INTRODUCTION
Financial irregularities represent a pervasive threat to the integrity and stability of financial systems globally. Within the realm of forensic accounting, the study of these irregularities holds significant importance for both practitioners and policymakers. This introduction provides an overview of the background, need/importance, theoretical implications, and recent trends related to the analysis of financial irregularities in forensic accounting.

1. Background of the Topic
Financial irregularities encompass a spectrum of deceptive practices, ranging from fraudulent financial reporting to asset misappropriation. These irregularities have been prevalent throughout history, manifesting in various forms across different industries and organizational settings. Notable cases such as Enron, WorldCom, and Bernie Madoff's Ponzi scheme have underscored the devastating impact of financial misconduct on investors, employees, and the broader economy. Consequently, forensic accounting has emerged as a critical tool for uncovering, investigating, and addressing financial irregularities.

2. Need/Importance of the Topic
The study of financial irregularities in forensic accounting is essential for several reasons. Firstly, it serves to protect the interests of stakeholders by detecting and preventing fraudulent activities that undermine the integrity of financial reporting. Secondly, it aids in promoting transparency and accountability within organizations, thereby fostering investor confidence and market integrity. Moreover, understanding financial irregularities is crucial for informing regulatory and legislative measures aimed at mitigating fraud risks and enhancing corporate governance standards.

3. Theoretical Implications of the Topic
The analysis of financial irregularities in forensic accounting has significant theoretical implications for accounting, criminology, and organizational behavior. From an accounting perspective, it challenges traditional assumptions about the reliability of financial information and underscores the importance of skepticism and professional judgment in auditing processes. In criminology, the study of financial irregularities contributes to our understanding of white-collar crime and the motivations behind fraudulent behavior. Additionally, insights gained from forensic accounting research can inform theories of organizational deviance and misconduct within the corporate context.
4. Recent Trends Related to the Topic

Recent trends in forensic accounting reflect advancements in technology, regulatory enforcement, and professional standards. The proliferation of data analytics tools and techniques has enabled forensic accountants to analyze large volumes of financial data more efficiently, enhancing their ability to detect irregularities and patterns indicative of fraud. Furthermore, increased regulatory scrutiny, particularly in the aftermath of major financial scandals, has prompted organizations to strengthen internal controls and compliance measures to mitigate fraud risks. Additionally, professional bodies such as the Association of Certified Fraud Examiners (ACFE) have emphasized the importance of continuous education and training in forensic accounting to keep pace with evolving fraud schemes and techniques.

Literature review

Anggriyani, Muhammad Yusuf, and Kornelius Harefa (17 January 2022, volume 204): - explore the importance of forensic accounting and compliance audits in mitigating financial fraud within local government entities. They highlight the significance of these methodologies in maintaining financial integrity and transparency, contributing to the ongoing discourse on fraud prevention in the public sector. Future research could focus on specific case studies to evaluate practical implementation and outcomes, as well as explore technological advancements for enhanced fraud detection.

Renaldo, Sudarno, and Hutahuruk (2022-04-29, Vol. 9): - delve into the application of Benford's Law in forensic accounting, emphasizing its utility in identifying potential indicators of fraud. They contribute to the understanding of statistical methods in forensic accounting practices and suggest future research could explore its applicability across various industries and contexts.

Eko, Adebisi, and Moses (August 15, 2020, Volume 9, issue 3): - assess the efficacy of forensic accounting techniques in combating fraud within Nigeria's banking sector. Their study provides insights into the challenges and opportunities of forensic accounting in enhancing fraud prevention measures within the country's financial institutions, suggesting future research could investigate implementation challenges and success factors in banks.

Honigsberg (March 23, 2020, Volume 16): - likely explores the multifaceted role of forensic accounting within legal and social contexts, discussing its evolution, application in legal proceedings, and impact on social perceptions of financial transparency and accountability. Future research could delve into specific legal frameworks and regulatory environments shaping forensic accounting practices and explore social implications on public trust and perceptions of financial integrity.

Öztürk and Usul (10 February 2020, Volume 102): - investigate the application of rule-based expert systems in detecting accounting fraud within the realm of forensic accounting, contributing insights into technological advancements in automated fraud detection. Future research could explore the practical implementation and effectiveness of such systems across various industries and contexts.

Aksoy and Uzay (15 June 2021, Volume 5): - likely explore the relationship between fraud auditing and forensic accounting, highlighting their complementary roles in detecting, investigating, and preventing financial fraud. Future research could investigate practical applications of integrating these techniques in various industries and contexts.

Akhidime (2020, Volume 7): - examines the potential of forensic accounting to address the audit expectation gap, suggesting future research could investigate practical implementation and effectiveness in audit processes to narrow the gap.

Widnyana and Widyawati (2022-09-12, Volume 11): - examine the role of forensic accounting within the Diamond Model framework to identify financial statement fraud, suggesting future research could explore the practical implementation and effectiveness of the framework in detecting and preventing financial statement fraud.
Industry Profile:
Industry is nothing but total of all business, dedicated to a certain product or service to the market. Industries are majorly classified into 3 types:

- **Tertiary industry** – Industry which majorly involves providing services to the consumers. For example: Professional services, health care, education

Tertiary industry – Accounting Sector – Auditing, Gst registrations, ITR Filing etc.
The tertiary industry, specifically the accounting sector, offers essential services such as auditing, GST registrations, and income tax return (ITR) filing. These services are vital for businesses and individuals to maintain financial compliance, ensure accurate financial reporting, and fulfill regulatory requirements, contributing to the overall efficiency and transparency of the economy.

**RESEARCH DESIGN**

**STATEMENT OF THE PROBLEM**
The statement of the problem revolves around the gaps and areas requiring further investigation within the realm of forensic accounting research. These include the need for empirical studies to assess the practical effectiveness of forensic accounting and compliance audits in reducing financial fraud within local government entities, understanding the applicability of Benford's Law in differentiating between legitimate and fraudulent financial transactions across industries and contexts, and investigating the challenges and success factors of implementing forensic accounting techniques in the banking sector. Bridging these gaps through empirical studies, exploration of new methodologies, and addressing specific challenges could enhance the understanding and implementation of forensic accounting practices across various sectors.

**RESEARCH GAP**
There are several research gaps that I have identified first, empirical studies are needed to assess the practical effectiveness of forensic accounting and compliance audits in reducing financial fraud within local government entities. Furthermore, understanding the challenges and success factors of implementing forensic accounting techniques in the Accounting Sector.

**HYPOTHESIS OF THE STUDY**

**Hypothesis 1**
There is significant Relation between type of industry and occurrence of financial irregulates.

**Null Hypothesis (H0):** There is no significant Relation between type of industry and occurrence of financial irregulates.

**Alternative Hypothesis (H1):** There is significant Relation between type of industry and occurrence of financial irregulates.

As the chi square have given values of p less than 0.05 sig. Level , the null hypothesis has been rejected and alternate has been accepted.
Therefore, there is significant Relation between type of industry and occurrence of financial irregulates.
Hypothesis 2
There is significant relationship between effectiveness of technology in detecting financial irregularities to utilization of technology in forensic accounting.

Null Hypothesis (H0): There is no significant relationship between effectiveness of technology in detecting financial irregularities to utilization of technology in forensic accounting.

Alternative Hypothesis (H1): There is significant relationship between effectiveness of technology in detecting financial irregularities to utilization of technology in forensic accounting.

As the chi square have given values of p less than 0.05 sig. Level, the null hypothesis has been rejected and alternate has been accepted.

Therefore, there is significant relationship between effectiveness of technology in detecting financial irregularities to utilization of technology in forensic accounting.

OBJECTIVES OF STUDY
- To identify the common types of financial irregularities
- To analyse and investigate root causes and contributing factors
- To understand the effectiveness of forensic accounting techniques
- To understand legal and regulatory frameworks

SCOPE OF THE STUDY
- Identification and Classification of Financial Irregularities
- Detection Techniques and Tools
- Impact on Stakeholders and Organizational Integrity
- Preventive Measures and Remedial Actions

RESEARCH METHODOLOGY AND DATA COLLECTION
Population – Auditors
Sample design (100, Convenient Sampling)
Method of data collection- Primary data- Questionaries, secondary data- Journals, Articles.
Instrument for data collection- Questionaries
Data analysis techniques-
  a. Data Analysis Plan – graphical representations and hypothesis
  b. Statistical tools for analysis – graphs and hypothesis tests

Testing of questionnaire.
Questionnaire was tested by collecting samples from 30 respondents and review and alter upon their feedback.
Data Analysis:

1) What is your current job title and role within your organization?

<table>
<thead>
<tr>
<th>JOB ROLE</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditor</td>
<td>38</td>
<td>38%</td>
</tr>
<tr>
<td>Audit manager</td>
<td>13</td>
<td>13%</td>
</tr>
<tr>
<td>Senior Auditor</td>
<td>5</td>
<td>5%</td>
</tr>
<tr>
<td>Intern</td>
<td>44</td>
<td>44%</td>
</tr>
</tbody>
</table>

The table presents the distribution of different positions within an auditing firm along with their corresponding frequencies and percentages.
- Auditors make up the largest portion at 38%, indicating that they form a significant portion of the workforce.
- Audit managers represent 13% of the workforce, indicating a smaller but still notable presence in the organization.
- Senior auditors comprise 5% of the total, suggesting a relatively smaller proportion compared to other roles.
- Interns constitute the remaining 44%, which is the highest percentage among the listed positions, implying a substantial presence of interns within the firm, possibly indicating a focus on training and development within the organization.

2) How many years of experience do you have in auditing and forensic accounting?

<table>
<thead>
<tr>
<th>EXPERIENCE</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 year</td>
<td>43</td>
<td>43%</td>
</tr>
<tr>
<td>1-5 years</td>
<td>41</td>
<td>41%</td>
</tr>
<tr>
<td>6-10 years</td>
<td>13</td>
<td>13%</td>
</tr>
<tr>
<td>More than 10 years</td>
<td>3</td>
<td>3%</td>
</tr>
</tbody>
</table>

- Employees with less than 1 year of tenure constitute the largest group at 43%. This indicates a significant influx of new employees within the organization.
- The category of employees with 1-5 years of service comprises 41% of the total, suggesting a substantial portion of the workforce has relatively moderate experience within the organization.
- Those with 6-10 years of service represent 13% of the total, indicating a smaller but still notable proportion of employees with a more established tenure within the organization.
- The smallest category is employees with more than 10 years of service, comprising only 3% of the total. This suggests a relatively smaller number of employees with extensive experience within the organization, possibly indicating a higher turnover rate or a younger organization.

3) What is the primary industry or industries in which you conduct audits?

<table>
<thead>
<tr>
<th>Industry</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking and Finance</td>
<td>40</td>
<td>40%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>16</td>
<td>16%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>44</td>
<td>44%</td>
</tr>
<tr>
<td>Technology</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

- Banking and Finance (40%)
- Healthcare (16%)
- Manufacturing (44%)
- Technology (0%)
The largest proportion of employees, at 44%, is in the manufacturing sector. This suggests that manufacturing is a significant focus area or core activity within the organization.
- Banking and finance represent 40% of the total, indicating a substantial presence within the workforce, although slightly less than manufacturing.
- Healthcare comprises 16% of the workforce, representing a smaller but still notable portion of employees dedicated to this sector within the organization.
- Interestingly, there are no employees listed under the technology sector, suggesting either that the organization does not operate in this sector or that the data might be incomplete or missing.

4) Based on your experience, what are the most common types of financial irregularities you encounter during audits?

- Lack of ethical leadership is the most frequently cited issue, accounting for 32% of the total responses. This suggests that a significant proportion of respondents believe that ethical leadership is lacking within the organization, potentially leading to various challenges or concerns.
- Pressure to meet financial targets follows closely behind, representing 28% of the responses. This indicates that there is a substantial perception among respondents that financial targets are prioritized over other aspects, potentially impacting decision-making processes and organizational culture.
- Weak internal controls and inadequate oversight by management are both cited by 20% and 18% of respondents, respectively. This indicates a significant level of concern regarding internal processes and management practices within the organization, potentially highlighting areas that require improvement or attention.
- Poor corporate governance is cited by only 2% of respondents, indicating that it is perceived as less prevalent compared to other issues listed in the table. However, it still represents a notable concern that warrants attention from management and stakeholders.

5) In your opinion, what are the primary factors contributing to financial irregularities within organizations?

<table>
<thead>
<tr>
<th>Description</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting errors</td>
<td>31</td>
<td>31%</td>
</tr>
<tr>
<td>Misappropriation of assets</td>
<td>47</td>
<td>47%</td>
</tr>
<tr>
<td>Corruption and bribery</td>
<td>3</td>
<td>3%</td>
</tr>
<tr>
<td>Fraudulent financial reporting</td>
<td>13</td>
<td>13%</td>
</tr>
<tr>
<td>Money laundering</td>
<td>6</td>
<td>6%</td>
</tr>
</tbody>
</table>
- Misappropriation of assets is the most prevalent issue, cited by 47% of respondents. This indicates a significant concern regarding the misuse or unauthorized use of company resources or assets, potentially leading to financial losses or other adverse impacts on the organization.

- Accounting errors follow closely behind, representing 31% of responses. While accounting errors may sometimes occur inadvertently, their prevalence at such a level suggests potential weaknesses in internal controls or processes that need addressing to ensure accuracy and reliability in financial reporting.

- Fraudulent financial reporting is cited by 13% of respondents, indicating a notable but relatively smaller proportion compared to misappropriation of assets and accounting errors. Nonetheless, fraudulent financial reporting can have serious implications for stakeholders and regulatory compliance, necessitating vigilant monitoring and prevention measures.

- Money laundering and corruption/bribery are each cited by 6% and 3% of respondents, respectively. While less prevalent in comparison to other issues listed, these types of financial misconduct still represent significant concerns related to regulatory compliance, reputation risk, and ethical integrity within the organization.

6) How significant a role does organizational culture and management behavior play in fostering or preventing financial irregularities?

<table>
<thead>
<tr>
<th>Description</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very effective</td>
<td>30</td>
<td>30%</td>
</tr>
<tr>
<td>Somewhat effective</td>
<td>60</td>
<td>60%</td>
</tr>
<tr>
<td>Not effective</td>
<td>10</td>
<td>10%</td>
</tr>
</tbody>
</table>

- The majority of respondents, constituting 60%, rated the aspect as "Somewhat effective." This indicates that while there is a general sense of effectiveness, there may be room for improvement or refinement to enhance the performance of the aspect further.

- 30% of respondents rated the aspect as "Very effective," suggesting a significant proportion of individuals find this aspect to be highly successful or efficient within the organization.

- A smaller proportion of respondents, representing 10%, rated the aspect as "Not effective." This indicates that there are some individuals within the organization who perceive the aspect to be ineffective, highlighting potential areas for attention or improvement to address concerns and enhance overall effectiveness.

7) How effective do you find current forensic accounting techniques in detecting financial irregularities during audits?

<table>
<thead>
<tr>
<th>Description</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significantly improved effectiveness</td>
<td>37</td>
<td>37%</td>
</tr>
<tr>
<td>No significant impact</td>
<td>12</td>
<td>12%</td>
</tr>
<tr>
<td>Decreased effectiveness</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Somewhat improved effectiveness</td>
<td>50</td>
<td>50%</td>
</tr>
</tbody>
</table>

- The largest proportion of respondents, accounting for 50%, reported a "Somewhat improved effectiveness." This suggests that a significant portion of individuals within the organization perceive a positive change or enhancement in effectiveness due to the intervention or change implemented.

- Following closely behind, 37% of respondents reported a "Significantly improved effectiveness." This indicates that a notable proportion of individuals experienced a substantial improvement in
effectiveness, potentially indicating the success of the intervention or change in positively impacting organizational outcomes.

- A smaller portion of respondents, representing 12%, reported "No significant impact." This suggests that for some individuals, the intervention or change did not noticeably alter the effectiveness of the aspect being assessed, indicating potential areas for further examination or refinement.

- Only 1% of respondents reported a "Decreased effectiveness." While this proportion is small, it still signifies that there are some individuals within the organization who experienced a decline in effectiveness following the intervention or change, highlighting the importance of monitoring and addressing any adverse impacts promptly.

8) How have advancements in technology impacted the effectiveness of detecting financial irregularities during audits?

- The majority of respondents, constituting 51%, rated organizational culture as "Somewhat significant." This suggests that a significant portion of individuals within the organization acknowledge the importance of organizational culture to some extent, although they may not perceive it as the most critical factor influencing organizational outcomes.

- Following closely behind, 39% of respondents rated organizational culture as "Very significant." This indicates that a notable proportion of individuals recognize the considerable importance of organizational culture in shaping various aspects of the organization, such as its values, behaviors, and overall performance.

- A smaller proportion of respondents, representing 10%, reported that organizational culture is "Not significant." This suggests that there are some individuals within the organization who do not perceive organizational culture as playing a significant role in influencing organizational dynamics or outcomes.

9) How well do you think the current legal and regulatory frameworks address financial irregularities?

- The majority of respondents, accounting for 66%, reported that the legal framework functions "Moderately well." This suggests that a significant portion of individuals within the organization perceive the legal framework to be somewhat effective but may have identified areas for improvement or refinement.

- 27% of respondents indicated that the legal framework functions "Very well." This implies that a notable proportion of individuals are satisfied with the effectiveness of the legal framework within the organization, suggesting that it meets their expectations and adequately addresses legal requirements.
- A smaller proportion of respondents, representing 7%, reported that the legal framework does "Not well." This indicates that there are some individuals within the organization who are dissatisfied with the effectiveness of the legal framework, potentially highlighting areas of concern or gaps that need to be addressed to ensure compliance and mitigate legal risks effectively.

10) To what extent do you utilize technology and data analytics tools in your forensic accounting procedures?

![Utilization of technology graph]

<table>
<thead>
<tr>
<th>Description</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extensively</td>
<td>6</td>
<td>37%</td>
</tr>
<tr>
<td>Moderately</td>
<td>40</td>
<td>12%</td>
</tr>
<tr>
<td>Not at all</td>
<td>6</td>
<td>1%</td>
</tr>
<tr>
<td>Minimally</td>
<td>48</td>
<td>50%</td>
</tr>
</tbody>
</table>

- 37% of respondents reported utilizing technology "Extensively." This indicates that a notable proportion of individuals within the organization heavily rely on technology across various aspects of their operations, suggesting a high level of integration and dependence on technological tools and systems.

- 50% of respondents indicated utilizing technology "Minimally." This suggests that the majority of individuals within the organization have limited reliance on technology in their day-to-day activities or operations, potentially indicating a lower level of technological adoption or sophistication within the organization.

- 12% of respondents reported utilizing technology "Moderately." This implies that a smaller proportion of individuals within the organization utilize technology to a moderate extent, falling between the extremes of extensive and minimal utilization.

- Only 1% of respondents reported utilizing technology "Not at all." While this percentage is minimal, it still indicates that there are some individuals within the organization who do not utilize technology at all in their work processes or operations.

**LIMITATIONS OF THE STUDY**

- The study is conducted in a limited time frame.
- The data is collected by convenient sampling method.

**SUGGESTIONS AND CONCLUSIONS**

- Within the organization, auditors and interns comprise the majority of positions, indicating a focus on both experienced professionals and those in training.
- Employees with 1-5 years of tenure constitute the largest group, suggesting a relatively young workforce.
- Manufacturing is the dominant sector within the organization, followed by banking and finance, indicating the primary industries of operation.
- Lack of ethical leadership and pressure to meet financial targets are key concerns, highlighting potential areas for improvement in organizational culture and practices.
- Misappropriation of assets is the most prevalent financial misconduct, underscoring the importance of robust internal controls.
- The majority of respondents perceive a moderate to somewhat significant impact of organizational culture, emphasizing its importance in shaping organizational dynamics.
- Most respondents rate the effectiveness of a certain aspect within the organization as somewhat or very effective, with room for improvement noted.
• Organizational culture is perceived as moderately well-functioning by the majority, though some believe it could be more effective.

• Technological utilization varies, with a significant proportion reporting minimal usage, suggesting potential opportunities for increased integration and adoption.

• Overall, there are notable areas of strength within the organization, such as the effectiveness of certain aspects and the significance of organizational culture, alongside areas for improvement, including addressing financial misconduct and enhancing technological utilization.

• It is statistically significant that there is a relation between factors influencing irregularities and occurrence of financial irregulates.

• It is statistically significant that there is a significant relationship between effectiveness of technology in detecting financial irregulates and utilization of technology in forensic accounting.

REFERENCES:


Chicago


