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Effect of Litigation Support Services on Fraud Mitigation in Firms Listed At the Nairobi Securities Exchange, Kenya

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Abstract:
Due to the alarming increase in corporate fraud around the world, forensic accounting has in the recent past become an important area of discussion among academics and stakeholders of different organizations. Corporate fraud is reported as being the problematic issue for business organizations and as a result, several instances of collapse of big companies have been witnessed globally in the recent past. This is attributed to inadequacy of the statutory audit in detection of fraud. The study sought to establish the effects of litigation support services on fraud mitigation in firms listed at the Nairobi Securities Exchange (NSE). The target population comprised of all firms listed at the NSE that, have evidently used forensic accounting services. The study employed a non-probability sampling (purposive sampling) technique to choose the sample frame. Primary data was collected from purposively selected staff working with the aforesaid firms. The collected data was analyzed using both descriptive and inferential statistics with the aid of Statistical Package for Social Sciences (SPSS) version 25 and Statistics and data (STATA) version 13 analytical tools. The results of the analyses were presented in tabular form and were accompanied by pertinent interpretations and discussions. The study revealed that, there existed significant correlations between litigation support services and fraud mitigation.

***Key Word**: Fraud mitigation, listed firms, litigation support services, Nairobi Securities Exchange*

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I. Introduction

Background

Due to the alarming increase in corporate fraud around the world, forensic accounting has in the recent past become an important area of discussion among academics and stakeholders of different organizations. Though the concept of forensic accounting dates back to 1800s, it was not until the collapse of big companies such as Enron that some legislations like the Sarbanes Oxley was brought into existence, increasing the demand for forensic accounting services (Mammen & Edakalathur, 2019). Blodget (2011) attributed the collapse of the big corporations to financial mismanagement and inadequacy of the statutory audit, citing the case of Longtop financial fraud where the revenue reported was erroneous but not discovered by the regular audits.

Zou (2016) attributed the cases of fraud in China listed firms to lack of legal awareness of the management staff, reduction of the audit procedures and lack of due diligence investigation before listing the company. Chen (2016), who sought to examine the scandals facing foreign firms listed in the US and the audit quality opined that shareholders of firms which are involved in the scandals experience substantial loss. Ocansey (2017) quoted the Federal Bureau of Investigation of United States of America that estimated that more than three hundred billion dollars is lost annually to fraud and many of these crimes are difficult to identify due to the concealment of the perpetrators' activities.

Developing countries have not been spared too and cases of frauds are on the increase in the listed companies. Agbaje and Adeniran (2017) in their study found out that incidences of fraudulent activities exist in quoted companies in Nigeria and that since the auditors are answerable to the management, their independence is compromised. Ehioghiren and Atu (2016) in their scholarship revealed that fraudulent practices in Nigeria are key challenges facing the country's development and the result is that stakeholders have been affected negatively by the crimes pertaining finances. Efforts to curb the dangers of fraud in Nigeria by setting up of institutions of anti-corruption have played an insignificant role (Okoye, 2013). Okoye and Gbegi (2013) observed that employee fraud and other financial frauds require the accounts to have skills that can enable them to identify those crimes.

Kenya which is one of the developing economies is reported to be ahead in terms of corruption and is leading the world in occupational fraud, a major corporate crime, with an incidence of 66%, which is about twice the global average of 34% (Kimani, 2015). Most of the governmental and non-governmental organizations have been dominated by the increase of fraud rates and the economic environment has been greatly affected by the increase in fraud (Opiyo, 2017). Mpiana (2017) articulated that in Kenya, many corporate scandals perpetrated by the management staff abound the media and that some of the listed companies for instances are on the verge of collapsing as a result. A review of the studies shows an indication that fraud is rampant in the Kenyan listed companies.

Kamau (2015) revealed that the management of Mumias Sugar Company Ltd. which is one of the listed companies at NSE could not account for millions of money, while those of CMC motors allegedly siphoned all the money to an offshore account. In similar sentiment, Kinyua, Gakure, Gekara and Orwa (2015) opine that the CMA 2014 statistics show that the financial performance of most quoted firms in Kenya have been declining due to the effect of fraudulent activities with the record of losses for the companies given as, Kenya Airways Ltd. Ksh. 10b, Uchumi supermarkets Ltd. Ksh. 226m, Mumias Sugar Co. Ltd. 3.4b, and Eveready East Africa Co. Ltd. 248m.

Corporate fraud has become a major concern among the listed companies at the NSE and has resulted in a negative impact on potential investor confidence. Kurant (2014) assert that corporate fraud negatively affects the share price of a specific company since for fear of being associated with fraudulent companies, investors start selling their shares to those who are interested in buying. Similarly, because of the bad reputation caused by involvement of fraudulent activities, investors will shy from investing their money on such companies resulting in decrease in the firm’s liquidity and making it unable to meet its obligations (Cremer, 2016).Research has shown that the five selected firms have evidently used the services. (Mpiana, 2017; Meshack, 2016 and Kinyua et.al.) postulated that the directors of some of the troubled listed firms in Kenya including; Mumias sugar Co. Ltd., National Bank of Kenya Ltd., Kenya Airways Ltd., Uchumi Supermarkets Ltd. and East African Portland Cement called in forensic accountants to assist unearth issues in the financial statement that the auditors were unable to achieve.

Statement of the Problem

The Organization for Economic Co-operation and Development (2014) shows that in the absence of corruption in the business environment, investors will be certain and would be willing to invest their resources in such businesses. Research has shown that the probability of foreign direct investment points higher in countries that are free of corruption (Javorcik & Wei, 2009). Firms listed at the NSE are significant participants in the securities sector and in the Kenyan economy as a whole. Without frauds, these firms would benefit a lot since more investors would invest their resources there leading to increase in revenue (Kamau, 2015). In addition, it would benefit the Kenyan economy by enhancing the achievement of Vision 2030 which aimed at achieving an average gross domestic product (GDP) growth rate of ten percent per annum beginning 2012.

The CMA (2014) statistics shows that the financial performance of most quoted firms in Kenya have been declining due to the effect of fraudulent activities. Noteworthy, the problem has been attributed to collusion of the auditors with the management to falsify the companies’ financial statements in order to defraud the shareholders (Kimani 2015). According to Meshack (2016) auditors could not uncover the fraudulent activities because their only concern is to add credibility to the financial statements by expressing an independent opinion. The magnitude of the financial losses to the companies caused by the fraudulent activities is in terms of millions or billions, and such examples of the companies would include Kenya Airways Ltd. Ksh. 10b loss, Uchumi supermarkets Ltd. Ksh. 226m loss, Mumias Sugar Co. Ltd. 3.4b loss, and Eveready East Africa Co. Ltd. 248m loss (Kinyua, Gakure, Gekara & Orwa, 2015). Kiprono (2018) affirmed that the fraudulent activities have cost big losses of not less than four billion Kenya shillings to the taxpayers annually.
According to Kamau (2015) the persistent failure to uncover errors by auditors has led to loss of faith by the public. Similarly, Yego (2016) put forward that the effect of fraud has a chain reaction on the community as a whole since it goes a long way to determine its success and can lead to public criticism as well as increased operating expense. In their separate work, (Omondi, 2013; Kimani, 2015; Opiyo, 2017& Ogutu, 2016) jointly agreed that the services of forensic accountants were needed in order to mitigate fraud. Ijeoma (2015) discovered that confidence about the trustworthiness of companies has been brought back by the use of forensic accounting services.

There are various studies carried out in Kenya on the effectiveness of forensic accounting services. These studies focused on insurance companies (Kamau, 2015), accounting firms (Ogutu, 2016), Kenyan parastatals (Opiyo, 2017), the manufacturing sector of the NSE (Kimani, 2015), commercial banks (Omondi, 2013) and public companies (Meshack, 2016). Kamau (2015) examined effects of forensic accounting services on fraud prevention. Other studies on the effectiveness of forensic accounting services on fraud mitigation were done by Agbaje and Adeniran (2017), whereas Ocansey (2012) studied on forensic accounting services effectiveness in combating of economic crime. However, these studies were carried out in other countries. Whereas research has revealed fraud as being rampant among the listed companies at NSE, it appears as if little has been contextualized about the effect of forensic accounting services on fraud mitigation in the firms listed at the Nairobi Securities exchange. A knowledge gap relative to the foregoing therefore exists. It is in the light of this gap that the researcher based the study.

Objective of the Study

To ascertain the effect of litigation support services on fraud mitigation in firms listed at the Nairobi Securities Exchange

Research Question

What is the effect of litigation support services on fraud mitigation in firms listed at the Nairobi Securities Exchange?

The Fraud Box Key Model Theory

Okoye and Onodi (2014) propounded the fraud box key model as the immediate response to the long endured tumbles of the fraud triangle theory and the fraud diamond theory by adding a fifth perspective which is the corporate governance. Aigienohuwa, et al (2017) stated that FTT and FDT tend to bother on the reasons and ways of committing fraud without reliable corresponding response to how to stop the fraud. They further suggested that the Fraud Box Key model believe that no matter how strong the pressure and how accessible the opportunity may be and no matter the rationalization and capacity of the intending fraudster may be the whole intentions of committing fraud amounts to nothing if there is strong and effective corporate governance in place as a key.

Ezugwu, Okoye and Amaechi (2017) maintain that corporate governance is to be added since it is the master key to pressure, opportunity, attitude and capability. The authors further suggested that it is believed that the fraudster's thought process will amount to thinking inside the box if there is good corporate governance whereas, corporate governance dysfunction unlocks the fraudster thought process and in so doing opening the doorway for fraud to occur. They further allege that the fraud box key (corporate governance) becomes a guide for auditors in determining fraud menace issues and that an open fraud box is an indication of red flag that fraud is likely to occur.

Empirical Review on Litigation Support Services and Fraud Mitigation

In the article of Warshavsky (2010) on forensic accountants' role in litigation, it was pointed out that litigation attorney can habitually achieve remarkable influence during case negotiations or in a court of law since they have the capability to offer mathematical figures in clear terms. He further says that a proficient forensic accountant in the litigation field influence the retaining legal representative by assisting him to offer claims. Furthermore he postulated that the legal representatives use forensic accountants to translate difficult economic matters into a manner that can be understood better thus play a significant role in the ruling of the court case.

Ejoh (2017) sought to examine the how the forensic accountants' expert testimony assists in litigation support in his study that was carried out in Nigeria. The study which targeted accountants, auditors and legal practitioners in used both the primary and secondary data collection methods, whereby one hundred (100) questionnaires were administered. Ejoh (2017) defined litigation support as giving assistance in accounting matters involving existing court proceedings. In addition, the study asserted that litigation support services can be more specifically highlighted as, giving support in protecting the documents needed to carry out or refute a claim as well as giving a hand in the cross-examination. He further maintained that if there are any losses resulting from the violation of the contract terms, the forensic accountant's litigation support would be computation of the economic loss. It was revealed from the study that forensic accountants are capable of evaluating the probable harm claims so that the corporate legal units can choose whether to follow the proceedings and as expert witness, they can offer important services at the different phases of the litigation.

Kamau (2015) examined how fraud can reduce with the use of forensic accounting services. He carried out the study on 42 out of a total 49 companies offering insurance services in Kenya which were listed as at 2013 by the Kenya Insurers Association. Well-structured questionnaires were used to collect primary data. One of the variables that were tested was litigation support services offered by forensic accountants. It was pointed out that discovery, interrogatory, request for production of evidence in court of law, record examination, reconstruction of financial statements for correct values in consequential claims, preparation and presentation of expert opinion during court case preceding, analyzing transaction flow for proper advice in court of law and proper calculation of complex disputed values were some of the litigation support services provided by the forensic accountants. The results showed positive significance of the variables on fraud mitigation with discovery, interrogatory and request for production of evidence in a court of law being the major litigation support provided by forensic accountants. It was concluded that there exist an inverse relationship between fraud reduction and litigation services hence fraud prevention. His recommendation was that for insurance companies to realize the full potential of forensic accounting services, organization need to have distinct structures within their department separating the roles of forensic accountant from that of the auditor.

From the reviewed empirical studies, it is evident that there exists gaps relative to litigation support services and fraud mitigation. For instance, Ejoh (2017) examined forensic accountants' expert testimony role in litigation support in Nigeria. Warshavsky (2010) evaluated on the forensic accountants' role in litigation. Kamau (2015) assessed theeffects of forensic accounting services on fraud mitigation in Kenya. Though the findings of the studies concur that forensic accountants are capable of offering important services at the different phases of the litigation, the studies only targeted accountants, auditors and legal practitioners without targeting any specific industry.

Conceptual Framework

The conceptual framework in Figure 1 illustrates the relationship between the independent and the dependent variables.

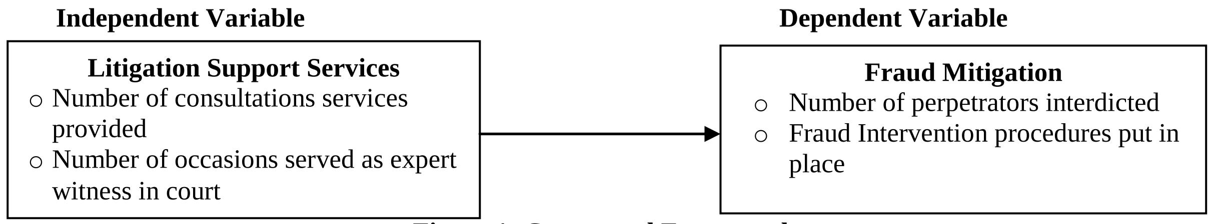

Figure 1: Conceptual Framework

II. Material And Methods

The section covers the research methodology that was applied for the study. It includes research design, target population, sampling and sample size, the data collection procedure and data analysis.

Research Design

Descriptive research design was adopted in the current study. Research designs are types of inquiry within qualitative, quantitative and mixed methods approaches that provide specific direction for procedures in a research design (Creswell & Creswell, 2018). According to them, descriptive research design is a type of quantitative research design which describes the perception of the participants. This design is mostly quantitative since it provides a numeric description of trends, attitudes or opinions of a population by studying a sample of that population. In addition, a researcher using this type of design poses a series of questions to the respondents, summarizes their responses in percentages, frequency distribution of Likert scale responses and some other statistical approaches. Islamia (2016) affirm that research design helps the investigator to organize his ideas in a shape to enable identification of errors. Mwaura (2013) and Kamau (2015) are some of the local researchers who have used descriptive survey design. The descriptive research design was appropriate for this study since it enhanced the determination of the effect of forensic accounting services in fraud mitigation, the findings of which will be used for decision purposes by the potential users and in generalization of the research findings.

Population of the Study

Population is the entire set of subjects under study and can be persons, households, housing units, parts of an organization, etcetera (Mugenda & Mugenda, 2008). Population for this study comprised of all the 61companies listed at the Nairobi Securities Exchange as at June, 2019. The target population for the study was limited to 168 senior officers working at the respective headquarters of the listed firms that have evidently used forensic accounting services. They included; accountants, internal auditors, middle and lower level managers and the procurement officers. Fricker (2006) define the target population as the group of elements to which the researcher wants to make inference, is finite and can be counted. The targeted individuals are presumed to be the most privy with data pertaining forensic accounting services and fraud mitigation. Middle and lower level managers are responsible for implementation of any policy changes as well as keeping an eye on the employees. Accountants and auditors are capable of detecting financial fraud in the financial statements, whereas the procurement officers are involved in the procurement of organizational assets.

Sampling and Sample Size

Sampling is the process of selecting units from a population of interest so that by studying the sample, the researcher may fairly generalize the research results back to the population from which they were chosen (Creswell & Creswell, 2018). Sampling allows the researcher to obtain a representative picture about the population without studying the entire population. Considering the fact that not all the companies listed at NSE have used the services of forensic accountants, it was not possible for the researcher to carry out a study on the whole population. In view of this, the researcher employed a non-probability sampling (purposive sampling) technique to choose the sample frame. The researcher's justification for using purposive sampling technique was based on the fact that the firms that formed the sample frame met the selection criteria. A sampling frame is a list of the actual cases from which sample size will be drawn (Taherdoost, 2016). The sample frame for this study comprised of four firms listed at the NSE cited by (Mpiana, 2017; Meshack, 2016 and Kinyua et.al.) to have used forensic accounting services. They included; Mumias Sugar Co. Ltd., East African Portland Cement Ltd., National Bank of Kenya Ltd. and Uchumi Supermarkets Ltd. A sample size of 119 respondents was drawn from a population of 168 senior staff of the four firms which constituted the middle and lower-level managers, accountants, auditors and procurement officers. This enabled the researcher to make appropriate generalization of the findings from the research sample to the population as a whole. Okoye and Gbegi (2013) claim that a sample size is usually a compromise between what is desirable and what is feasible. The sample size was arrived at using Yamane (1967) formula as demonstrated below.

$$n = N/(1 + N\ {}_{e}{}^{2})$$

Where, n = the sample size, N = is the population size, $_{e\,=}$ error margin (0.05)

The above equation is substituted as follows:

$$n = 168/(1 + 168 \times 0.05^2)$$

$$n = 118.31$$

$$n = 119$$

The sample size was found to constitute 119 senior staff working with the 4 listed firms practicing forensic accounting.

Data Collection Procedure

Primary data was collected using structured questionnaires. Questionnaires enable collection of detailed answers to complex problems and are also a popular method for data collection in deduction because of the relative ease and cost-effectiveness with which they are constructed and administered (Mugenda & Mugenda 2009). According to Owino (2013) structured questionnaire is preferred because they lead to increased response rate, take less time to code and minimize response variation.

Data Analysis

Data analysis is the process of collecting and arranging data in a manner that is clear to the study objectives. The data collected was coded and checked to ensure that they met the required quality, accuracy and completeness. The data was then analyzed using both descriptive and inferential statistics with the aid of Statistical Package for Social Sciences (SPSS). Descriptive statistics used included percentages, measures of central tendencies and measures of dispersion. The results of analysis were presented in tabular form and were accompanied with relevant interpretations and discussion.

III. Result

The results emanating from the analysis of data in relation to litigation support services and fraud mitigation of firms listed at the NSE are presented. The descriptive and correlation analysis results are outlined.

Descriptive Analysis

The data with regard to litigation support services and fraud mitigation was on 5-point Likert scale where 1 (SD), 2 (D), 3 (I), 4 (A), and 5 (SA) represented Strongly Disagree, Disagree, Indifferent, Agree, and Strongly Agree respectively.

Descriptive Results on Litigation Support Services

The study examined the views of senior staff working with listed firms with regard to litigation support services. The results to this effect are illustrated in Table 1.The findings indicated that a 20 % of the respondents strongly agreed to the view that litigation support services had helped their companies prevent loss of revenue through fraud by minimizing the potentiality of criminal behaviour. Another 43.6 % of the respondents agreed with the view. This means that a total of 63.3 % of the respondents were of the view that litigation support services has helped prevent losses which are associated with fraud. However, 10 % disagreed with the view while 20.9 % remained indifferent. An insignificant percentage (5.5 %) of the respondents disagreed with the view. This supports the findings of Aduwo (2016) who claimed that forensic accounting services reverse seepages that cause corporations to collapse. With regard to the opinion that litigation support services had helped in fraud mitigation in the respondents respective companies through translation of complex financial information, 31.8 %of the respondents strongly agreed with the view whereas 48.2 % of the surveyed staff registered their agreement with the view.

It was noted that 9.1 % of the participants remained indifferent of the view, whereas a total of 19% disagreed with it. From the results, it can be stated that majority (80 %) of the respondents agreed with the view. The results were similar to those of a past study conducted by Nyaiwu (2018) in Nigeria which indicated that an increase in litigation support led to a decrease in the motive to commit fraud.

Additionally, the study established that a total of 80.9% of the surveyed respondents agreed to the view that by acting as expert witnesses in court, litigation support professionals had helped in fraud mitigation in their companies. 7.3 % remained indifferent, whereas a few percentage (6.4 %) of the respondents disagreed to the opinion and 5.5 % strongly disagreed. These findings were in line with an earlier study conducted by Dada, Olowabi and Okwu (2013) in Nigeria which indicated that many cases that were being thrown out of court was because forensic accountants were not being involved in the investigation and prosecution processes as expert witnesses.

It was further revealed that 30 % of employees working in the sampled listed firms strongly agreed with the proposition that the number of consultation services provided by the companies had increased significantly over the past 5 years this reduction in fraud, with a significant number 51.8 % registering their agreement with the view. On the same breadth, it was observed that a total of 10.0 % of the respondents remained indifferent with the foregoing assertion. The total of those who disagreed with the view were 7.2 %. Moreover, 32.7% of the respondents strongly agreed with the argument that there had been a considerable increase in the number of occasions the respondent served forensic accountants as expert witnesses in the court of law. Furthermore, 45.5 % of the respondents agreed to the view, which is also quite a significant number. An analysis of the aforementioned findings indicate that litigation support services play an important role in fraud mitigation can be useful for firms listed at NSE .

Table 1: Descriptive Statistics for Litigation Support Services

								Skewness		Kurtosis	
	SA (%)	A (%)	I (%)	D (%)	SD (%)	Mean	Std. Dev.	Statistic	Std. Error	Statistic	Std. Error
Litigation support services have helped your company prevent loss of revenue through fraud by minimizing the potentiality of criminal behavior	20	43.6	20.9	10.0	5.5	3.63	1.082	-.755	.230	.062	.457
Litigation support services have helped in fraud mitigation in your company through translation of complex financial information.	31.8	48.2	9.1	10.0	.9	4.00	.948	-.986	230	.537	.457
The number of consultation services provided by litigation support professionals has increased significantly over the past 5 years	30.0	51.8	10.0	3.6	3.6	4.05	1.012	-.651	.230	3.397	.457
By acting as an expert witness in court, litigation support professionals have helped in fraud mitigation in your company	27.3	53.6	7.3	6.4	5.5	3.91	1.045	-1.337	.230	1.550	.457
There has been a considerable increase in the number of occasions the litigation support professionals served as expert witness in court of law.	32.7	45.5	9.1	10.9	1.8	3.96	1.013	-.1.005	.230	-.440	.457

Descriptive Results on Fraud Mitigation

The study findings regarding fraud mitigation are illustrated in Table 2. The analysis of the opinions of the surveyed staff established that more than half (48.2 %) of the sampled employees strongly agreed that a zero-tolerance policy towards fraudulent behaviour had been set up in their companies to make it more difficult for perpetrators to engage in fraudulent activities, thereby mitigating of fraud. 10 % of the respondents agreed with the view, translating to 58.2 % of the respondents registering their agreement on the same. This was slightly over half of the number of responses. This supported the argument of Brummell (2015) that it is important for companies to create a zero tolerance policy towards fraudulent behaviour because it will make it more difficult for perpetrators to engage in fraud activities for fear of the consequences. However, quite a significant number (41.8 %) of the respondents disagreed with the assertion, giving mixed reactions.

In view of the argument that investigations were immediately commenced to any perceived fraudulent transactions and that fraud was mitigated as fast as possible, 53.6% of the surveyed staff strongly agreed while 18.2 % agreed. This meant that majority (71.8 %) concurred with the proposition. Other firms listed at the NSE should therefore ensure that they also adopt the same strategy so as to enhance the fight against fraud. Less than 1 % was indifferent on the view and 27.3 % disagreed. This difference could be the different views of the firms under study.

On the proposition that new employees were only recruited after knowing their past history, the findings also showed varied views since 8.2 % of the participants strongly agreed on the assertion while 30.9 %

agreed with it. This meant that a lesser percentage 39.1 % of the employees concurred that new employees were recruited only after their past working history was devoid of fraudulent implications, allegations or convictions. However, 26.4% of the respondents were indifferent to the view. An almost similar percentage of the respondents (34.5%) disagreed with the view. In this regard, the study could not fully establish whether the companies under study actually feted new employees before their recruitment. A significant percentage (67.3 %) of the respondents registered their agreement with the view that control procedures put in place in the company had led to reduced fraudulent activities over the past 5 years. This is the total of those who strongly agreed and those who agreed. This supported the findings of Brumell (2015) who opined that opportunity for employees to commit fraud is facilitated by lack of appropriate control procedures in place. This can be inferred to mean that organizations need to put appropriate control procedures in place in order deter employees from committing fraud since this will help mitigate fraud. The remaining percentage (32.7 %) disagreed with the proposition.

The study further established that less than 1 % of participants strongly agreed with the proposition that the number of perpetrators of fraudulent activities interdicted or laid off in the companies had increased significantly over the past 5 years, resulting in fraud mitigation. Majority of the respondents (68.8 %) agreed with the proposition, concurring with the findings of Ofiafor & Otalor (2013) which revealed that forensic accounting services enabled easy prosecution of fraud perpetrators thereby enhancing mitigation of fraud.

Table 2: Descriptive Statistics for Fraud Mitigation

								Skewness		Kurtosis	
	SA (%)	A (%)	I (%)	D (%)	SD (%)	Mean	Std. Dev	Statistic	Std. Error	Statistic	Std. Error
A zero-tolerance policy towards fraudulent behavior has been set up in your company to make it more difficult for perpetrators to engage in fraudulent activities.	48.2	10.0	0.0	41.8	0.0	3.65	1.431	-.232	.230	-1.892	.457
Investigations are immediately commenced to any perceived fraudulent transactions that fraud as mitigated as fast as possible.	53.6	18.2	.9	27.3	0.0	3.98	1.285	-.758	.230	-1.210	.457
New employees are recruited only after their past working history is devoid of fraudulent implications, allegations or convictions.	8.2	30.9	26.4	24.5	10.0	3.03	1.137	-.131	.230	-.865	.457
Control procedures put in place in your company have led to reduced fraudulent activities over the past 5 years.	38.2	29.1	0.0	32.7	0.0	3.73	1.277	-.441	.230	-1.515	.457
The number of perpetrators of fraudulent activities interdicted or laid off in your company has increased significantly over the past 5 years.	.9	68.8	0.0	20.2	10.1	3.30	1.118	-1.030	.230	-.588	.457

Results of Correlation Analysis between Litigation Support Services and Fraud Mitigation

The pairwise correlation was used to determine how litigation support services were related to fraud mitigation with regard to various firms listed at the Nairobi Securities Exchange. The significance of the relationship between the variables was tested at 95% confidence level (p-value = 0.05). The pertinent results are presented in Table 3.

Table 3: Correlation between Litigation Support Services and Fraud Mitigation

		Fraud Mitigation
Litigation Support Services	Pearson Correlation	0.9397*
	Sig. (2-tailed)	0.0000

***. Correlation is significant at the 0.05 level (2-tailed).**

The results of the correlation analysis as shown in Table 3, indicated that the relationship between litigation support services and fraud mitigation was positive, strong and statistically significant at 0.05 level of significance ($r = 0.9397$; $p < 0.05$). The results meant that enhancing the aforesaid services had significant likelihood of resulting in better mitigation of risk by listed firms. It was, therefore, imperative to infer that there was a great likelihood that legal support services would result in substantial enhancement of fraud mitigation amongst listed firms.

These results concurred with the findings made by earlier researchers where the importance of legal support services was emphasized. Ejoh (2017) study observed that the aforesaid services enable determination of whether or not to proceed with cases in court. The forensic services were found to support the lawyers representing firms in courts of law where their services offered assurance of a significant height by giving the required results in resolving disputes (Oyedokun, 2013). This was likely to be paramount in addressing fraudulent activities. In addition, the results of the present study corroborated observations made by Ofiafoh and Otalor (2013). These scholars had indicated and recommended that the anti-corruption bodies ought to think of employing the forensic accountants' services in order to improve judgment of the fraud offenders and aid them in courtyard cases involving financial as well as economic crimes.

IV. Conclusions

The study made several conclusions based on the findings on the effect of litigation support services on fraud mitigation in firms listed at the NSE.It was concluded that litigation support services had helped in minimizing potentiality of criminal behaviours. It was further deduced that the companies had adopted forensic services to win fraud cases as they helped them consolidate evidence and translate complex financial information. In addition, it inferred that the litigation support professionals acting as expert witnesses in court had helped fraud mitigation. However, the study could not decide whether there had been considerable increase in the number of litigation support professionals that had served as expert witnesses in courts of law. Despite this, it was concluded that litigation support services did have substantial effect on fraud mitigation in firms listed at the NSE which were studied.

V. Recommendations

The companies listed on the NSE should be aware that litigation support services do minimize the potential threat of criminal behaviours. The adoption of these strategies will help companies to win fraud cases because it assists them to consolidate evidence and translate complex financial information. Furthermore, it enables the litigation support professionals to act as witnesses, which can increase the success rate in prosecution. It is therefore recommended that it is imperative that investments in these services be considered since they do have significant effect on fraud mitigation.

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