

# THE ROLE OF FORENSIC ACCOUNTING IN IMPROVING THE QUALITY OF AUDITING PROCESSES FOR FINANCIAL STATEMENTS WITHIN A GOVERNANCE FRAMEWORK

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## Abstract

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This paper aims to assess the role of forensic accounting in enhancing the quality of financial statement audits in Riyadh. Questionnaires were distributed to a sample of external auditors in Riyadh province in Saudi Arabia. The study revealed that there is a statistically significant relationship between the availability of forensic accounting services and the detection of cases of fraud and the illegal actions of the client. This includes verifying the continuity of the enterprise. In addition, there is a strong correlation between using the forensic accountant services and supporting the external auditing processes in the field, detecting fraud cases, detecting the illegal actions of the client, and verifying the continuity of the enterprise. The correlation value is near to one. The study concludes that forensic accountants must enhance their communication, interpersonal, critical thinking, accounting, auditing, and self-efficacy skills to improve efficiency. Academic and practical qualifications enhance the efficiency and effectiveness of forensic accounting services. The research recommends establishing an autonomous Saudi entity to supervise and accredit forensic accounting businesses. The research additionally recommends including forensic accounting in the curricula of Saudi institutions as an independent or associated subject.

**Keywords:** Forensic Accounting, Auditing Processes, Financial Statements, Saudi Arabia

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## 1. INTRODUCTION

The current reality of the world is characterized by an exacerbation of fraud cases, which may manifest under various names, including fraud, forgery, corruption, manipulation, exploitation, and others. Economic developments and significant technological advancements accentuate this trend, triggering accompanying legal, economic, social, and financial

crises. Examples of such fraud include employee fraud, management fraud, investor fraud, seller fraud, customer fraud, and e-commerce fraud, among others. The annual losses resulting from fraud and embezzlement globally may reach billions of dollars, with accounting and auditing firms sometimes implicated, as seen in the case of Arthur Andersen's involvement in the Enron crisis (Turunen, 2024).

Furthermore, many enterprises engage in illegal actions, either intentionally or unintentionally, by disregarding laws and regulations for the benefit of their management or employees. This behavior exposes these enterprises to numerous problems that may ultimately lead to their liquidation and demise.

In the last years of the twentieth century, calls were made in several countries, particularly developed ones, emphasizing the necessity of forensic accounting services and forensic accountant expertise. This emerging concept differs from the accounting services offered by official government agencies in the public sector or by auditors' offices (chartered accountants) in the private sector. The outcomes of forensic accounting assist the beneficiaries of such services in achieving their objectives by verifying facts, interpreting provided numerical data, and validating the authenticity of documents and financial statements. These beneficiaries may lack the expertise to independently determine the validity of such documents, especially when disputes involve specialized accounting technicalities beyond their comprehension. Consequently, they require assurance to make informed decisions, hence highlighting the demand for forensic accounting and forensic accountant services. Among the beneficiaries of forensic accounting services are chartered accountants or external auditors (American Institute of Certified Public Accountants [AICPA], 1986, 1989, 2005, 2007; Golden et al., 2006; International Federation of Accountants [IFAC], 2008; International Auditing and Assurance Standards Board [IAASB], 2009).

Forensic accounting necessitates a diverse range of experiences, given its broad spectrum of disciplines. It encompasses tasks related to investigations, forensic information technology, litigation support, dispute resolution, financial problem-solving, and other financial and business-related matters. Therefore, forensic accountants must possess excellent accounting skills and advanced investigative abilities. They should be adept at grasping concepts swiftly, understanding the nature and scope of issues, and employing scientific methodologies. Given the nature of their work, forensic accountants must also possess a deep understanding of legal procedures and investigation techniques, in addition to their specialized accounting knowledge (Lam & Mensah, 2006; Nunn et al., 2006; Winch, 2008; Desi et al., 2023).

The research problem has emerged due to a gap in expectations regarding the quality of external audit processes. This gap exists between what the external auditor can provide in terms of confirmation of material misstatements in financial statements resulting from fraud, errors, and illegal actions by the entity and what the beneficiaries of the external auditor's services expect. While beneficiaries expect absolute confirmation from the external auditor regarding material misstatements, the auditor can only provide reasonable confirmation. This disparity results in a gap in expectations regarding the quality of external audit processes.

The dissatisfaction of beneficiaries with audited financial reports contributes to this gap. This dissatisfaction may arise from instances where

the auditor issues an unqualified opinion, only for material misstatements to later surface due to fraud cases, irregular contracts, doubts about auditor independence, or other issues.

To mitigate this gap in expectations, International Standard on Auditing (ISA) No. 620 allows the chartered accountant (external auditor) to engage a forensic accountant as an expert or consultant. This provision is aimed at improving the quality of the auditing process of financial statements.

Therefore, the research problem seeks to identify the role of the forensic accountant in enhancing the quality of the auditing process of financial statements and subsequently reducing the expectations gap. This task includes the external auditor's responsibility for detecting fraud, addressing illegal actions by the client, and ensuring the continuity of the entity under audit.

Accordingly, the research aims to investigate how the forensic accountant assists the external auditor (chartered accountant) in fulfilling responsibilities such as detecting significant fraud cases in audited financial statements, identifying illegal actions by the client, and verifying the continuity of the audited entity.

In light of the research problem, this research seeks to answer the following questions:

*RQ1: Does the forensic accountant help the external auditor in reducing the expectations gap and, consequently, improving the quality of the auditing processes of the financial statements?*

*RQ2: What is the framework through which the forensic accountant can provide their services to the external auditor in their responsibilities for detecting cases of fraud and identifying the illegal actions of the client, and also in their responsibility for verifying the continuity of the enterprise?*

This research aims to demonstrate the role of forensic accounting in improving the audit process quality of financial statements. We achieve this objective through the following means:

1) Explain the justifications for the necessity of forensic accounting services.

2) Explain the skills that must be available in the forensic accountant to assist the external auditor in reducing the expectations gap and, consequently, improving the quality of auditing processes for the financial statements.

3) Explain how the forensic accountant assists in supporting the external auditor in their responsibility to detect cases of fraud, in their responsibility to identify the illegal actions of the client, and in their responsibility to verify the continuity of the enterprise.

The importance of the research stems from the role that forensic accounting can play in improving the quality of auditing processes of financial statements and, consequently, the quality of the financial statements. This, in turn, rationalizes the decision-making process that will be based on them. Additionally, it aims to establish a connection between forensic accounting and external audit.

To attain the objectives of the research, it was divided into several sections as follows. Section 2 focuses on previous studies related to the research topic and hypotheses. Section 3 deals with research methodology. Section 4 provides the empirical results.

Section 5 presents a summary of the research findings, along with its conclusions and recommendations.

## **2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT**

There are several previous studies related either directly or indirectly to the subject of the research. For example, the Gray and Moussalli (2006) study aimed to provide a historical presentation of the relationship between forensic accounting and auditing. In the early years of the accounting profession, when fraud detection was accepted as one of the primary objectives of financial auditing, forensic accounting was an integral part of the accounting orientation. In the following years, the accounting profession tried to extricate itself from the responsibility of detecting fraud, and forensic accounting became known as a branch of the accounting profession. Recently, due to the failure of some companies and the emergence of the Sarbanes-Oxley Act, forensic accounting has been integrated into the profession rather than remaining a separate branch; additionally, discovering fraud has become one of the primary responsibilities of external auditors, leading to an increased importance of forensic accounting tools in this field.

Enyi's (2008) study aimed to explain why there are mistakes and fraud in the results of industrial companies, using forensic accounting and a real-life example. Test studies, controlled models, and standard audit tools can achieve this goal by identifying fraud during the manufacturing process. The study believes that, according to ISA 240, the auditor must follow the forensic approach to detect cases of fraud and material irregularities in the financial statements subject to audit. The study also says that the main issue with the forensic examination approach is that it pays more attention to financial transactions rather than looking at the entire company's operations, and it overlooks other resources that impact financial results, which are difficult to spot with regular financial statement analysis over time. DiGabriele (2009) sought to elucidate the necessary skills for a forensic accountant and explore potential differences in these skills among practitioners, academics, and users of forensic accounting services. The study revealed that forensic accountants require specialized skills; therefore, universities and colleges must revise their curricula to include a forensic accounting course. Additionally, these institutions need to hire teachers who are experts in forensic accounting and ensure that their programs teach the essential skills that forensic accountants must acquire.

In addition, Krstić (2009) aimed to show the role of forensic accounting in detecting fraud in financial statements. The study asserts that numerous cases of fraud in financial statements emerged during the final years of the last century and the early years of this century, which negatively impacted the suitability and reliability of these financial statements. The study also believes that the financial reporting system and the accounting and auditing profession are accused of not being able to detect fraud in the financial statements,

which led to a decrease in confidence in the financial statements by users of these statements. This study found that the forensic accountant has a role in detecting fraud in the financial statements and consequently improving the quality of accounting information, especially the confidence in the financial statements by users of these statements, but the study did not show how this role can be activated. Also, Okoye and Akamobi (2009) aimed to show the role of forensic accounting in identifying the causes of fraud and litigation support, as well as providing suggestions that help in this field and explaining the importance of forensic accounting. The study believes that forensic accounting is a special field of practice in accounting that describes the link resulting from current or anticipated litigation or disputes, as it provides an accounting analysis that provides the court with the basis on which to rely in making decisions on forensic disputes. Forensic accountability provides evidence to the court to help it make its decisions. The increase in cases of fraud and fraudulent activities in Nigeria, in particular, and in the world in general, has been behind the need for forensic accounting services. In other words, the connection between forensic accountability and criminal matters arises from the significant impact of fraud cases and fraudulent activities. Examining fraud cases using forensic accounting is different from examining them using traditional accounting because the forensic accountant can have a strong perception when analyzing fraud cases. This study found that the forensic accountant has cognitive ability in their analysis of fraud cases and provides the basis on which the court can rely in making its decisions regarding forensic disputes.

Okoye and Akamobi (2009) conducted a study to determine the necessary skills for a forensic accountant and explore if these skills vary among practitioners, academics, and consumers of forensic accounting services. To achieve this goal, the study distributed a questionnaire to test the hypothesis of the study, which states that the forensic accountant does not need special skills. The study revealed that forensic accountants require special skills; therefore, universities and institutes must modify their curricula to include a forensic accounting course and hire teachers specialized in this field. The study believes that universities and scientific institutes, especially in Nigeria, should start by adding the forensic accounting course to their curricula, provided that this course includes teaching the student the skills of the ability to think critically and the ability to communicate effectively in writing and orally, and also includes some other skills such as legal knowledge, reasoning analysis, flexibility, and the ability to solve non-routine (unstructured) problems. However, Kasum (2009) aimed to demonstrate the appropriateness of the application of forensic accounting to detect financial crimes in the public and private sectors in one of the third-world countries, Nigeria. This study focused on financial crimes in developing countries, asserting that the most significant financial crimes are fraud and financial corruption, which negatively impact the lives of citizens in these nations. Furthermore, it argues that these cases of fraud and corruption have intensified within these systems and serve as a source of ruin and destruction for these countries.

This study focuses on assessing the extent of financial crime in developing countries, comparing the status of financial crimes in the public sector with that of the private sector, and determining which sectors need the most forensic accounting services. This study found that cases of fraud and financial corruption represent the main problems in third-world countries, and that these cases need the services of the forensic accountant, and that the public sector is more in need of the services of the forensic accountant than the private sector. The study recommends the need to use the services of a forensic accountant, especially in the public sector.

Chukwunedu and Okoye (2011) aimed to demonstrate, from the perspective of academic accountants, how forensic accounting methods based on the cost-benefit approach can enhance auditors' ability to detect fraud and thereby reduce the audit expectations gap in Nigeria. To achieve its objective, the study relied on distributing questionnaires to a group of academic accountants working in eight institutes in the eastern part of Nigeria. This study found (from the point of view of academic accountants) that forensic accounting increases the auditor's ability to detect fraud and, consequently, reduces the gap in expectations in auditing in Nigeria, and this result reflects the interdependence between accounting education on the one hand and accounting practice in Nigeria on the other hand. Beneish et al. (2011) aimed to explain how forensic accounting can be used to predict stock returns. To achieve this goal, the study relied on the proposed model. The study found meaningful application support for the investment approach to stock return forecasting, supported by forensic accountants. That is, forensic accounting can be used to predict stock returns.

Huber (2011) aimed to explain the nature of organizations that grant the forensic accountant certificate in the United States. The study argues that some of these organizations conceal their true nature and results, which allows forensic accountants to realistically assess the benefits and costs of their certificates from a personal perspective, specifically regarding how these factors affect the same individual. This study found through questionnaires distributed to some forensic accountants that there are a number of forensic accountants who believe that organizations that grant the certificate of forensic accountant need a qualified management team. By contrast, several forensic accountants mistakenly believe that organizations that grant forensic certificates have qualified management. In other words, this study concludes that organizations granting the certificate of forensic accountant typically lack qualified management and are required to disclose their managers' qualifications; failure to do so constitutes a violation of professional ethics and conduct rules. The study suggests establishing an independent agency to supervise and accredit forensic accounting corporations.

However, Zango (2012) aimed to demonstrate how suitable forensic accounting education is for accounting services related to litigation support, serving as an expert witness, and examining fraud cases. The data will be analyzed using the Likert scale as secondary data through the use of

textbooks, published research, and extensive internet use. The study asserts that forensic accounting education should encompass methods for examining, detecting, and preventing fraud; include the company's internal control system; and address the underlying reasons for fraud. Hence, the study believes that the current accounting teaching curricula are not suitable for providing skills for forensic accounting education. Therefore, the study asserts that we should consider the opinions of academics and professionals when determining the content of forensic accounting courses. This study recommends that forensic accounting education be conducted by academics and professionals and that the curriculum include teaching the multiple causes of fraud, such as the significant changes in the business environment due to globalization and great technological advances that caused financial scandals such as the Enron and WorldCom scandals and the reasons that led to the liquidation of 36 banks during the nineties of the last century, as well as mergers and capital restructuring in Nigerian banks in 2004. Meanwhile, Júnior et al. (2012) aimed to demonstrate the relationship between forensic accounting with mastery of forensic experience in Brazil. The study relied on the distribution of questionnaires in August 2008 and September 2008 and obtained 121 responses and 2859 statements. The study found that forensic accounting has a relationship with mastery of forensic work and that the forensic accountant can assist judges in their work (i.e., the field of forensic dispute resolution in the field of business).

In addition, Muehlmann et al. (2012) aimed to explain the role of forensic accounting in the field of settling tax disputes. This study provides an analysis of the relationship of forensic accounting to state court decisions and federal courts at the United States level. The study found that this relationship exists in the field of taxation. The study believes that forensic accounting benefits taxpayers and provides them with the necessary legal advice, especially in the field of tax disputes.

Ojo (2012) aimed to link forensic accounting with law, and this study focuses on the reasons and factors that increase the use of forensic accounting, especially in courts. The study dealt with some of the standards that govern the work of the forensic accountant and determine the extent to which he can be relied upon in the field of judiciary and financial dispute resolution.

However, Ezeagba (2014) examined the effectiveness of forensic accounting in supporting qualitative financial reporting in Nigeria in the commercial banking sector. The study used survey and descriptive approaches. Five scale binomials ranging from 0.4 were used to analyze the collected data (financial reporting quality) of the selected banks. Primary data were also sourced to elicit data from accountants using a five-scale Likert-structured questionnaire, which was managed to a sample size of 250 respondents. Respondents were selected by simple stratification. Pearson's correlation coefficient statistical tool was used to analyze the collected data. The study revealed, among others, that the essential qualitative characteristics (relevance and faithful representation) of financial reporting, accounting, and the supporting

qualitative characteristics (understandability) can be significantly improved through forensic accounting. Therefore, it is proposed, alongside other things, that the financial regulators and commercial banks in Nigeria should also train and retrain their members on the details of forensic accounting to support the usefulness of capital providers and other stakeholders stemming from financial reporting in Nigeria. Khersiat (2018) sought to emphasize the essential role of a forensic accountant in identifying financial statement manipulation, combating tax fraud, and elucidating the methods employed by forensic accountants in Jordan. To achieve the study purposes, a questionnaire was distributed to 125 forensic accountants employed in Jordanian accounting and auditing companies. After analyzing and testing the hypotheses, this study revealed that the forensic accountant has the qualifications, knowledge, and competencies for detecting tax fraud in financial statements as well as detecting the manipulation of financial statement numbers.

Vuković et al. (2021) attempted to demonstrate the significance of forensic auditing in enhancing the quality of financial statements. This research utilized a descriptive methodology and a survey questionnaire. This article asserts that forensic auditing is an emerging practical domain within auditing, which has yet to attain a universally acknowledged and complete definition in the corporate context. A significant number of theorists, along with various national and international organizations and associations, have established a foundation for the accurate definition of forensic audit, delineating its position and function within audit theory and practice. Arsyad and Natsir (2023) sought to delineate the function of forensic accounting in enhancing audit quality. The research sample comprised auditors employed as government accountants and public accountants in Makassar, each with a minimum of five years of audit experience and holding at least the rank of team leader. The research methodology employed was descriptive-qualitative, utilizing a phenomenological approach that encompassed intuition, analysis, and description, culminating in a phenomenological account. The surveys and interviews were utilized to gather the necessary data. The gathered data were analyzed and elucidated by referencing the literature review. Arsyad and Natsir (2023) examined the alignment between the criteria and the application practices implemented in accordance with the research objectives. This investigation focused on the notion of early fraud detection in audit assignments, aligned with the aims pursued by auditors in their research. The research findings indicated that to enhance overall audit quality, auditors must possess the capability to identify fraud as mandated by auditing standards. External auditors may employ a forensic accounting technique known as the fraud-oriented system audit (FOSA) method, which concentrates not only on financial statement fraud to identify material misstatements but also on the illicit use of assets. Additionally, they may utilize the corruption-oriented system audit (COSA) method, albeit restricted to identifying “signals” of fraud. This will thereafter be accompanied by further audit procedures via analytical audits. Auditors can employ forensic accounting techniques to identify fraud indicators.

Al Qazaawi et al. (2023) aimed to examine the impact of forensic accounting methods on audit quality. The statistical population comprises all enterprises listed on the stock exchanges in Tehran and Iraq. The systematic removal technique selected 35 enterprises in Iraq from 2013 to 2020 and 100 companies in Iran from 2014 to 2020. The study hypotheses were evaluated using a multivariate regression model based on the aggregated data. The research indicated that forensic accounting techniques enhance the quality of audits in Iran and Iraq. Furthermore, the findings validated that the quantity of independent audit report paragraphs in Iran and Iraq is not substantially influenced by the forensic accounting approach. The importance and use of forensic accounting have become more noticeable because there are not many professionals in this area in Iraq, there are more cases of financial theft and corruption, there is a need for better financial management as the economy grows, and it is essential to keep the public's trust in the honesty of financial information. Consequently, doing this study can enhance the corporate climate in Iran and Iraq by assessing the importance and necessity of implementing forensic auditing.

Al Natour et al. (2025) sought to investigate the influence of forensic accounting services on auditors' self-efficacy in fraud detection in Egypt. The study looks at how computer-assisted audit techniques and tools (CAATs) affect the connection between accounting and auditing services and auditors' confidence in detecting fraud, as well as how they help in finding theft. A cross-sectional survey was created and disseminated to 117 external auditors in Egypt. Partial least squares structural equation modeling is employed to evaluate the study hypotheses. The results indicate a substantial direct correlation among effective communication skills, psycho-social abilities, accounting and auditing skills, and an auditor's self-efficacy. The data indicate a substantial direct correlation between the auditor's self-efficacy and fraud detection. CAATs applications modify the link between auditor self-efficacy and fraud detection. The data reveal no substantial correlation between technical and analytical skills and an auditor's self-efficacy. Bakhit (2024) sought to elucidate the function of forensic accounting in mitigating financial corruption and enhancing the quality of financial statements inside Saudi joint stock businesses. The study employed a descriptive methodology, utilizing a questionnaire to collect data from shareholders, investors, and employees of joint-stock firms in Saudi Arabia. The paper demonstrated that forensic accounting is essential in combating financial corruption and promoting business sustainability, while academic and practical qualifications significantly impact the detection of financial misconduct. Additionally, the effectiveness of forensic accounting improves the trustworthiness of financial statements. Also, the study suggests that forensic accounting should be a main subject in Saudi Arabia's schools, highlighting the need to work with organizations to establish a strong base in it and make the best use of technology.

Hajjat et al. (2024) examined the role of forensic accounting in enhancing financial transparency and reducing fraud in Jordanian institutions. Data were collected from 150 respondents, including chartered

accountants, auditors, and financial managers. The study findings reveal that forensic accounting significantly supports fraud prevention by helping government examinations, providing courtroom testimony, and developing financial management systems. In addition, forensic accountants play an important role in preparing key reports for government activities. The correlation analysis shows strong interdependencies between forensic accounting's roles in arbitration and fraud detection. Most hypotheses were confirmed.

In light of the research problem, questions, and objectives, and after presenting some previous studies, the researcher seeks to test the following hypotheses:

*H1: There is a statistically significant relationship between the availability of forensic accounting services and the detection of cases of fraud.*

*H2: There is a statistically significant relationship between the availability of forensic accounting services and the identification of the illegal actions of the client.*

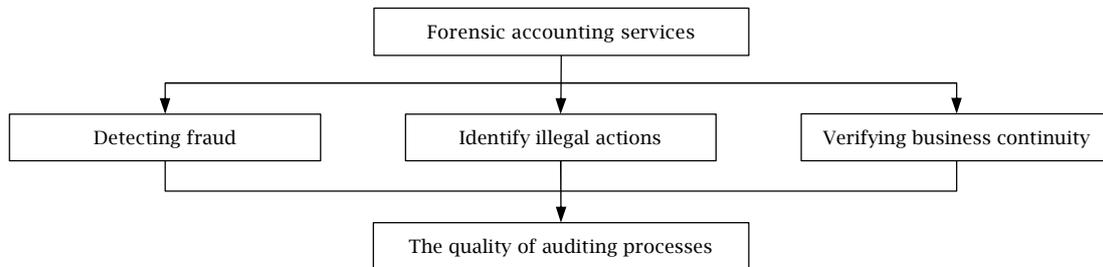
*H3: There is a statistically significant relationship between the availability of forensic accounting services and the verification of the continuity of the enterprise.*

### 3. RESEARCH METHODOLOGY

The research relies on achieving its objectives by presenting and analyzing some of the most significant studies related to the research topic. This process includes presenting the theoretical framework of the research subject and indicating the importance and necessity of forensic accounting services. Furthermore, it explains the skills that must be available to the forensic accountant to fulfill their duties. Additionally, it demonstrates the impact of the availability of forensic accounting services on the quality of financial statements' auditing processes.

An empirical study will assess the forensic accountant's role in helping the external auditor detect fraud, identify illegal client actions, and verify business continuity, as in Figure 1.

**Figure 1.** The relationship among the study variables



The required data will be collected by distributing a questionnaire to a sample of external auditors in Riyadh, Saudi Arabia.

The study sample was selected randomly, and Riyadh and its nearby cities were preferred as a source of required data due to the struggle of getting data from all cities in Saudi Arabia, which would take a large amount of time, effort, and money. Additionally, the major external auditing firms, including the Big 4, are located in the Riyadh region.

A questionnaire was created according to the review of previous studies related to the subject of the study. The questionnaire was divided into five parts, the first part dealing with demographic data to obtain general data (five items). The second part deals with the role of forensic accounting in supporting the external auditor in their responsibility to detect cases of fraud (three items), while the third part is connected to the role of forensic accounting in supporting the external auditor in their responsibility to identify the illegal actions of the client (three items). The fourth part deals with the role of forensic accounting in supporting the external auditor in their responsibility to verify the continuity of the enterprise (three items). The fifth part is related to any suggestions regarding the study issue (one item).

### 4. EMPIRICAL RESULTS

For testing the research hypotheses, an empirical study has been conducted. Questionnaires were distributed to a sample of external auditors in Riyadh province in Saudi Arabia. The study population was 139 external auditing offices in the Riyadh zone, and the sample was some of these offices in Riyadh and nearby cities, including the Big 4 (Deloitte, PricewaterhouseCoopers [PwC], Ernst & Young, and KPMG). (86 offices, 62% responses) were collected.

The degree of validity of the questionnaire was measured according to the scientific review of some experts within Saudi universities regarding the simplicity of the questionnaire questions and their capability to attain their aims. Depending on the views of the nominated reviewers, the wording of some statements has been adjusted to attain the study's aims.

The reliability was measured depending on the Cronbach's alpha method, and the total reliability factor was 0.91 for nine items (part 2, part 3, and part 4 items).

The validity degree of the questionnaire was measured as follows:

$$\begin{aligned} \text{The validity degree of the questionnaire} &= \text{The square root of the reliability coefficient,} \\ \text{i. e., the validity degree of the questionnaire} &= \sqrt{0.91} = 0.95 \end{aligned} \tag{1}$$

This means that the questionnaire statements can attain the study aims, as well as the simplicity of the questionnaire statements, and that these statements are understandable to the respondents. In addition, the gathered data is valid for statistical analysis for attaining the research aims.

#### 4.1. Presenting the study sample description

In this part, the study sample data were presented. Firstly, based on sex, the sample of the study can be presented as in Table 1.

**Table 1.** The study is based on sex

Sex	No.	Ratio
Male	54	65%
Female	29	35%
Total	83	100%

Based on Table 1, it can be realized that the peak ratio of represents was from males, representing 65%. While the ratio of female respondents represents only 35%. This means that more than 50% of external auditors in the Riyadh zone are males. However, there are some women entered the auditing profession.

The study respondents based their qualifications can be presented as in Table 2.

**Table 2.** The study is based on the qualifications

The qualification	No.	Ratio
The degree of a bachelor's	71	76%
The degree of a master's	16	20%
The degree of Ph.D.	3	4%
Total	83	100%

Table 2 reveals that the majority of representatives, 76%, hold bachelor's degrees. In contrast, the ratio of respondents with a master's degree is 20%, while those with a Ph.D. account for only 4%. This means that there is no direct relationship between employment in the field of external auditing and the academic degree. This reflects that the empirical study focuses on people who have bachelor's degrees. Additionally, a significant number of representatives have obtained a Saudi Organization for Certified Public Accountants (SOCPA) certificate.

The study respondents, based on their position, can be presented as in Table 3.

**Table 3.** The study is based on the positions

The position	No.	Ratio
Audit manager	9	11%
Audit supervisor	29	35%
Auditor	38	46%
Accountant	7	8%
Total	83	100%

Table 3 reveals that the highest proportion of representatives were auditors, accounting for 46%. The second rank is the audit supervisor, representing 35%. Audit managers hold the third rank, representing 11%. The last rank is accountant, representing 8%. The survey focuses on individuals working in the auditor position. The results will support gathering the required data concerning the study aims. Thus, the results will enhance the assessment of the role of forensic accounting services in supporting the external auditing processes. Therefore, this will enhance the research aims and the attainment of its aims.

The study respondents, based on their experiences, can be presented as in Table 4.

**Table 4.** The study is based on the experience period

The experience period	No.	Ratio
< 10 years	45	54%
10 < 20 years	29	35%
> 20 years	9	11%
Total	83	100%

Based on Table 4, it can be perceived that respondents who have fewer than 10 years of experience score the peak, representing 54%, while the respondents who have greater than 20 years of experience score the lowest, representing 11%. Respondents with 10 to fewer than 20 years of experience rank second, representing 35%. This indicates that the respondents possess varying lengths of experience. The results will reproduce different points of view concerning the research topic. Thus, this will enhance the research findings and attain its aims.

#### 4.2. Description of the various aspects of the forensic accounting services in the field of external auditing

Respondents' responses regarding the various aspects of the role of forensic accounting in supporting external auditors can be summarized in Table 5 by using Excel software.

Table 5 reveals the use of forensic accountants in detecting fraud cases. This result is consistent with the findings of Krstić's (2009), Okoye and Akamobi's (2009), Khersiat's (2018), Al Natour et al.'s (2025), and Arsyad and Natsir's (2023) studies, which all identified a role for forensic accounting in enhancing fraud detection. In addition, a forensic accountant is used to help detect the illegal actions of the client (63%). Moreover, a forensic accountant is used to help verify the continuity of the enterprise (63%). The forensic accountant helps in detecting cases of fraud (85%), in detecting the illegal actions of the client (69%), and in verifying the continuity of the enterprise (69%). The forensic accountant has skills related to detecting fraud cases (94%), detecting illegal client actions (52%), and verifying the continuity of the enterprise (52%).

**Table 5.** The various aspects of the forensic accounting services in the field of external auditing

Statements	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	SD	Var. coef.	St. error of mean
The forensic accountant is used to help in detecting fraud cases.	0	0	6%	44%	50%	4.44	0.60	0.13	0.02
The forensic accountant helps in detecting cases of fraud.	0	9%	6%	44%	41%	4.19	0.88	0.21	0.02
The forensic accountant has skills related to detecting fraud cases.	0	0	6%	44%	50%	4.44	0.60	0.13	0.02
The forensic accountant is used to help in detecting the illegal actions of the client.	0	6%	31%	56%	7%	3.67	0.71	0.19	0.02
The forensic accountant helps in detecting the illegal actions of the client.	0	7%	24%	63%	6%	3.69	0.66	0.18	0.02
The forensic accountant has skills related to detecting the illegal actions of the client.	7%	12%	29%	23%	29%	3.72	1.12	0.30	0.03
The forensic accountant is used to help in verifying the continuity of the enterprise.	0	6%	31%	56%	7%	3.67	0.71	0.19	0.02
The forensic accountant helps in verifying the continuity of the enterprise.	0	7%	24%	63%	6%	3.69	0.66	0.18	0.02
The forensic accountant has skills related to verifying the continuity of the enterprise.	7%	12%	29%	23%	29%	3.72	1.12	0.30	0.03

**4.3. Suggestions regarding the study subject**

There are several suggestions from some respondents as follows.

Some respondents suggested that using forensic accounting services is valuable for supporting external auditors in areas such as auditing business risk and corporate governance. In contrast, some respondents recommended that the forensic accounting services should be used exclusively for legal affairs and forensic disputes. Some respondents also recommended that the best way to solve financial issues is to use forensic accounting services. In addition, some respondents suggested adopting forensic accounting within the educational curriculum as a basic subject in Saudi universities.

**4.4. Testing the research hypotheses**

Table 5 shows that the mean's standard error is under 0.05, with a confidence level over 95%. Thus, the research hypotheses are acceptable. This means

that there is a statistically significant relationship between the availability of forensic accounting services and the detection of cases of fraud, the identification of illegal client actions, and the verification of the continuity of the enterprise.

Based on Table 6 shows that there is a strong and positive link between using forensic accountant services and helping external audits in finding fraud cases, spotting illegal actions by clients, and checking if the business can keep going. The correlation value is near one. This result agrees with Hajjat et al. (2024), who found that the correlation analysis shows strong interdependencies between forensic accounting's roles in arbitration and fraud detection. This result means that forensic accounting services have an important and vital role in supporting the quality of auditing processes and reducing the expectation gap. This result agreed with Chukwunedu and Okoye (2011) and Alkhalaileh et al. (2024), who found that there is a role of forensic accounting in reducing the gap in expectations in auditing in Nigeria and Jordan as developing countries.

**Table 6.** The correlation value of using a forensic accountant in supporting the external auditing

Statement	Correlation value
Using a forensic accountant to help the external auditor in detecting fraud cases.	0.94
Using the forensic accountant to help the external auditor in detecting the illegal actions of the client.	0.80
Using the forensic accountant to help the external auditor in verifying the continuity of the enterprise.	0.80

**5. CONCLUSION**

This article has included an assessment of the role of forensic accounting in supporting the quality of auditing processes for financial statements in the Riyadh zone. The study revealed that there is a statistically significant relationship between the availability of forensic accounting services and the detection of cases of fraud and the illegal actions of the client. This discovery underscores the essential function of forensic accounting in improving the transparency and accuracy of financial reporting. This emphasizes the necessity of establishing and

upholding rigorous forensic accounting standards within firms, since these services not only detect fraudulent activity but also function as a deterrent against possible financial malfeasance. Thus, the findings hold significant implications for practitioners and policymakers, indicating that enhanced access to forensic accounting knowledge can bolster corporate governance and diminish the incidence of financial irregularities. This includes verifying the continuity of the enterprise. In addition, there is a strong correlation between using the forensic accountant services and supporting the external auditing processes in

the field, detecting fraud cases, detecting the illegal actions of the client, and verifying the continuity of the enterprise. The correlation value is near to one. Finally, to improve the efficiency of forensic accounting, it is necessary to improve the accountant's skills in several fields, such as communication skills, psychosocial skills, critical skills, accounting and auditing skills, and an auditor's self-efficacy. Academic and practical qualifications are necessary for improving the efficiency and effectiveness of forensic accounting services. The current study also suggests establishing an independent Saudi agency to supervise and accredit forensic accounting corporations. In addition to this, the researcher

recommends adopting the subject of forensic accounting within the educational curriculum in Saudi universities as a separate subject or at least within any related subject.

The limitations of this study are that Riyadh and its nearby cities were the only sources of the required data. In addition, the current study attempted to examine the relationship between the forensic accounting services and only three independent variables.

Because this phenomenon is moving fast and dynamically, it is recommended (for future research) to examine the relationship between the forensic accounting services and the same variables in the future, or with different variables.

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## APPENDIX. QUESTIONNAIRE

Dear Sir/Madam,

I am going to assess the role of forensic accounting in improving the quality of auditing processes of financial statements.

I would appreciate your viewpoint related to the role of forensic accounting in improving the quality of auditing processes of financial statements in the Riyadh zone. Your exact response to the questionnaire questions will help me finish my research. I promise you that all responses to this questionnaire will be kept strictly confidential and used for academic research purposes only.

I would like to thank you in advance for your participation in this survey.

<b>Part 1: The aim of this part is to get demographic data.</b>					
Gender: <input type="checkbox"/> Male <input type="checkbox"/> Female					
Age:					
Qualifications: <input type="checkbox"/> Bachelor <input type="checkbox"/> Master <input type="checkbox"/> Ph.D.					
Position:					
Experience period:					
Statements	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
<b>Part 2: This part is related to the role of forensic accounting in supporting the external auditor in his responsibility to detect cases of fraud.</b>					
The forensic accountant is used to help in detecting fraud cases.					
The forensic accountant helps in detecting cases of fraud.					
The forensic accountant has skills related to detecting fraud cases.					
<b>Part 3: This part is related to the role of forensic accounting in supporting the external auditor in his responsibility to identify the illegal actions of the client.</b>					
The forensic accountant is used to help in detecting the illegal actions of the client.					
The forensic accountant helps in detecting the illegal actions of the client.					
The forensic accountant has skills related to detecting the illegal actions of the client.					
<b>Part 4: This part is related to the role of forensic accounting in supporting the external auditor in his responsibility to verify the continuity of the enterprise.</b>					
A forensic accountant is used to help in verifying the continuity of the enterprise.					
The forensic accountant helps in verifying the continuity of the enterprise.					
The forensic accountant has skills related to verifying the continuity of the enterprise.					
<b>Part 5: This part is related to your suggestions regarding the study subject.</b>					