

Role of Forensic accounting in Enhancing Cyber Fraud Prevention & Customer Confidence: A Comparative Study of Perspectives from Employees & Customers of Public and Private Sector Banks in India

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ABSTRACT

The rapid technological digitalization in the new era of banking has increased the speed, accessibility, and comfort of carrying out financial transactions in India, while the increase in the cyber fraud activities due to digitalization of financial transactions has led to elevated financial losses, reputational damage and market competitiveness and declining customer confidence. In this regard, forensic accounting has evolved as crucial technique for identifying, examining, and mitigating financial fraud. This study explores the contribution of forensic accounting in curbing cyber fraud in public and private sector banks in India and assesses its impact on banking activities, client confidence, and institutional performance. It also considers obstacles such as inappropriate employee training, emerging cyber threats, and narrow customer awareness.

To analyze the responses of banking personnel and customers, two separate questionnaires were prepared to be administered separately to these individuals in order to collect the primary data. Statistical techniques of Descriptive statistics and independent samples *t*-tests are used to evaluate the responses of 200 banking customers and 50 banking staff were recorded to conduct the analysis of the study.

According to the results of the survey, employees of both public and private sector banks show highly positive responses regarding the effect of cybercrime on monetary transactions, customer confidence and ultimately on the profitability of the banking sector. Also, more than 88 per cent of employees in public and private sectors agreed that forensic accounting knowledge promote fraud control by improving fraud recognition, internal monitoring system, and regulatory compliance. The study emphasizes on the necessity of strengthening forensic accounting practices, employee training, and fraud mitigation strategies to enhance the security and credibility of Indian digital banking system.

Key words – Cyber fraud, Digitalization, Cyber Laws, Forensic Accounting.

INTRODUCTION

In the country's move towards a cashless economy, the adoption of digital methods of banking, mobile banking, Unified Payments Interface (UPI), digital wallets and other electronic payments systems are used at a large scale. The rapid digital transformation of India's banking sector though, giving the advantages of highly approachable, convenient and competent banking system and has modernized the manner in which financial services are delivered but it has also increased the opportunities for the people with criminal minds to take advantage of security flaws, resulting in a significant increase in cybercrime.

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Cybercrime has evolved as one of the greatest threat to the Indian Banking Industry as in recent years, Cyber Criminals are making an increased use of advanced methods of conducting cybercrime such as phishing, vishing, malware attacks, identity theft, SIM Swapping, QR code scams, ransomware, and social engineering to expose the sensitive data available in the banking system. The increased usage of technology in conducting regular digital transactions has further escalated the vulnerability of banks and customers to cyber threats.

According to Reserve Bank of India (RBI), the maximum number of banking fraud happened through the use of card and Internet Banking. 29,082 card or internet banking cases were reported in the year 2023-24 with losses of a huge amount of INR 7,465 Crore. In the year 2024-25, losses of more than INR 22,845 Crore with significant increase of 206 percent as compared to the previous year and INR 22,495 Crore in the financial year 2025-26.

Forensic Accounting can be defined as a combination of accounting, auditing and investigative skills which by forensic accountant holds and are suitable to be presented in the court of law so that can become a subject of discussion, debate and ultimately resolution of the dispute.

The Process of Forensic Accounting is mentioned as follows-

- Initial Assessment of the fraud and development of a strategy to investigate it.
- Collection and preservation of the data.
- Processing the data as per requirement.
- Investigating the Fraud and performing Statistical Analysis of the same.
- Calculation of the loss occurred due to the fraud.
- Development of the Investigation report
- Legal Proceedings in the court of law.
- Analysis by an Expert and final judgement

Post 2008 events, the banking sector of India incurred huge number of losses and as a result of which, regulators, financial institutions as well as corporates identified the need of forensic Investigation. The government agencies, banks, insurance companies, listed entities and public sector undertakings started employing forensic experts to examine the suspicious deals and financial malpractices.

In the current scenario, Forensic accounting is known to be as an important professional field that demands for different areas of knowledge in finance, law, technology, and investigative skills.

Supporting the growth of forensic accounting have also been:

- Increasing in the usage of financial records in electronic form.
- Enhancement of the need of anti-money laundering compliance that involves customer identification and verification (KYC), transaction monitoring, identifying the suspicious activities, monitoring the records and reporting them.
- Making the Corporate Governance Practices stronger.
- Improved Regulatory Supervision.
- Increase in the dependence of the judiciary on financial experts.
- Employment of advanced tools data analysis.

In the Indian banking sector, forensic accounting has evolved into an essential mechanism for strengthening fraud prevention and improving the integrity of financial operations. In order to cope up with the fast growing digital banking, electronic payment systems, and financial services through internet that has complicated the nature of fraudulent activities, making the traditional procedures of conducting audit inappropriate and insufficient. As a result of which Banks have started using modern specialized forensic accounting techniques that is basically the amalgamation of accounting knowledge, investigative skills and advanced technological tools to find out, analyze and combat financial irregularities.

Banks employ the following advanced techniques to control and prevent financial irregularities-

- Data Analytics is one of the most important techniques employed by banks which enables the scrutiny of large volume of transactional data to detect irregularities. Banks react adequately to potential threats before they develop into considerable financial losses by performing the analysis of consumer behavior, frequency of transaction and account activity.
- Banking system can keep a check on financial activities in real time with the help of Continuous Transactional Surveillance. The Automated monitoring systems generate alerts whenever a particular transaction deviates from its regular pattern. Banks, in this way, are able to detect cyber fraud, unauthorized fund transfers and money laundering activities at an early stage.
- Now today's modern banking era, Digital Forensic Investigations play a significant role in order to perform preliminary assessment of the electronic records, system logs, emails, mobile devices, and network activities in order to identify and investigate frauds.
- Banks increasingly utilize Computer-Assisted Audit Techniques (CAATs) and other forensic software applications in order to improve the efficiency and trustworthiness of financial investigations. These technologies facilitate automated testing of financial records, identification of duplicate transactions, verification of accounting entries, and detection of anomalies that may remain unnoticed during traditional manual audits giving more adequate results.
- Know your Customer (KYC) verification and Anti-Money Laundering (AML) have become important components of Forensic Accounting of Forensic Accounting Practices in Indian Banks because it enables adequate customer verification procedures along with continuous monitoring of high risk transactions.
- To improve the fraud prevention strategies, Fraud Risk Management and Internal Control Evaluation is performed by assessing of vulnerabilities which are periodically reviewed helping the institutions to identify areas more vulnerable to fraud enabling the banks to take appropriate preventive measures on time helping the banks to control and curb financial misconduct.
- In recent years, Artificial Intelligence and Machine Learning have notably improved forensic accounting practices as it facilitates the analyzing of historical transaction data, recognize complicated behavioral patterns, and forecasting insights that improves the adequacy of fraud detection while reducing false alarms.

Adopting these forensic accounting techniques together contribute to stronger and better internal controls, better transparency, improved regulatory compliance, and enhanced customer confidence. It shows banking sector's commitment to combat financial crimes in the best available manner ensuring the stability and credibility of the Indian financial system. But at the same time, lack of awareness among the banking customers and employees remain major challenges to strengthen cyber security in India. The effectiveness of forensic practices depends heavily on ability of employees to identify suspicious activities, follow security protocols and respond adequately to potential fraud incidents. At the same time, lack of awareness among the customers regarding phishing attacks, social engineering, identity theft, fraudulent links, and other cyber threats increases chances of cyber enabled losses to them. So, regular Employee Training Programs, continuous professional development, and easy customer awareness programs are important to improve the overall effectiveness of forensic accounting practices resulting in greater trust and resilience within the banking system.

REVIEW OF LITERATURE

Yagay and Sun (2026) Indian Forensic Accounting and Investigation Standards: Strengthening Financial Integrity and Corporate Governance. In this article, the author explains forensic accounting, provides an overview of forensic accounting and investigation standards in India, regulatory frameworks and professional provisions, challenges in methods of investigation, and future developments that influence the profession of Forensic Accounting.

Jamal A. and Singh H. (2025) Examining Forensic Accounting's Role in Safeguarding Indian Banking Integrity, 2025. As forensic accounting is voluntary, most accounting professionals are not engaged in forensic accounting and thus the paper concludes. Thus, it becomes necessary to sensitize accounting professionals about the embracement of Forensic Accounting Practices. This will also facilitate sustainable corporate governance and make forensic accounting an integral part of the governance system.

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Saha M. (2025). The role of the banking regulation act in strengthening forensic audits: A critical analysis, 2025. This article examines the synergy between Banking Regulation Act and forensic audits, not just regulating but also enabling forensic auditing.

Thakkar H. D. (2025) Red Flags and Hidden Trials: Forensic Accounting as the Protective Umbrella for Banks Against Credit Frauds. The paper presents one branch of forensic accounting, asset tracing, and underlines its role in the prevention and/or detection of credit fraud. Hidden assets are found by employing basic techniques: a money trail analysis; financial analysis; data mining and public records and corporate filings, the paper says. The paper is general by nature, with the main aim being to educate banks and finance practitioners on asset tracing principles as well as practical asset tracing techniques that are applicable in their operating methods.

Kanojia S. (2014) A Study on Customers Perception on Forensic Accounting & Risk Management in Selected Banks of Mumbai, 2014. This study aims to assess the knowledge of customers regarding forensic accounting which will help governing bodies understand if there is a need to create awareness regarding forensic accounting and frauds among common people or not.

OBJECTIVES OF THE STUDY

- To examine the level of customer awareness about anti-fraud and cybersecurity measures and effect on customer confidence amid increased cyber-crime cases on the profitability of various public and private sector banks.
- To evaluate employees' perceptions regarding the effect of cyber fraud incidents on profitability of various public and private sector banks in India.
- To assess whether or not forensic accounting knowledge strengthens fraud control in operations of various public and private sector banks.

RESEARCH METHODOLOGY

The present study evaluates the role of continuous adequate employee training and easy effective customer awareness programs in combating cyber fraud in Public and Private sector Banks in India.

Sources of Data

The study uses both primary and secondary data.

For the Primary data collection, two structured questionnaires are developed separately for banking personnel and customers. Questionnaire is prepared with five point Likert scale ranging from 1 (strongly Disagree) to 5 (strongly disagree).

Data Collection

The data has been collected through cross sectional survey method from 50 Employees working in public and private sector banks in India, including managerial and operational staff and 200 customers of public and private sector banks who regularly use digital banking techniques such as internet banking, mobile banking, UPI, debit cards and credit cards.

Stratified Random sampling technique is used in the current study. Four separate strata for Public and Private sector employees and customers to ensure adequate representation of both public and private sector banks. to fulfill the objective of meaningful comparisons between the two type of banks in India.

Secondary data for the study is obtained from Reserve Bank of India (RBI) reports, Ministry of Finance Publications, Peer reviewed journals, Government reports and academic publications related to forensic accounting and cyber frauds in India.

Statistical Tools and Analysis

For the analysis, descriptive statistics and independent t test were conducted to show the comparison of perceptions of respondents from Public and Private sector banks.

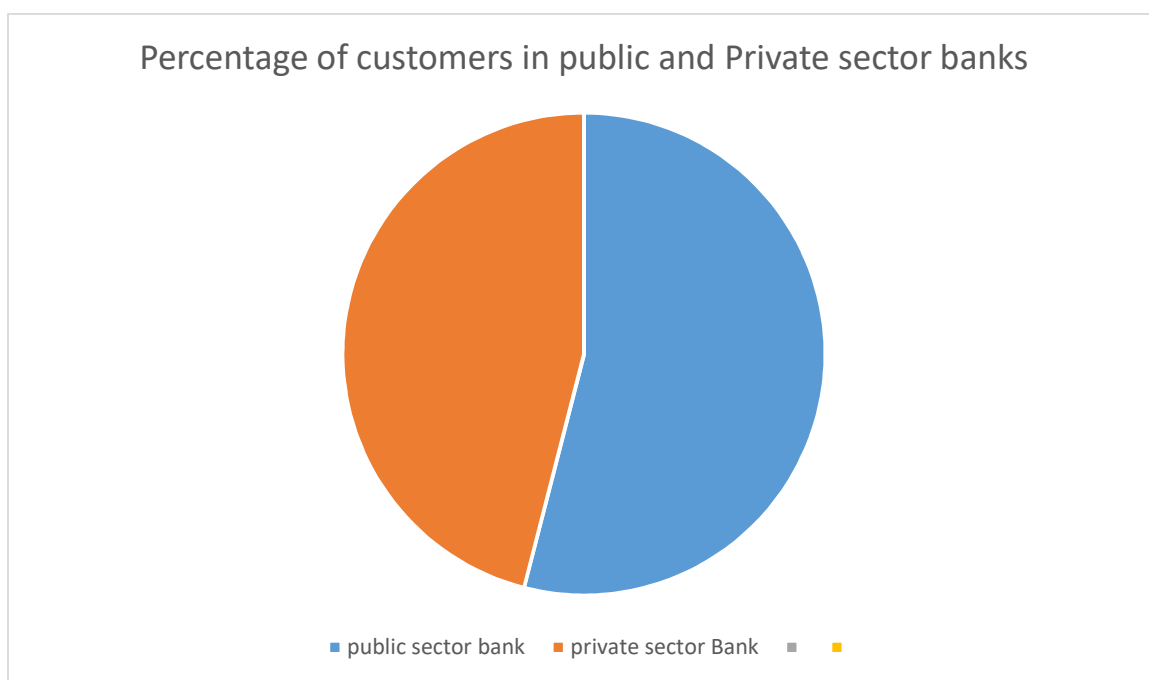
ANALYSIS OF THE STUDY

To compare the responses obtained during primary data collection through two separate questionnaires for banking personnel and customers, descriptive statistics and independent t test has been used in the study. The mentioned statistical tests are employed here because of the following reasons -

- The two groups (i.e. customers from public and private sector banks and employees from public and private sector banks) are independent of each other.
- Here, the no. of employees and customers in various public and private sector banks is not equal but the variances of two groups are approximately equal.
- The dependent variable (responses about customer awareness and confidence in banking services and responses of employees regarding the effect of cyber fraud on profitability of banks and knowledge of forensic accounting strengthens fraud control) is measured on an interval or ratio scale that is treated as approximately continuous.

Survey of customers

<u>S. no.</u>	<u>Type of bank</u>	<u>No. of customers</u>	<u>Percentage</u>
1	Public Sector Bank	108	54 %
2	Private sector Bank	92	46%



Pie Chart 1- Number of customers of public and private sector banks

Level of customer awareness about anti-fraud and cyber security measures and effect on customer confidence amid increased cybercrime cases on the profitability of various public sector banks, private sector banks

<u>S. no</u>	<u>Statement</u>	<u>Strongly Disagree (in %)</u>		<u>Disagree (in %)</u>		<u>Neutral (in %)</u>		<u>Agree (in %)</u>		<u>Strongly Agree (in %)</u>	
		Public	Private	Public	Private	Public	Private	Public	Private	Public	Private

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1	Awareness about the bank's specialized practices to detect and prevent fraudulent activities.	0.93	0	0	1.09	51.85	50	17.59	14.13	29.63	34.78
2	Forensic accounting and audit increase my trust in banking operations.	0	1.09	0	2.17	53.7	50	16.67	19.57	29.63	27.17
3	I am promptly informed about suspicious activities related to my account.	0	1.09	0.93	0	50	52.17	12.96	9.78	36.11	36.96
4	Cyber frauds reduce customer trust in banks, which negatively impacts their profitability.	0.93	1.09	0(PB	1.09	50.93	50	16.67	11.96	31.48	35.87
5	Compensation and reimbursements after cyber fraud increase financial burden on banks.	0.93	0	0	3.26	60.19	54.35	21.3	17.39	17.59	25
6	Banks spend heavily on cybersecurity measures due to rising frauds, which affects their profitability.	0.93	2.17	0.93	4.35	13.89	2.17	37.96	34.78	46.3	56.52

*Musalam and Kukreja (2015)- <https://qtanalytics.in/journals/index.php/JBMIS/article/download/215/120/302>



Chart 1 - Responses of customers on effect of customer awareness about anti-fraud and cyber security measures and customer confidence on the profitability of various public and private sector banks.

The findings reveal that respondents from both public and private sector banks have a positive perception of anti-fraud measures, forensic accounting, and cybersecurity practices. For **Statements 1–5**, the **neutral** response was the most common, ranging from **50.00% to 60.19%** among public sector bank customers and **50.00% to 54.35%** among private sector bank customers, indicating that many customers are aware of these practices but remain uncertain about their effectiveness.

As compared with Public Sector banks with **29.63%** of customers agreed on bank has specialized fraud prevention practices, **34.78%** of Private sector bank customers strongly agreed on the same. On the negative effects of bank profitability of cyber fraud, **35.87%** of private sector respondents and **31.45%** of public sector respondents strongly agreed. So, it can be concluded through table 1 that Private sector bank customers demonstrated slightly stronger positive perceptions.

Both public and private sector respondents strongly agreed with **46.30%** and **56.52%** on the statement that banks spend heavily on cybersecurity due to rising cyber enabled frauds, while an additional **37.96%** and **34.78%**, respectively, agreed with the statement indicating that over **84%** of public sector and over **91%** of private sector respondents believe that cybersecurity expenditure significantly affects bank profitability.

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Overall, the results of the survey suggest that customers in both banking sectors are aware of the importance of anti-fraud measures and cybersecurity in enhancing customer confidence and maintaining bank profitability, with private sector bank customers expressing marginally higher confidence than public sector bank customers.

Group Statistics					
	VAR00006	N	Mean	Std. Deviation	Std. Error Mean
VAR00008	1.00	108	3.7500	.91840	.08837
	2.00	92	3.8261	.93302	.09727
VAR00009	1.00	108	3.7593	.88466	.08513
	2.00	92	3.6957	.93455	.09743
VAR00011	1.00	108	3.8426	.93890	.09035
	2.00	92	3.8152	.98259	.10244
VAR00013	1.00	108	3.7778	.93061	.08955
	2.00	92	3.8043	.98605	.10280
VAR00014	1.00	108	3.5463	.81326	.07826
	2.00	92	3.6413	.89665	.09348
VAR00017	1.00	108	4.2778	.80690	.07764
	2.00	92	4.3913	.90124	.09396

Table 1 –Number of customers, Mean, Standard Deviation and Standard error of mean calculated out of responses of customers on effect of customer awareness about anti-fraud and cyber security measures and customer confidence on the profitability of various public and private sector banks sector banks. Source - SPSS

Independent Samples Test									
		t-test for Equality of Means							
		t	df	Significance		Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
				One-Sided p	Two-Sided p			Lower	Upper
VAR00008	Equal variances assumed	-.580	198	.281	.563	-.07609	.13126	-.33493	.18275
	Equal variances not assumed	-.579	191.982	.282	.563	-.07609	.13142	-.33531	.18313
VAR00009	Equal variances assumed	.494	198	.311	.622	.06361	.12881	-.19042	.31763
	Equal variances not assumed	.492	189.195	.312	.624	.06361	.12938	-.19161	.31882
VAR00011	Equal variances assumed	.201	198	.420	.841	.02738	.13609	-.24100	.29575
	Equal variances not assumed	.200	189.904	.421	.841	.02738	.13659	-.24205	.29680
VAR00013	Equal variances assumed	-.196	198	.422	.845	-.02657	.13570	-.29418	.24104
	Equal variances not assumed	-.195	188.963	.423	.846	-.02657	.13634	-.29550	.24236
VAR00014	Equal variances assumed	-.785	198	.217	.433	-.09501	.12096	-.33355	.14353
	Equal variances not assumed	-.779	185.679	.218	.437	-.09501	.12191	-.33552	.14551
VAR00017	Equal variances assumed	-.940	198	.174	.349	-.11353	.12082	-.35178	.12472
	Equal variances not assumed	-.931	184.533	.176	.353	-.11353	.12189	-.35400	.12695

Table 2- Independent t-test calculated out responses of customers on customers Effect of customer awareness about anti-fraud and cyber security measures and customer confidence on the profitability of various public sector banks taken from SPSS

Variables in Table 1 and 2 are defined as-

VAR00008 – Awareness about specialized practices offered by banks to prevent cyber-crime.

VAR00009 – Level of trust in Banking operations due to Forensic Accounting.

VAR00011 – Information about suspicious activities happening in the customer's account.

VAR00013 – Effect in bank's profitability due to reduction in customer trust because of cyber frauds.

VAR00014 – Compensation to cyber fraud victims increase burden on banks.

VAR00017 – Increased expenditure of banks due to cyber fraud affecting their profitability.

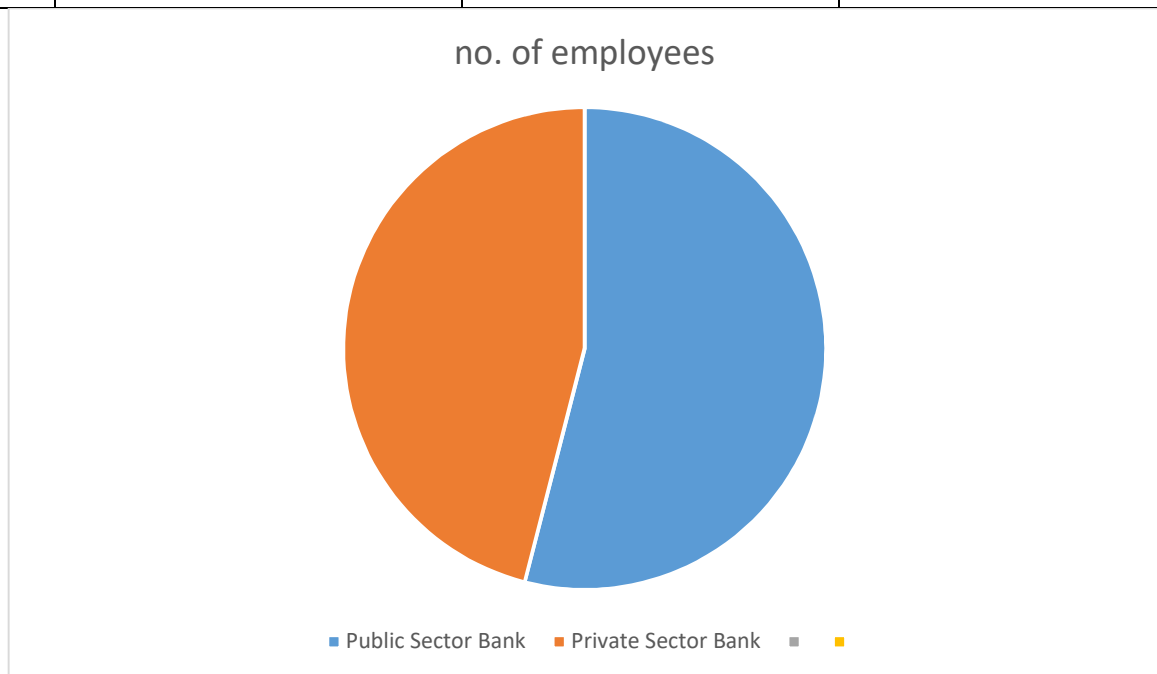
The results indicate that none of the six statements show a statistically significant difference between the two groups, as all two-tailed significance (p) values are greater than 0.05. Specifically, the p-values were 0.563, 0.622, 0.841, 0.845, 0.433, and 0.349. These findings suggest that customers of public and private sector banks have similar perceptions regarding the effectiveness of anti-fraud measures and cybersecurity initiatives.

Overall, the independent samples t-test reveals that customer awareness and perceptions regarding anti-fraud measures, forensic accounting, cybersecurity practices, and their influence on bank profitability are comparable across public and private sector banks.

Since all p-values exceeded the 0.05 significance level ($p = 0.349-0.845$), there is no statistically significant difference between customers of public and private sector banks regarding awareness of anti-fraud measures and their perceptions of the impact of cybersecurity on bank profitability.

Survey of employees

<u>S. no.</u>	<u>Type of bank</u>	<u>No. of employees</u>	<u>Percentage</u>
1	Public Sector Bank	27	54%
2	Private sector Bank	23	46%



Pie Chart 2- Number of employees in Public and Private sector banks

employees' perception regarding the effect on profitability of various public and private sector banks after cyber fraud incidents.

S.no	Statement	Strongly Disagree (in %)		Disagree (in %)		Neutral (in %)		Agree (in %)		Strongly Agree (in %)	
		Public	Private	Public	Private	Public	Private	Public	Private	Public	Private
1.	Loss of customer confidence after cyber fraud incidents leads to reduced deposits and transactions	7.41	0	0	8.7	7.4	8.7	44.44	21.47	40.7	60.87
2.	Effect in profitability amid hampered reputation & market competitiveness	0	0	7.41	4.35	3.70	8.70	33.33	30.43	55.56	56.52

*Musalam and Kukreja (2015)- <https://qtanalytics.in/journals/index.php/JBMIS/article/download/215/120/302>

Aigienohuwa et. al. (2017). <https://www.zbw.eu/econis-archiv/bitstream/11159/4366/1/1695023315.pdf>

* http://ijssmr.org/uploads2024/ijssmr07_41.pdf

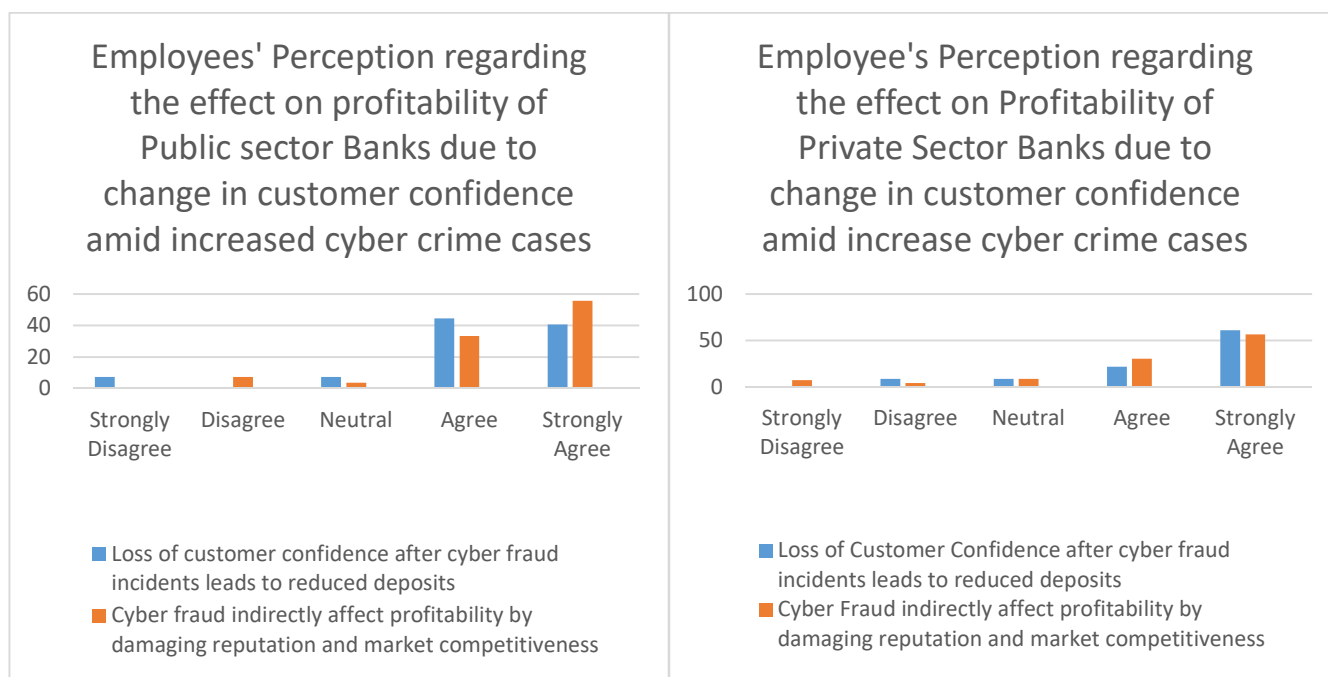


Chart 2 - Responses of employees regarding their perception regarding effect on Profitability of Public Sector banks and private sector banks amid cyber frauds.

The table indicates that employees from both public and private sector banks generally perceive cyber fraud incidents as having a significant adverse impact on bank profitability. Respondents (**85.18% of public sector employees and 82.61% of private sector employees**) agreed on loss of customer confidence following cyber fraud reduces deposits and transactions. A higher proportion of private sector employees strongly agreed with this statement, reflecting a stronger perception of the impact of customer trust on banking operations.

Similarly, for the second statement, **88.89%** of public sector employees and **86.95%** of private sector employees agreed that cyber fraud indirectly affects profitability by damaging a bank's reputation and market competitiveness. Very few respondents in either group disagreed with this showing a broad consensus that cyber fraud has both direct and indirect financial consequences for banks.

Overall, the findings suggest that employees across both public and private sector banks recognize cyber fraud as a major factor affecting profitability directly and indirectly, with private sector employees showing slightly stronger agreement regarding the impact of cyber fraud on customer confidence, while perceptions regarding reputational damage are almost identical across both public and private sectors.

Group Statistics					
	VAR00006	N	Mean	Std. Deviation	Std. Error Mean
VAR00011	1.00	27	3.1852	.55726	.10725
	2.00	23	3.2609	.68870	.14360
VAR00012	1.00	27	3.0741	.26688	.05136
	2.00	23	3.0435	.47465	.09897

Table 3 - No of employees, mean, standard deviation and Standard error of mean calculated out of Responses of employees regarding their perception regarding effect on Profitability of Public Sector banks and Private Sector Banks amid cyber frauds. Source - SPSS

Independent Samples Test									
t-test for Equality of Means									
		t	df	Significance		Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
				One-Sided p	Two-Sided p			Lower	Upper
VAR00011	Equal variances assumed	-.430	48	.335	.669	-.07568	.17620	-.42996	.27859
	Equal variances not assumed	-.422	42.260	.337	.675	-.07568	.17923	-.43732	.28595
VAR00012	Equal variances assumed	.286	48	.388	.776	.03060	.10687	-.18427	.24546
	Equal variances not assumed	.274	33.396	.393	.785	.03060	.11151	-.19616	.25735

Table 4- Independent samples t-test calculated out of responses of employees regarding their perception regarding effect on Profitability of Public Sector banks and Private Sector Banks amid cyber frauds. Source – SPSS

In table 3 and 4 variables are defined as -

VAR00011 – Loss of customer confidence on cyber fraud incidents leads to reduced deposits.

VAR00012 – Cyber fraud indirectly affect profitability by damaging reputation and marker competitiveness of the bank.

An independent samples t-test was conducted to determine whether there was a significant difference between employees of public and private sector banks regarding the two study variables (VAR00011 and VAR00012).

For **VAR00011**, the mean score for employees of public sector banks was **3.19** (SD = 0.56), while the mean score for employees of private sector banks was **3.26** (SD = 0.69). The independent samples t-test revealed **no statistically significant difference** between the two groups ($t = -0.430$, $df = 48$, $p = 0.669$). Since the p-value is greater than 0.05,

the null hypothesis is accepted, indicating that employees from both public and private sector banks have similar perceptions regarding this statement.

Similarly, for **VAR00012**, the mean score of public sector bank employees was **3.07** (SD = 0.27), compared with **3.04** (SD = 0.47) for private sector bank employees. The results again showed **no statistically significant difference** between the two groups ($t = 0.286$, $df = 48$, $p = 0.776$). The p-value exceeds the 0.05 level of significance, suggesting that employees from both sectors hold comparable opinions regarding this variable.

Overall, the independent samples t-test indicates that there is **no significant difference in the perceptions of employees working in public and private sector banks** for either of the two variables. The findings suggest that bank ownership (public or private) does not significantly influence employees' views on these aspects of cyber fraud and bank profitability.

forensic accounting knowledge strengthens fraud control in business of various public and private sector banks or not.

S.no	Statement	Strongly disagree		Disagree		Neutral		Agree		Strongly Agree	
		Public	Private	Public	private	Public	Private	Public	Private	Public	Private
1.	Forensic accounting strengthens fraud control in the business.	7.41	0	0	8.70	7.41	8.70	44.44	21.47	40.74	60.87
2.	Forensic accountant services reduce occupational risks.	0	0	3.70	4.35	22.22	21.74	31.04	34.78	37.04	39.13
3.	The use of forensic accounting can reduce financial fraud to the maximum	3.70	0	7.41	8.70	25.93	34.78	37.04	8.70	25.93	47.83

*Musalam and Kukreja (2015)- <https://qtanalytics.in/journals/index.php/JBMIS/article/download/215/120/302>

Aigienohuwa et. al. (2017). <https://www.zbw.eu/econis-archiv/bitstream/11159/4366/1/1695023315.pdf>

* http://ijssmr.org/uploads2024/ijssmr07_41.pdf

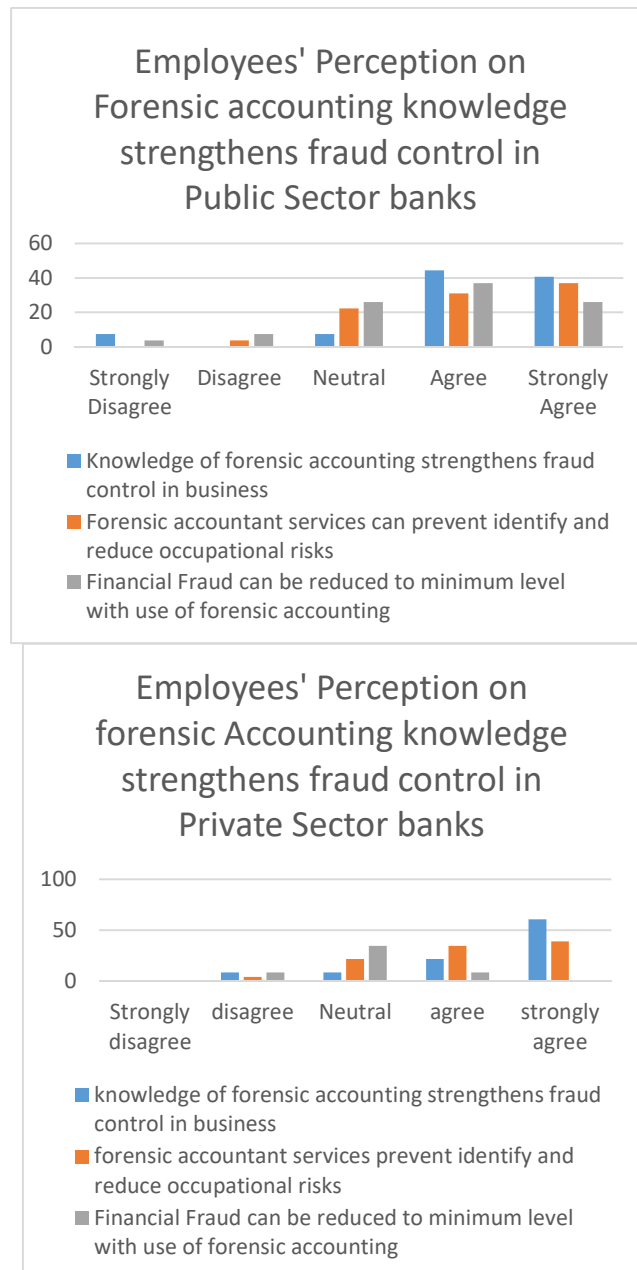


Chart 3 - Responses of Employees on Forensic Accounting Knowledge strengthens fraud control in Public and Private Sector Banks

The findings reveal a positive perception of forensic accounting among employees of both public and private sector banks. **85.18%** of public sector employees and **82.61%** of private sector employees agreed or strongly agreed that knowledge of forensic accounting strengthens fraud control. For the second statement, **68.08%** of public sector employees and **73.91%** of private sector employees believed that forensic accountant services help identify, prevent, and reduce occupational risks. Similarly, for the third statement, **62.97%** of public sector employees and **56.53%** of private sector employees agreed that the use of forensic accounting can reduce financial fraud to a minimum level. Overall, employees from both sectors demonstrated a favorable perception of forensic accounting as an effective tool for fraud prevention and control, with private sector employees showing slightly higher levels of strong agreement.

Group Statistics					
	VAR00006	N	Mean	Std. Deviation	Std. Error Mean
VAR00015	1.00	27	3.7778	1.12090	.21572
	2.00	23	3.9130	.99604	.20769
VAR00019	1.00	27	4.1481	1.19948	.23084
	2.00	23	4.1739	1.37021	.28571
VAR00020	1.00	27	4.0741	.87380	.16816
	2.00	23	4.0870	.90015	.18770

Table 5- Number of employees, mean, Standard Deviation and Standard error of mean calculated out of responses of Employees on Forensic Accounting Knowledge strengthens fraud control in Public and Private Sector Banks. Source- SPSS

Independent Samples Test									
		t-test for Equality of Means						95% Confidence Interval of the Difference	
		t	df	Significance		Mean Difference	Std. Error Difference	Lower	Upper
				One-Sided p	Two-Sided p				
VAR00015	Equal variances assumed	-.447	48	.328	.657	-.13527	.30233	-.74315	.47262
	Equal variances not assumed	-.452	47.900	.327	.654	-.13527	.29945	-.73738	.46684
VAR00019	Equal variances assumed	-.071	48	.472	.944	-.02576	.36336	-.75635	.70482
	Equal variances not assumed	-.070	44.171	.472	.944	-.02576	.36731	-.76595	.71442
VAR00020	Equal variances assumed	-.051	48	.480	.959	-.01288	.25140	-.51835	.49259
	Equal variances not assumed	-.051	46.269	.480	.959	-.01288	.25201	-.52007	.49431

Table 6-Independent t-test calculated out of responses of Employees on Forensic Accounting Knowledge strengthens fraud control in Private and Public Sector Banks. Source- SPSS

In table 5 and 6 variables are defined as –

VAR00015 – Knowledge of Forensic accounting strengthens fraud control in business.

VAR00019 – Forensic Accountant services prevent, identify and reduce occupational risks.

VAR00020 - Financial fraud can be reduced to minimum level with use of Forensic Accounting.

An independent samples t-test was conducted to compare the responses of the two groups. For VAR00015, there was no significant difference between the groups ($t = -0.447$, $p = 0.657$). Similarly, VAR00019 showed no significant difference ($t = -0.071$, $p = 0.944$), and VAR00020 also did not differ significantly between the groups ($t = -0.051$, $p = 0.959$) as the p values for both the groups is greater than 0.05 for both the variables.

CONCLUSION

The finding of the study highlights that technological advancements alone may not be sufficient to prevent cyber offences. The effectiveness of advanced technological tools largely depends on adequate customer awareness as informed customers contribute to fraud prevention by promptly reporting suspicious activities and adopting safer banking practices. The effectiveness of these highly advanced tools also depends on how educated the employees are in identifying suspicious activities, implementing advanced forensic procedures and regulatory compliance as only highly skilled employees are able to employ these practices in detecting, investigating, and identifying the criminals behind the fraud.

The study draws a comparison of the responses of banking personnel and customers through structured questionnaires administered separately to banking personnel and customers of both public and private sectors. The

comparative analysis between public and private sector banks revealed that perceptions of both employees and customers were largely similar showing highly positive responses for significance of forensic accounting adoption for enhancing customer confidence and banking profitability. The statistical analyses suggested that the differences in opinions of banking staff and customers of public and private sector banks were not significant, indicating that forensic accounting is considered equally relevant and beneficial in both banking sectors.

So, it can be concluded that Forensic Accounting has emerged as a vital component of the modern banking system. Its effective implementation can strengthen fraud detection, improve operational efficiency, enhance customer confidence, and support the long-term profitability and sustainability of both public and private sector banks. Banks should therefore continue to invest in forensic accounting practices, capacity building for employees, and customer awareness programs to create a secure, transparent, and resilient banking environment.

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