substantiation consequently assembled input on trial reprobates in the law court. The enlarged commercial convolutions in controversial environs have heightened the necessity used for investigative/analytical legal accounting. On the other hand, a constitutional commercial examination is not carried out to become aware of

swindle and will not discover swindle if the in-house control structures are infirm. A commercial review lays prominence on the materiality of dealings to be placed on the inquest in order to probe the swindle. Nevertheless, swindle can take place in prices well-thought-out as irrelevant in the perceptiveness of a commercial assessor. The conditions of appointment of commercial accountants correspondingly regulate the latitude of their engagement and the due diligence they may exert toward uncovering swindles (Asuquo & Akpan, 2011, Murphy, 2009).

Our Nation does not have effective and well-organized swindle uncovering mechanism and our commercial regulations and decrees are insufficient to put on trial lawbreakers of nose-dived profit-making, a secured loan, and mercantile banks besides funding firms. Fraud spins around five patterns; inducement, cuts, illegitimate tips, skirmish of attention and financial squeezing. Dough gotten after venality is adjudicated illicit in many nations of the globe and from the time when they are considered unlawful, the dough had to be decontaminated in order for such to be accepted into circulation. Insider transaction, inducement, embezzlement, supercomputer swindles as well as other interrelated offenses are conjoint in the globe and so the dire need of the facilities of the analytical legal accountants in the scheme of things. The situation will not continue for long as Nigeria has signed up into conforming with economic Act undertaking dynamism endorsements and so financial institutions where the Warranty Cash store is a part will need the services of investigative or analytical legal accountants to assist them to combat currency legalizing undertakings in their processes to sidestep prohibitions and payment of punitive fines (Ajaji, 2005, Asuquo & Akpan, 2011, Soludo, 2004).

2.0 LITERATURE REVIEW

2.1 The supposition and features of Analytic Legal Accounting

Analytic legal accounting is the capacity of proficiency of accounting that designates the selection that upshot after the real or predicted difference of opinion or legal action. Examination of swindle and sleaze is long-established consequently, it well recognized in the scheme of financial matters in Nigeria, where this exploration is undertaken. It is recently gaining distinction as a result of the increasing tendency of corruption under the apparently newfangled terminology for the past five years. Analytic legal accounting practices are also entitled investigative accounting or swindle audit or analytical legal accounting; it is a fusion of criminological and investigative skills. Analytic legal accounting is basically the demonstration and presentation of dedicated understanding and unambiguous proficiency to stagger and splurge upon the substantiation and corroboration of the commercial dealings that were intended to be concealed and obliterate by a fraudulent and duplicitous party to the transactions (Crumbley, 2006, Joshi, 2003, Leech & Dowling, 2006, Winters, 2004). Similarly, analytic legal accounting or investigative audit is the amalgamation of accounting, auditing, and probing expertise. Basically, analytic legal accounting is accounting that is appropriate and apposite for permissible evaluation proposing the uppermost neck and neck of guarantee and together with the currently commonly conventional inference of having been reached at systematic techniques which are verifiable. This signifies in principle that analytic legal accounting is a discipline of gaining expertise that has to do with the establishment of substantiation that is intended to be used as evidence and sensible facts, principally for lawful determinations and resolution of conflicts of interest and concealment of material facts. The individuals working in this field or expanse of specialization, who may be addressed as analytic/investigative legal accountants, scout and record down economic swindles and white-collar corruptions such as larceny, theft, robbery, burglary, stealing, appropriation, pilfering,

shoplifting, etc., and probe the contention of swindle approximations, reparations and evaluate multifaceted economic and business dealings. They make available and demonstrate those services for corporations, attorneys, criminal investigators, and the management of firms. Their engagements are usually geared towards discoveries wherever the finance and economic wealth departed, by what means it changes to, and who was accountable and should be held responsible for their safeguarding and preservation. They are proficient to see further than the figures and treat the commercial veracity, legitimacy, and genuineness of the status quo (Hinders, 2009, Howard & Sheetz, 2006, Iwata, 2003, Ramaswamy, 2005).

2.2 Desirability of Analytic Legal Accounting and Audit Practices

The essence and attractiveness of analytic legal accounting, auditing, and risk mitigation advocacy is dedicated to promoting excellent litigation support and dispute avoidance, fair demonstration, and disclosure of transparency, audit quality review, and evaluation coupled with reestablishment, refurbishment, modernization and accountability in the financial statements or annual reports of business organizations (Camichael & Graham, 2009, Cole, 2008). It is frequently discussed and reasoned that swelling and enlargement compatibility in the commercial environs, trades and industrial activities have made the management of business firms to realize and understand that the orthodox audit and performance appraisal procedures and formulae in discovery, detecting and examining premeditated miscalculations or swindles in the decision-making and administrative organisms and schemes, which is inadequate and gravely restraint, and these hiatuses and lapses could be properly and correctly taken care of by providing work for and retaining the services and facilities of investigative and fact-finding auditors, who are otherwise

known as analytic legal accountants (Kenyon & Tilton, 2006).

Coenen, 2005 and Oluwadare, 2003 averred that analytic legal accountants and investigative auditors in practices generate documents and statements that are even tenable in the law court as they are the only assemblage of the statutory officers who are accredited to issue transparent, trustworthy and unswerving financial reports to convince, persuade and recapture the confidence of investors and stakeholders to the business organizations or corporations. The intrinsic worth and merits of understanding and adopting analytic legal accounting, investigative auditing, swindle, and risk mitigation techniques are so numerous and appraising. Nevertheless, for the single-mindedness of this exploration, the advantages of analytic legal accounting are: Analytic legal accounting and financial reporting take along operational and well-organized internal control appraisal; Analytic legal accounting is methodological besides dexterous gismo that is applied by the administration and executive in the recognition and uncovering of swindle or intentional miscalculations in the financial reports and declarations of commercial bodies and firms; and with a lineup of proficient and experienced analytic legal accountants, inaccuracies, distortions or falsification, and pilfering of whichever forms and types may perhaps be divulged, well-ordered and uniformly prohibited from happening. An extraordinary capability which is indispensable and requisite for personalities to turn out to be skillful and experienced at analytic legal accounting is dialogue skills and dexterousness. In the advancement and evolution of pursuing and dogging substantiation and facts, the analytic legal specialists turn out to be convoluted in the interrogating platforms (Elliot, 1998, Golden, Skalak & Clayton, 2006, KPMG, 2008, Manning, 2005).

2.3 Analytic legal Accounting and Swindle detection and Control in Warranty Cash Stores

Adegbaju and Olokoyo (2008), Zysman (2001), Finkelstein (2009), Sing (1992), Singleton, Singleton, Bologna & Lindquist (2006), variously point out that Warranty Cash Stores could make use of the analytic legal accounting and investigative audit techniques in uncovering, detecting and controlling swindles in place of a preventive shift and written off of material facts or values which were concealed. Analytic legal accountants and investigative auditors auxiliary identified and bring into the line that the avoidance and deterring of swindle is one more capacity in which analytic legal accounting facilities could substantiate, venerate and esteem to business organizations. Analytic legal accounting proficient facilities and capabilities remain prerequisites in integrating the swindles deterrence and discovery strategies obsessed by the regulating structures and safeguarding strategies of firms. Correspondingly, since controls on their own are ineffective and inefficient, short of appropriate administration of the controls, analytic legal accounting structures are essential. Analytic legal accountants and investigative auditors assist the commercial assessors to execute the modern necessities for detecting and controlling swindles in the organizations and business firms. The investigative principles refer to swindles as well as deceptions as a misstatement of facts as of deceitful financial reporting and misstatement as of embezzlement of properties and chattels (Asuquo, 2004, Murray, 2007, Skalak, Ala & Sellitto, 2006, Wolf & Hermanson, 2004).

3. METHODOLOGY

3.1 Research Design

The survey and ex-post facto research designs were taken on in the research work due to the nature of the study and the need to generate relevant data to verify the

assumptions made in the process of the research work.

3.2 Bases of information

Primary and secondary facts were obtained for this study. Accordingly, questionnaires were administered to the account workers of the Warranty Cash Stores under review. Also, secondary data were obtained from periodicals, library researches, and internet, government bulletins, CBN Yearbook and financial accounts of Warranty Cash Stores under investigation.

3.3 Instruments Development, validity and reliability test.

The exploration mechanism was detailed and well-developed questionnaire on the subject matter of the research work; the analytic legal accounting practices and swindles detection and control in Warranty Cash Stores in Nigeria. Validity and reliability were ensured by carrying out appropriate numerical and substantive tests. For the purpose of the exploration; the investigator made use of the constituent validity and reliability method for the justification and rationalization of the inquiry mechanism which was used to generate information which was in due course used in corroborating and confirming propositions established on the perceptions and modus operandi suggested by Asuquo (2004) and Ojigbo (2004).

3.4 Model specification and equation for information validation

$$CSWCS = \beta_0 + \beta_1 BDA + \beta_2 DMA + \beta_3 FRA + \beta_4 CAATS + \beta_5 COA + E \quad (1)$$

$\beta_1 - \beta_5 > 0$ Where: CSWCS = Control of Swindle in Warrantee Cash Stores; BDA = Bedford Digital Analysis;

DMA = Data Mining Analysis;

FRA = Financial Ratio Analysis;

CAATs = Computer Assisted Tools and Techniques;

COA = Continuous Auditing

4. RESULTS

4.1 Proposition one

H_0 : Analytic legal accounting practices do not have a considerable effect on swindles control in Warranty Cash Stores.

H_1 : Analytic legal accounting practices do have a considerable effect on swindles control in Warranty Cash Stores.

$\beta_1-\beta_5$ = Coefficients of independent variables; E = Error term

By means of the Pearson Moment correlation analysis, this proposition was confirmed and the swift of the end result made known in table 1 underneath.

Expedient Point of reference: By the side of 5 percent level of connotation R_{xy} should be at least 0.164 for considerable correlation to be present.

Table 1

Correlation analysis of analytic legal accounting practice-ALAP (x) and swindles detection/control in warranty cash stores (y)

Abridgment Abridgment XY	XAbridgment X ²	YAbridgment (Abridgment Y ²)	R_{xy}^2
ALAP(X)	85407		
672	0.58*		
Swindle D & C (Y)149		1209	
(N = 20), R = 0.58, R ² = 66.4			

Source: Field Survey & Investigator's calculation.

Deduction made from the outcomes obtainable in Table 1 above, is that analytic legal accounting practices could be used substantially for swindles detection/control in Warranty Cash Stores, since the calculated value of the coefficient of correlation R_{xy} (0.58*) is greater than the critical value given as the expedient point of reference. Also R^2 or the measurement of extrapolation, which elucidates the descriptive capability of the autonomous variable, displays that 66.4 percent of swindles detection/ control is predicted by the analytic legal accounting practice while additional causes not declared in the study are held responsible for the leftover 33.6 percent.

4.2 Proposition two

H_0 : Analytic legal accounting practice has no considerable influence on cash laundering swindle detection and control in Warranty Cash Stores.

H_1 : Analytic legal accounting practice has considerable influence on cash laundering swindle detection and control in Warranty Cash Stores.

By means of Pearson's product-moment parallel evaluation this proposition was verified and the swift of the outcome displayed in the table beneath

Table 2

Parallel between analytic legal accounting practice-ALAP (x) and cash laundry swindle detection and control (CLSD & C; Y) in warranty cash stores

Abridgment X Abridgment XY	Abridgment X ²		R _{xy}
Variables	(Abridgment Y)	(Abridgment Y ²)	
ALAP(X)	55777		
1530	0.56*		
CLSD & C (Y)108		3224	
(N = 20), R = 0.56, R ² = 68.60			

Source: Field Survey & Investigator's calculation.

The end result of table 2 evaluation led to the removal of the inconsequential proposition and recognition of the alternate proposition, which inferred that analytic legal accounting practice has considerable influence on cash laundering swindle uncovering and control in Warranty Cash Store.

Table 3

Multiple regression evaluation; hooked on variable: CSWCS

Adjustable Measurements Normal slips T-worth Likelihood				
Static	4.364320	3.356854	2.451330	0.1488
BDA	0.375834	0.084762	3.897016	0.0020
DMA	0.348475	0.206626	3.238764	0.0105
FRA	0.205646	0.102573	3.010140	
	0.0252 CATTs	0.373341	0.132174	3.117843
	0.0300			
COA	0.320526	0.103865	4.201625	0.0216
R ²	0.65490	Average value	13.88257	
Attuned R ²	0.52317	Normal aberration.	4.087166 F value	6.654007
DW3.0000		Likelihood (F value)	0.00000	

Source: Eview result evaluation

Table 3 made known the multiple regression evaluation of Analytic Legal Accounting practices and swindles control in Warranty Cash Stores. The outcome put forward that Bedford digital analysis (BDA), Data mining analysis (DMA), Financial ratio analysis (FRA), and Computer-assisted tools auditing techniques (CAATs) and Continuous auditing (COA), as modern techniques of Analytic Legal Accounting Practices, with p-values of 0.0020, 0.0105, 0.0252, 0.0300 and 0.0216 are reduced values than the critical value of 0.05 and the respective T-worth of these self-determining variables are all numerically considerable. For that reason, it is incidental that there is a considerable connection among the diverse Analytic Legal Accounting practices mechanisms and swindles control in Warranty Cash Stores. The R squared of 0. 6548 and adjusted Rsquared of 0.52317 signposted that the self-regulating variables mutually demarcated approximately 65% and 52% of swindles control in Warranty Cash. The F value and its likelihood demonstrated that the calculation is valid, strengthening that the connection between Analytic Legal Accounting practices mechanisms and swindles control in Warranty Cash Stores are fundamentally vital (see table 3 directly above). Moreover, Durbin-Watson Of 3.000 displayed that there is no auto-correlation amongst the self-determining variables.

4.3 Discussion of Findings

Proposition one was confirmed and the end result had displayed that analytical legal accounting practices considerably affect swindles detection and control in warranty Cash Stores. This conformed to

5.0 CONCLUSION

Reliant on the outcomes of the research work, the effective and efficient detection and control of swindles, cash laundering swindles in Warranty Cash stores can be eased by analytic legal accounting practices. Thus, in order to ensure the detection and control of swindle and help

the assertion made by Oluwadare (2003) that legal accounting practices are more effective tools and if incorporated into the Warranty Cash Stores operations will assist to spot out money laundering swindle; Internal control and swindle discovery structures are essentials of analytic legal accounting practices. Other supportive evidence is actually the response by staff the question asked on this issue, where more than 60 percent of the total respondents agreed that analytic legal accounting practices do considerably influence swindles detection and reduction in Warranty Cash Stores. Also, it has been shown in the research work that analytic legal accounting practices aid Warranty Cash Stores in sustaining and continuing a certain level of transparency in their operations.

Proposition two which specified that analytic legal accounting practice has no substantial influence on money makes legal swindle detection in Warranty Cash Stores operations. It was verified by means of Pearson's Product-moment correlation co-efficient at a 5 percent level of importance and the null proposition was rejected. This point toward that analytic legal accounting practice has a substantial influence on cash laundering swindle detection in Warranty Cash Stores. This is supported by Singleton, Bologna & Lindquist (2006) when they argued that analytic legal accounting practices aid to detect and preclude cash make legal swindle. In addition, as averred by Crumbley (2006), analytic legal accounting practices provide means through which Warranty Cash Stores could detect and control swindle and hence boost the uprightness and reliability of the Warranty Cash Stores operations.

to control financial damages, the Warranty Cash Stores must ensure that good internal control system and qualified legal accountants are employed in their financial operations. What is more, the use of the knowledge of analytic legal accounting and litigation support in the detection and control of swindles in

Warranty Cash Stores should be entrenched in the internal the control system of the financial institutions; The Warranty Cash Stores should have a demarcated unit of accounting, internal audit unit, external investigative auditors, financial consultant as well as indicative legal accountants and auditors should be employed to handle their unit, duties and responsibilities should be adequately well-

defined and set apart to augment efficient and effective detection and control of swindles as well as cash laundering swindle; and proper control measures and check the mechanism should be put in place in order to ensure that planned financial activities are closely followed by analytic legal auditors, and also to ensure corrections and deviation.

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