

## **Impact of Forensic Audit on Fraud Detection and Prevention of Sri Lankan State Banking Industry: A Qualitative Study**

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### **ABSTRACT**

**Purpose:** Forensic audits are the audits that examine and evaluate a firm's or individual's financial records to derive evidence used in a court of law or legal proceeding. This study set out to investigate the effect of forensic audit services on fraud detection in state banks in Sri Lanka.

**Design/Methodology/Approach:** The study was conducted using the Qualitative method and thematic analysis method. The primary data was collected from over 05 interviews with two major state banks.

**Findings:** This research has implications for theory as well as empirical application in business and policy-making areas. It can help the Sri Lankan banking industry upgrade its approaches, identify weaknesses, and compare its detection mechanisms with international firms.

**Originality:** This research will be very useful to those who are seeking information about forensic auditing which is used in the Sri Lankan state banking industry and identifying methods for the banking industry could improve its fraud handling

**Keywords:** *Forensic Auditing, Fraud Detection, State Bank, Banking Sector, Fraud Handling, Audit System*