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Scaling-Up SMEs Survival in Emerging Markets: The Forensic Approach

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Abstract:
This study investigates the usefulness of forensic accounting in scaling up the survival of SMEs by means of fraud detection, reduction and prevention using the Nigerian scenario. The study sample is made up of 315 SMEs Owners in Imo state, River state, Enugu State, Anambra State, Delta state and 222 professional Accountants in Nigeria, making a total of 537 respondents. The data for our study were gathered using questionnaires administered on physical contact with respondents, phone interviews and online e-questionnaires arranged in five Point Likert-Scales. Z-test method was used as statistical tool for hypotheses tests at 5% significance level. Evidence generated reveals forensic accounting has significant effect in unmasking sophisticated fraudulent activities in SMEs. Conclusively, forensic accounting has been shown to be very useful in detecting, reducing and preventing fraud which is the root-cause of business failure in emerging markets, yet, barely-recognised at that level. Given that SMEs are considered the engine of growth and development in an economy, greater attention needs to be paid to tackling the issue of high SME mortality rates. By recommendation, the Owners of SMEs should introduce forensic accounting in their system when necessary or in a pattern of once yearly for first three years in operation and then reduced to perennially after three years and later on increased to five years. It is further recommended that Organisations providing financial support to SMEs internationally and locally like Jumia, United Nations (UN) and even financial institutions and Government should provide basic education on the dangers of fraud to the SMEs and add a forensic Accountant's report as additional criteria to SMEs funding support in the third year.

Keywords: *Forensic accounting, SMEs, auditing, business survival, Emerging-markets, COVID-19*

1. Introduction

Small and medium-sized enterprises (SMEs) are the mainstay of economic growth and development. Most large-scale companies initially started as SMEs before going public. In emerging markets generally and Nigeria specifically, the survival rate of SMEs has been comparably very poor over the years. According to United Nations Industrial Development Organisation (UNIDO), everybody in Nigeria desires to become an entrepreneur but only 40% of the dreamers get to start while only 20% of SMEs manage to survive in Nigeria. In other words, we say that 80% of Nigerian SMEs fail before five years in operation. The major cause of fear with starting up is assumed to be either the fear of failure or capital finance issues but we focus on the fear of failure. The failure of a business set up generally is always at a huge cost to the business owner as the investor losses a huge sum along with the business. Attempts to stabilize business affairs and achieve growth ordinarily led to employment of extra hands who serve in different capacity in SMEs making the management mixed apart from owners. The success of a business organisation is generally known to be dependent on the effectiveness of the management team. The degree or level of lag of an SME can thus be said to depend on the degree of inefficiency of its management which could stem from fraud and corruption. Employees are the key culprits of fraud in SMEs according to Xero's fraud prevention guide. Several instances of SME failures globally have put many economies under pressure most especially, in emerging markets. This is heightened by notable high incidence of fraud emanating from internal control porosity and the failure of both the internal and the external audit systems where obtainable in SMEs while some operate without even an internal Audit system at least. The increasing fraudulent activities have become common phenomena collapsing many SMEs in a matter of years as employees focus more in their personal gains from the business set-up than in the overall success of the business. Budding SMEs are mostly susceptible to fraud but even in grown businesses fraudulent activities are still found to exist and gradually run the business down. The notable fraud in SMEs include overbilling, fictitious payments to write off company money, inflation of payment amounts, bribery, stock theft, cash theft, cheque forgery, phishing, asset conversion and misapplication. Technological developments (e- purchase, e-payment, e-banking, e-booking, e-sales, etc.) have aided in some way in advancing the technicalities of fraud, complicating the detection process. There is therefore need that more technical approach be introduced into the system; this is where forensic approach to SMEs success comes in. The inability of statutory audits to identify business fraud and the steady increase in corporate crime necessitates a shift of reliance from auditing to forensic accounting (Iliemena&Okoye, 2019). Forensic accounting is considered the tool to fill the conventional audit expectation gap (Iliemena&Okoye, 2019) especially as it further gives litigation support and an investigative approach to accounting. It is an accounting system where the accountant specializes in analytics for the acquisition and review of electronic data in order to create, identify or help a financial fraud case. This study therefore investigates the effect of forensic accounting technique in scaling-up SMEs' survival through fraud detection, reduction and prevention. To achieve the above objective, the below research questions were formulated;

- What is the effect of forensic accounting on fraud detection in SMEs?
- To what extent does forensic accounting lead to unmasking of sophisticated fraudulent activities in SMEs?
- To what extent can forensic accounting enhance the survival of SMEs?

2. Review of Literature

2.1. Defining an SME

The term SMEs bear different abbreviations in different countries example; in the US, it is SMBs (small-to-mid size businesses), In south Africa it is referred as Small, micro and medium enterprises (SMMEs) while Kenya refers to it as Micro, small and medium-sized enterprises (MSMEs). It is addressed in India as either Small and Medium-sized Enterprises (SMEs) or Small and Medium-sized Businesses (SMBs) while Micro, Small and Medium Enterprises in India is abbreviated as MSMEs. SMEs have been defined by different organisations and regulators depending on originating countries, economic level at the particular period and organisations, hence, no general definition can be given to SMEs that can apply globally as each national government considers its economic peculiarities in setting measurement standards. The different definitions are however based on one or more of the following; the level of turnover, net asset base, working capital, capital employed, and number of employees (staff capacity). Monetary Policy Circular 22 of Central Bank of Nigeria's monetary policy circular of 1988 defines SMEs as enterprises with annual turnover of not more than ₦500, 000. European Union views SMEs from the perspective of number of employees and level of turnover, thus, defines SMEs as categories of micro, small and medium-sized enterprises. The medium sized enterprises are defined by the European Union to employ 50-249 persons with annual turnover not exceeding Euro50 million, small enterprises employ 10-49 employees with annual turnover not exceeding Euro10 million while micro enterprises employ fewer than 10 persons with turnover not exceeding Euro 2million.

Company Category	Staff Head Count	Turnover	Balance Sheet Total
Medium-sized	<250	≤ €50 m	≤ € 43m
Small	<50	≤ € 10 m	≤ € 10 m
Micro	<10	≤ € 2 m	≤ € 2 m

Table 1: EU definition of SMEs
Source: EU Recommendation 2003/361

The CBN report (2003) further gives detailed definition and classification of SMEs. The Report defined small scale firms as firms with minimum of 11 and maximum of 100 employees, with total cost less than or equal to 50million Naira including working capital and excluding cost of land. The medium scale enterprises are classified as firms with minimum of 101 employees and maximum of 300 employees with a total cost of more than 50million naira but not less than 200million naira including working capital and excluding cost of land. According to Organization for Economic Corporation and Development (OECD, 2005), SMEs are non-subsidiary independent firms with less than a given number of employees. In line with that, firms that have up to 250 employees are classified by OECD as medium; firms that have up to 50 employees are classified as small, while firms with about 10 employees are regarded as micro. The International Labour Organisation (ILO, 1999) classifies small enterprises as having between 11 – 50 employees while micro enterprises have 1-10 employees. This study considers SMEs from the point of view of CBN report based on number of employees as tabulated below;

Category	Number of Employees
Medium	101 – 300
Small	11 – 100
Micro	< 11 (implied)

Table 2: Definition of SMEs

This definition in table 2 is closely related to the definition given by the EU based on employee head count (see table 1). The above table shows that the medium sized enterprises have the maximum staff capacity and impliedly the highest asset worth that is able to accommodate the volume of staff. This is followed by the small sized enterprises which are big enough to employ up to one hundred employees while the micro sized business only accommodates less than eleven employees. People management is a highly difficult task most especially where there is absence of goal congruence. The more satisfied the employees and the ability of the business to properly manage individual reasons of the employees for being a part of the business pursuit, is the more likely for devoted and committed workforce, thus, the less likely the occurrence of fraud. Most businesses start as Micro enterprise apart from financial reasons; because the number of staff in micro-organisations are easily manageable and the tendencies for fraud is also at its minimum level comparatively but as the business begins to grow, it becomes expedient to increase capacity in both operations and number of employees, hence increasing the likelihood for fraud and malpractices especially where the business fail to install proper internal control systems. Given, the above, we placed more research emphasis on small and medium scale enterprises due to their experiences and exposure levels.

2.2. Why concern for SMEs in an Emerging Market?

SMEs are known to contribute hugely to the economic development of economies generally and mostly in emerging markets. Being business players in emerging markets, they are confronted with a lot of challenges ranging from poor financial support from government, limited availability of fund, poor infrastructure and technical know-how, poor human capital development, economic sluggishness or lag, higher business death rate, currency risks, higher bureaucratic bottlenecks, multiple taxation, corruption, etc. With the presence of COVID-19 and its business implications, SMEs in emerging markets also stand greater risk of its negative impact as already; most SMEs were forced out of the market after the COVID-19 lockdown and restrictions and now the global recession.

Nigeria is classified as an emerging market by World Bank (www.worldbank.org). Nigeria is a federal republic in the neighbourhood of Benin from west, Chad and Cameroun from the East, and Niger from the North. In Nigeria, 'studies have it that SMEs constitute about 90% of all the businesses, creating more than 80% of employment' (Okogba, 2018). In view of this, study report by the IFC further shows 'approximately 96% of Nigerian businesses are SMEs compared to 53% in the US and 65% in Europe'. Nigeria has the largest start-up ecosystem for SMEs in the whole of Africa, followed by Kenya, South Africa and Rwanda (Invoice, 2019). As stated by Organisation for Economic Corporation and Development (OECD, 2014), SMEs contribute more than 55% of GDP and greater than 65% of employment in countries with high income, 60% of GDP and over 70% of total employment in low-income countries, and, 70% of GDP and 95% of total employment in middle income countries. In South Africa, 91% of businesses are SMEs with a contribution of 52% to their national GDP (PWC, 2019). SMEs in Nigeria constitute 96% of businesses with a contribution of about 48% to national GDP and account for nearly 98% of total employment and 50% of industrial jobs (Nigerian Bureau of Statistics). The benefits of SMEs to any economy are easily noticeable (Hamilton &Nwokah, 2009) and this is indisputably visible in the Nigerian economy. Apart from their employment generation and poverty reduction potentials, they also foster innovation, put business ideas into practice, promote regional economic integration and maintain social stability (ENSR, 2003).

The incidence of fraud is reported to have grown in the phase of economic downturn in Nigeria especially given the present recession emanating from COVID-19 pandemic. Poverty levels have also been noted to have greatly increased with more likelihood to commit fraud when opportunity occurs. Evidence indicates that emerging markets generally have lower tendencies to adequately compensate their staff making it difficult for an average employee to afford the basic necessities of life without relying on other source of income. In Nigeria particularly, the meagre monthly income and high cost of living has generally increased the tendencies for fraud and unwholesome corporate practices in every corner. Employees find it difficult to resist the urge to commit fraud at every little opportunity given the pressure to meet up with personal or family needs. From seasons to seasons, many SMEs come and go with the list of failed SMEs increasing on daily basis. According to Manufacturers Association of Nigeria (MAN) not less than 222 small-scale businesses have closed up between 2015 and 2016 while 272 medium scale enterprises, 50 of which are manufacturing companies have been forced out of business in a year (Punch, 2016). The constant failure of SMEs leaves one to wonder if the needed economic growth and development is still achievable added to the COVID-19 menace. Most Studies attributed the cause of SMEs failure to either inadequate funding or management inefficiency. Deeper analyses into the root cause reveal poor management to be at the core. Poor management is often associated with fraud and corporate malpractices. According to Eluka, and Chukwu (2013), the conduct of business in many Nigerian organizations is inundated with a lot of unethical practices. The high cost of power, and multiple taxation is already enough threat to business survival, the human aspect of SMEs failure therefore needs to be tackled as the need arises with rampant cases of mismanagement associated with SMEs. A survey conducted by the National Bureau of Statistics in collaboration with SMEDAN on SMEs reveal SMEs are at a position to absorb up to 80 percent of jobs, improve per capita income, increase value addition to raw materials supply, improve export earnings, enhance capacity utilization in key industries and unlock economic expansion. These are seen to be failing with increased rate of SMEs failure over the years.

2.3. The Concept of Fraud in Businesses

Fraud can drag any business down no matter how far it has gone or long it has been in the business. SMEs are considered the most susceptible because they seem to lack the resources necessary for the installation of adequate internal control and anti-fraud measures. Also, a common thing with SMEs is that they often overload employees with different function giving room for fraud that could go undetected for years. Example, the sales manager may be responsible for sales, cash collections, marketing, deliveries, stores etc; thus, create adequate environment for fraudulent activities with the motive of spending less on human resources. The term Fraud is also referred to as theft, unwholesome practice, and embezzlement. Fraud is seen as irregularities involving the use of criminal intention to obtain unjust or illegal advantage which makes another party to suffer loss of financial or non-financial asset. Odum (2010) defines 'fraud as misrepresentation by a person of a material fact, known by that person to be untrue or made with reckless indifference as to whether the fact is true, with the intention of deceiving the other party and with the result that the other party is injured'. According to Adeniji (2010), fraud 'refers to an intentional act by one or more individuals among management, employees, or third parties, which results in a misrepresentation of financial statements'. This could range from document forgery, stealing of cash or stock, write off of useful asset, conversion of office property for personal use, inflation of expenses, manipulation of accounting records, reporting fake expenses to write-off cash from office, use of wrong accounting procedure, unnecessary write-off of business debt as bad, deliberate omission of transactions in the accounts. The expectation that an auditor has the responsibility to detect fraud in the course of his duty gives rise to audit expectation gap. The primary duty of fraud reduction rests with the management (Aguolu, 2002). This arises out of statute and by contract and not the responsibility of the auditor to either reduce or detect fraud. The onus therefore rests on owners and management to install an adequate internal control system while the forensic accountant should be brought in when red flags are detected. When fraud has been committed by employees, it is often concealed that annual audits are not able to detect it along the line, even owners and management are not able to suspect over the years which further necessitates a switch to the forensic approach. The longer the time it takes for fraud to be detected in an organisation is the greater the financial and property damage to the firm. Small and medium enterprises are mostly victimized because they are not just under-protected by anti-fraud measures but lack the basic knowledge on how to fight fraud. The red flags of fraud include driving cars which are beyond their annual pay, closeness with customers, not going on leave, when necessary, insistence on being responsible for a particular task, interest in dealing directly with suppliers or a particular supplier, establishing close relationship with auditors, luxurious lifestyle and not worrying when salary payment is delayed or not paid. Forensic accounting can therefore serve as fraud deterrence or anti-fraud measures. Employees will avoid any act of fraud to save their job especially when they know there is an active forensic system that will detect any fraudulent act, they commit at anytime it comes in no matter the level of concealment.

2.4. Forensic Accounting Approach to SMEs Survival

Forensic accounting is a deeper perspective of accounting practice. It is noted to be different from the traditional accounting role played by a business accountant. Ashton (2013) defined forensic accounting as the use of investigative techniques, integrated with accounting and business skills to develop information and opinion for evidence in court and for use by expert witnesses. The free online, encyclopaedia defined accounting as the classification, analysis and interpretation of the financial or book keeping, records of an enterprise while Essien (2010) defined accounting as the process of measuring, analyzing and classification of financial transactions, ... and communication of the information obtained in appropriate form to the user-groups for the purpose of financial decision making. Gray (2010) analyzed forensic accounting as a combination of an audit and private investigators knowledge and skills, research, law, quantitative methods, finance, auditing, accounting and law enforcement officers' insights. The implication of this is that the resulting analysis of forensic accounting process can be used in law courts. Forensic accounting involves the fields of litigation support and investigation accounting. Investigation accounting is the scrutiny of financial statements, and the evidential accounting records and physical assets of an organisation, with the intention of obtaining information of a specific nature.

Forensic Accounting has its root dated as far back as 1940s with Frank Wilson credited with the birth as noted by Kimberly (2016). According to Kimberly, when Wilson was working as a CPA for the US Internal Revenue Service, he was assigned to investigate the infamous gangster AI Capone and his transactions in the 1930's. Wilson's diligent analysis of financial records of AI Capone indicted him for federal income tax evasion for which he was sentenced to 10 years imprisonment and the case established the significance of forensic accounting. Forensic accounting popularity was further heightened since the Enron, Cadbury, Oceanic and intercontinental banks scandals which created awareness that conventional accounting and audit are insufficient to uncover fraudulent activities (Iliemena&Okoye, 2019). Large accounting firms often have a forensic accounting department while the practice is also being adopted by the small accounting firms owing to the popularity forensic accounting has gained in recent years. Recently, even small audit firms have forensic experts as part of their team as virtually every business needs the services of a forensic accountant to succeed. The employment of the forensic accountant does not replace the functions of the financial accountants and Auditors but should be a complementary function. It is therefore necessary that these different roles be harmonized to achieve the best result. The normal audit process sometimes reveals some red flags of fraud (Iliemena&Okolocha, 2019), the forensic accountant may take the case up from that point while the auditor continues with his primary appointment. The forensic process will fish out the culprits, quantify the losses or damages, estimate the future effects, take necessary steps to punish the culprits and recover the stolen business assets in property or money and in that way forestall future re-occurrence.

S/N	Forensic Accounting Or Audit	Financial Accouting Or Traditional Audit
1	Focuses On Uncovering Fraud	Focuses On Financial Statement Compliance And Fair Representation.
2	Procedure Does Not Follow Any Set Out Standard Like The Ifrs But On The Pattern Of Suspicious Activities.	Follows Set Out Rules And Guidelines By The Financial Reporting Standard Board Or Audit Standards And Guidelines.
3	Not Mandated By Any Law But On Voluntary Employment By Businesses.	It Is Statutorily Required That A Professional Accountant Be Employed To Review Or Audit The Financial Statements Annually.
4	Uses Accounting Skills To Perform Financial Investigations On Detected Red Flags.	Financial Investigation Is Not Part Of His Duty.
5	Forensic Accountants Look Beyond The Numbers In The Financial Statements And Extend Focus To Business Realities.	Focuses On The Numbers In The Financial Statements
6	Testifies As An Expert Witness In Court	Cannot Give An Expert Witness In Court Except By Subpoena.
7	Less Costly If Employed At Earlier Stage When Damages Are Not Much.	More Costly At Any Stage
8	Employment Is When Required E.G., Suspected Case of Fraud	Functions On Periodic Basis E.G., Annually And Could Be Source Of Information Which Triggers The Employment Of The Forensic Accountant.
9	Pays More Attention To Fraudulent Activities And Suspicious Statements And Transactions.	Pays Less Attention To Fraudulent Activities As It Is Not His Primary Responsibility.
10.	Assists With The Recovery Stolen Property Or Cash	Ends With Preparation Of Financial Statement Or Formation Of Audit Opinion As The Case Maybe.

Table 3: Tabular Differences between Forensic Accounting/Audit and Financial Accounting/ Traditional Audit
Source: Researchers' Compilation 2021

The discipline of Forensic accounting in the opinion of Bologna and Lindqist (1987) encompasses fraud knowledge, financial expertise, knowledge and understanding of business reality and the working of the legal system. Thus, this is what the current business operational environment needs for business survival. The forensic accounting approach could be either pro-active to prevent the employees from committing fraud or reactive as a follow-up action when fraud is suspected to have occurred.

2.5. Empirical Reviews of Extant Literature on Forensic Accounting and SMEs

Quite a number of research works have been done reviewing forensic accounting practices and fraud management but focused on literature deemed to be more recent globally. Pretorius (2008) investigated the causes of SMEs' failure. His study found four main themes of SMEs failure as; financial (resources and opportunities), structural (venture life cycle and liabilities' metaphor), internal and external (multiple origins of failure), and the human cause of failure. The work of Koh and Suat (2009) examined the public perception, understanding and acceptance of the role of forensic accounting in Malaysia for fraud detection, reduction and prevention. Findings reveal that public perception and acceptance of forensic accounting among companies have improved drastically, and forensic accounting activities, like, investigative accounting and litigation support will enrich organisational performance. Their study further revealed that forensic accounting is effective in fraud detection and prevention and can be effectively and applied. Gottschalk (2010) in his study found that forensic accounting can be effective in fraud detection and prevention as it focuses on evidence obtained from the examination of financial documents. His study opines that the goodness of forensic accounting as a technique is due to the fact that evidence gathered or prepared by forensic accountant is only focused on the detection and prevention of the phenomenon of frauds introduced into economic transactions of businesses. Onyenekanwa (2010) examined the strategies adopted by some surviving entrepreneurs in Nigeria. The data for their study were gathered from 80 randomly selected entrepreneurs in South East Nigeria, using questionnaires and interviews. The study found that Strategies adopted by most of the surviving enterprises include improved staff education on business modalities and survival techniques, and training of staff on the implications and dangers of fraud. Eniola (2014) in his study examined the role and contribution of SMEs performance in the national development of a developing country Nigeria. Their paper focused on what SMEs performances contribute and what barriers are there which make them not to contribute at their optimum. This is a general review paper on the performance of SMEs and their contributions that have been made and can make to the national development of Nigeria. The study revealed that SMEs contribute immensely to the economic development of Nigeria and calls for the need to put all measure in place to enhance the performance of SMEs in Nigeria. Njaramba and Ngugi (2014) examined the influence of internal control on growth of SMEs in Kenya by analyzing the relationship between human resource practices, entrepreneurial skills, and managerial skills as internal control factors, on the growth of SMEs in Errand services business. The study established that managerial skills, entrepreneurial skills, and human resource practices have positive correlation with growth. Ifekwem and Adedamola (2016) investigated the survival strategies and sustainability strategies of SMEs using a sample of selected SMEs in Oshodi-Isolo local government area of Lagos state. The study discovered that maintaining small but committed and motivated employees, is critical in guaranteeing the survival of SMEs in a volatile economy like Nigeria. Ebitum, Basil and Ufot (2016) conducted an appraisal of the challenges and prospects for SMEs growth in Nigeria. Their study employed an empirical review approach to the study through a review of extant literature. Findings reveals the challenges of SMEs are limited financing, lack of action plan, lack of managerial and marketing skills, lack of research appreciation and lack of technical expertise. The study concluded that entrepreneurship is the catalyst in most developing economies and as such, SMEs are very crucial to the economic growth and development of the Nigerian economy. The study by Iliemena and Okoye (2019) examined the effectiveness of forensic accounting in curbing bank fraud using primary data from deposit money banks in Nigeria. The result of the correlation analyses indicated that forensic accounting fills the audit expectation gap, restores public confidence, and reduce fraud in banks which reduces bank failure.

Summary of extant literature reveals how relevant and problem-solving forensic accounting have been to other aspects of business and also revealed that the menace of fraud in SMEs are varied in structure and formation along with the different challenges of SMEs in a bid to survive. Now one begins to wonder if forensic accounting can actually fit into the SMEs given their size, nature, the cost and a way out of SMEs failure in emerging markets; and this gives birth to this current study.

3. Methodology

This study employed survey research design while availability and convenience sampling respectively yielded population and sample of 315 SMEs Owners in Imo state, River state, Enugu State, Anambra State, Delta state and 222 professional Accountants in Nigeria, making a total population and sample of 537. This was easier due to the number of Researchers involved in the field work, follow-up efforts and our commitment to getting responses from areas respectively managed. The data for our study were gathered using questionnaires administered on physical contact with respondents, phone interviews and online e-questionnaires arranged in five Point Likert-Scales formats. The validity and reliability of our instrument were established through pilot study of some micro finance banks in Anambra state using the test and re-test method. Cronbach Alpha test was also conducted on our data with a score of 0.842. The statistical tool used in hypotheses testing is Z-test method at 5% level of significance. Z- test is a parametric statistic used to test significance of difference or relationships between two populations mean (Iliemena&Amedu, 2019) and determined as;

$$Z = \frac{x^{-} - \mu}{s/\sqrt{u}}$$

Where $\bar{x}$ = Sample mean, μ = Population, n = Sample size, and n- 1 = Degree of freedom. As a decision rule, we accept null hypothesis when the alpha value is less than the probability values, otherwise we reject.

4. Test of Hypotheses

- Ho_1: forensic accounting has no significant effect in fraud detection in SMEs.

		Forensic Accounting and Fraud Detection
N		209
Normal Parameters[a,,b]	Mean	24.0000
	Std. Deviation	20.10372
Most Extreme Differences	Absolute	.322
	Positive	.322
	Negative	-.126
Kolmogorov-Smirnov Z		.488
Asymp. Sig. (2-tailed)		.005
a. Test distribution is Normal.		
b. Calculated from data.		

Table 4: One-Sample Kolmogorov-Smirnov (Z-Test)

Our test of hypothetical assumption above shows that the probability value (0.005) is less than the alpha value (0.05), which leads to the rejection of the hypothesis of no significant effect of forensic accounting on fraud detection. The results reveal has significant effect in fraud detection.

- Ho_2: there is no significant effect of forensic accounting in unmasking sophisticated fraudulent activities in SMEs.

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		Forensic Accounting and Unmasking
N		209
Normal Parameters[a,,b]	Mean	24.0000
	Std. Deviation	20.49000
Most Extreme Differences	Absolute	.156
	Positive	.156
	Negative	-.112
Kolmogorov-Smirnov Z		.364
Asymp. Sig. (2-tailed)		.007
a. Test distribution is Normal.		
b. Calculated from data.		

Table 5: One-Sample Kolmogorov-Smirnov (Z-Test)

The analytical result for test of hypothesis two also shows a probability value (0.007) which is less than the alpha value (0.05). This makes our earlier assumption of no significant effect invalid. Thus, finding reveal forensic accounting has significant effect in unmasking sophisticated fraudulent activities in SMEs.

- Ho_3: Adoption of forensic accounting approach has no significant effect in enhancing the survival of SMEs.

		Forensic accounting and survival
N		209
Normal Parameters[a,,b]	Mean	24.0000
	Std. Deviation	24.7847
Most Extreme Differences	Absolute	.358
	Positive	.358
	Negative	-.263
Kolmogorov-Smirnov Z		.482
Asymp. Sig. (2-tailed)		.002
a. Test distribution is Normal.		
b. Calculated from data.		

Table 6: One-Sample Kolmogorov-Smirnov (Z- Test)

Our test result here indicates a significance level of 0.002. Comparatively, the alpha value (0.05) is greater than the probability value (0.002) as indicated in the above test result. The Researchers therefore reject the null hypothesis of no significant effect of forensic accounting in enhancing the survival of SMEs. Thus, our finding shows forensic accounting has significant effect in enhancing the survival of SMEs.

5. Conclusion, Implications and Recommendations

The failure rate of SMEs in Nigeria and other emerging markets can greatly be reduced with the harmonisation of forensic accounting with the normal audit system. Forensic accounting has shown to be very useful in detecting, reducing and preventing fraud which forms the root-cause of business failure in emerging markets, yet, barely-recognised. As SMEs are considered the driver to achieving economic growth and development, more attention needs to be paid in tackling the problem of high mortality rate of SMEs. By recommendation, the Owners of SMEs should ignore the cost implication and introduce forensic accounting in their system when necessary or in a pattern of once yearly for first three years in operation and then reduced to perennially after three years and later on increased to five years. This will definitely not be without cost implications but the focus should be on achieving businesses sustainability. However, the major cost here is the initial set up cost as subsequent cost will be so insignificant. This effort even has a lot of hidden cost-saving for the business as the usual losses from fraudulent activities will be saved while management efficiency is also checked; the effect being that the business is placed on a level playground with competitors globally. It is further recommended that Organisations providing financial support by grants, subsidies and loans to SMEs internationally and locally like Jumia, United Nations (UN) and even financial institutions and Government, should provide basic education on the dangers of fraud to the SMEs and add a forensic Accountant's report as additional criteria to SMEs funding support in the second or third year.

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