

IMPACT OF INVESTIGATIVE TECHNIQUES ON FINANCIAL FRAUD DETECTION IN COMMERCIAL BANKS IN SRI LANKA

Priyadarshana R.W.M.N.R.¹ and Sujeewa G.M.M.²

¹*roomantha.1998@gmail.com*; ²*mudith@kln.ac.lk*

Abstract

The study examines the impact of investigative techniques on financial fraud detection in Commercial Banks in Sri Lanka. Survey research design was employed for the study with extensive reliance on primary data obtained using structured Likert scale questionnaires. The data were tested using descriptive statistics and regression analysis on Statistical Package for Social Sciences (SPSS). The study findings showed that investigative techniques of conducting investigation, analyzing financial transactions, and reconstructing incomplete accounting records have significant effects on financial fraud detection in commercial banks in Sri Lanka. In the light of the study findings, the following recommendations were provided; more forensic accountants should be employed by commercial banks in Sri Lanka to assist curb modern day financial fraud brought about by advancement in technology and the study generally looked at the impact of forensic accounting on fraud detection in Commercial Banks in Sri Lanka. Research of this nature cannot effectively cover all the issues that need to be discussed on the subject matter of forensic accounting, fraud detection and the activities of Commercial Banks in Sri Lanka, considering facts such as materials, finance, time, sample size. The research considered Commercial Banks in Sri Lanka, future research on similar topic could consider other geographical area by adopting a 'cross-country' or 'cross-cultural approach', which will broaden generalizability, The banking sector was considered for the purpose of the research, for those who might decide to further study this topic should consider other sectors such as public, manufacturing, oil and gas, consumables and the basis for analyzing the research hypotheses was regression analysis. Other research desiring to explore similar topics can use other analytical techniques/tools.

Keywords: *Forensic Accounting, Investigative Techniques, Financial Fraud Detection, Commercial Banks.*