Empirical Evidence of Forensic Auditing and Whistleblower on Fraud Control, Organizational Performance; A Case Study of Public and Private Sectors of Pakistan

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Aim of the Study: Fraud proceeds to be a genuine obstacle to the survival and fruitful operations in business organizations hence requiring that they create vigorous measures to as much as conceivable diminish the event. The over required the requirement for this think about which examined the relationship between forensic and the whistle blowing of fraud control and organization performance within the public and private sector in Pakistan. Forensic reviewing may be a quickly developing field of bookkeeping that includes an investigative fashion of bookkeeping utilized to disclose the exercises of people or the corporate sector. Pakistan public and private sectors are more vulnerable to fraud these days. This article evaluates the relationship between forensic audit or whistle blowing on fraud control and organization performance in the public or private sector and assessed the most effective relationship between whistle blowing and forensic auditing as it pertains to unearthing fraud.

Research methodology: Study on this research will embrace the deductive approach under positivism paradigm. The study adopted a survey design of research in cross-section. Data analysis: For data collection, 230 questionnaires distributed to financial public and private sectors and 211 questionnaires were got completed. Females were 24 of 211 (f=11.4%) and males were 187 of 211 (f= 88.6%). data were analyzed using Correlation and regression techniques by SPSS 20. The findings forensic audit and whistle blowing has a positive relationship with fraud control and organization performance.

Conclusion and recommendation: The study was conducted in Multan, Pakistan due to time and cost...
Keywords
Forensic auditing, Whistle-blower, Fraud Control, Organization performance

JEL Classification:
M40, M42

Keywords
Forensic auditing, Whistle-blower, Fraud Control, Organization performance

1. Introduction
Corruption and unlawful practice or applications have got up as solid weapons competent of hemorrhaging the full economy especially the open division since of the high-chance figure related to such practices. The defenselessness of open teach to false hones from inward and without has not spared Pakistan. With a developing quality of intellect to this negative charge with the valuable asset of the utilize of the rising tip top, a heap of government bunches is full with one shape of false hones or the other, and the battling of the people have gotten to be escalates. This situation was mind blowing captioned through the way of (Goffredo, 1983) whereas he said that “no longer handiest does cheat skip on within the kingdom contraption, in any case the country itself is the contraption of theft” (p. 78). In Pakistan, not handiest do officers steal, but taking is additionally official (Jegede, 2008).

According to Faktor et al. (2017) corruption, that is the immoderate time for untrue sharpens, may well be a social sickness, which has eaten significant into the texture of our country wide solidarity. It has the potential to annihilate an money related contraption within the occasion that not honestly checked. It is given in many ways, which consolidates over-invoicing and swelling of installments, the charge for organizations no longer rendered, the joining of nebulous vision human being in fund, underneath pass on of substances totally paid for, the movement of moment rate super and past materials, and non-universal customary in common execution of contracts or businesses for which installments were claimed. Budgetary traps and blackmail appear up to be a around the world issue. The improvement of the corporate world full of diverse complexities for these days makes progression inside the budgetary run tended to go with by blackmail appearance. It is claimed that the auditors especially must get to know around looking into extortion.

The audit contains a considerable part in fortifying obligation within the contraption of controlling and oversees of the open resources or riches and increments the astuteness of the money related reports. In any case, the gigantic utilize of fake bookkeeping measurements caused enormous dropping for the come out and rising economies, and those misfortunes have had an impact on money related improvement (Hao, 2010). In this period and these days, forensic bookkeeping is to a great extent utilized in select components of the world to manage with budgetary extortion. Measurable examining can offer assistance in uncovering and figuring out the guilty party, by means of the framework of translating, summarizing, and giving complex financial inconveniences clearly(Chi-Chi & Ebimobowei, 2012).

The main purpose of this study to analyze the affect of forensic auditing or whistle blower on fraud control, organization performance within the public and private sectors of Pakistan. To play down the constraints. The forensic audit should be included in the statutory audit. Forensic auditors should be included in during audit in the audit team. To become forensic auditors, competent accounting bodies in Pakistan should prepare their representatives. In our higher education institution, forensic auditing should be a field of specialization, particularly in the postgraduate school and business institutions.

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extortion within the public and private divisions. The disappointment of both inner and outside audits to anticipate and find extortion within the corporate division particularly in Pakistan and their various embarrassments have presently driven to the utilize of forensic review and whistle-blower as an choice for recognizing fraud Based on the problems initiated and the study goals, the findings/questions of this study (RQs) are presented...

**RQ1:** What is the relationship between forensic auditing and fraud control in the private and public sector?

**RQ2:** What is the relationship between whistle blowing and organization performance in the private and public sector?

**RQ3:** What is the relationship between forensic auditing and organization performance in the private and public sector?

**RQ4:** What is the relationship between whistle blowing and organization performance in the private and public sector?

The study is aimed to achieve the following objectives

- To examine the relationship between forensic auditing on fraud control in the public and private sector of Pakistan.
- To examine the relationship between the whistleblower on fraud control in the sector of public and private Pakistan.
- To examine the relationship between the whistleblower on organization performance in the sector of public and private Pakistan.
- To examine the relationship between forensic auditing on organization performance in the public and private sector of Pakistan.

### 2. Literature review

According to Kristen Dreyer (2014), Fraud can take one-of-a-kind shapes checking interior cash related blackmail, bribery, degradation, and misappropriation. Blackmail is the cause of Forensic Bookkeeping exists. In a consider completed by way of Kroll given by utilizing Georgetown College for his or her 2013/2014 Around the world Extortion Report, it was found that over 70% of bunches have been impacted through as a slightest one outline of fraud inside the past a year.

#### 2.1 Forensic Auditing

In a forensic audit, the audit is constructed in such a way that evidence is obtained to show that fraud has occurred. The capacity required here is more than sufficient for internal or external audits to be carried out. Forensic audits are more rigorous than standard audits and are carried out in a sequence of processes to find out yet how to verify a claim as well as to find out the existence of any investigative work required (Grippo & Ibex, 2003). Thornhill (1995) suggested that forensic audits need a transparent and detailed audit plan that is planned to get information on how, when, and where a wrong deed occurred and who committed it. Forensic auditors apply the principles and methods of accounting to legal issues. They are concerned with using accounting as a framework to generate facts that can also be submitted to the court of law.

Moves to decide how and when to verify an accusation and to figure out the essence of every additional work necessary. Forensic audits require a transparent and detailed audit plan designed to gather information on how, when and where and who performed a wrong deed happened. Forensic auditors follow the rules and technologies of accounting to constitutional matters. They are obsessed with just using accounting to generate facts that can be used in the court of law as a discipline. While not very common in Pakistan, it has a specific function to detect corrupt practices committed within an entire organisation by an insider as well as any other person or organization that has any link with the entire organisation. A forensic review is performed within the field by an ace or ace for material affirmation, valuation confirmation, blackmail and untrue work out analysis, declaration with government controls,
contracts additionally to examine and enumerate other items, and the forensic auditor’s report must be justifiable for use within the court.

They believe that person in order to perform forensic examinations and analysis “are specialists in the field with strong skill in criminology, accounting, anticorruption laws, communication, and investigation with the ability to think like a criminal.” (Ohaka & Edori, 2017).

2.2 Whistle-blower
A whistleblower is a person who identifies inside an entity that is either publicly or privately any kind of information or activity that is considered illegal, immoral, or not right. Details on suspected misconduct could be categorized in several ways: infringement of corporate policy/rules, legislation, legislation, or danger to the public interest/national security, and other financial fraud. When someone becomes a whistleblower, they may choose to make contributions or accusations to the surface, either internally or externally. The whistleblower may, from within, carry his/her charges in the interest of those within the limits of the organization, such as an appropriate person. Externally, by contacting a third party outside the alleged agency, such as the media, the government, the law enforcement authorities or those concerned, the whistleblower may bring forward claims. However, whistleblowers take the risk that significant censorship and retaliation will be met by those accused or suspected of wrongdoing.

Following a series of corporate scandals and subsequent legislation on whistleblower programs, recent studies provide evidence related to whistle blowing in uncovering detected financial frauds. Dyck et al. (2010) document types of whistleblowers. Although the corporate governance literature has given little attention to the governance role played by employees (Dyck et al. 2010; Rapp 2010), they are the most common type of whistleblower (12% of a 216 corporate fraud sample during 1996-2004), followed by media, analysts, and short-sellers. Bowen et al. (2010) investigated the characteristics of firms caught by employee whistleblowers, and the economic consequences of the whistle blowing events. It has been found these firms tend to be large and growing firms with relatively weak internal or external monitoring and have had recent employee layoffs. Most whistleblowers come forward for ethical reasons. For example, they choose to blow the whistle to maintain personal integrity, avoid complicity, and protect the public (Benabou and Tirole 2006; Arce 2010; Rapp 2012b). However, they simultaneously face great social and economic pressure to remain silent (Call et al. 2016).

2.3 Fraud control
Accounting writing records a few strategies for controlling extortion; none is conclusive as they contrast in step with the work of the extortion and environment of commission. In any case, foundation and executing inside control frameworks and State legislation’s, play an exceptional work in their control. Particularly, the set up arrange of regulation structures such as exterior review, inside review, anti-fraud agencies/legislation, and review committees offer assistance in reducing the expense at which extortion is committed Sikka (2004) cited in Skillet et al (2011) recognized exterior review as a trust-engendering gadget, disappointment of which may moreover debilitate self-belief in corporate administration. Hence, viable outside audit-mechanisms are mounted to prevent extortion and development the self-assurance of buyers in endeavor additionally; a well foundations inward review division empowers to oversee fraud. From the perspectives of Pan et al (2011), the work of inner auditors is imperative since they include cost by upgrading the control and checking environment in businesses hit upon and record extortion or fraud.

According to Bierstaker et al. (2006) found that indeed in spite of the fact that the organization's utilize
of forensic auditor or accountants is negligible for any extortion discovery and anticipation, it features a exceptionally fine rating of recommending the adequacy Albrecht and Zimbelman et al. (2012) observed period advances have chosen proactive shakedown disclosure procedures that analyze truths and exchanges to confine extortion signs in conjunction with plans, numbers, and other related variations from the norm.

Though Bierstaker, et al. (2006) concluded firewalls, watchword security and PC diseases are regularly utilized to combat extortion. Omar and Bakar (2012) run a study and comes about appeared that administration survey of inside controls and outside reviews of monetary articulations positioned as the top-most blackmail expectation rebellious in terms of the rate of nearness in organizations as seen by interior inspectors and fraud inspectors, taken after by operational surveys, inward surveys or extortion examination workplaces, and inward control review and changes by divisions.

### 2.4 Forensic Audit Impact on Fraud Control and Organizational Performance

Previous researcher’s investigations confirmations are fraud can be diminished with the help of audit and this activity result displays a positive impact on organizational performance. Ohaka & Edori, (2017) it claims that forensic auditor candidates are experts in the area of criminology, accounting, anti-corruption regulation, communication and investigation with the capacity to think like a criminal and can control fraudulent activities and can improve organizational performance. Forensic auditing is the key method that financial institutions should use to deter financial fraud in this regard and related risks and this forensic audit strategy reliefs to control fraud and due to audit, each staff participant of an organization performed efficiently and effectively.

- **H1:** There is a Positive relation between the two forensic audit and fraud control.
- **H3:** There is a Positive relation between the two forensic audit and organization performance.

### 2.5 Whistleblower Impact on Fraud Control and Organizational Performance

Earlier researches investigations exemplify Whistle blower’s person, who exposed any kind of organizational information. If whistleblower provides secure information’s to outward organizations then it will not be moral. But if anyone doing illegally in the organization and whistleblower report to the senior’s about such type of violation of company policy so, with the help of whistleblower CEOs can control this type of fraudulent activity and firms or organizations can be performed as good position. This type of whistleblower effect displays an optimistic impact on organizational performance and controlling fraudulent activities.

- **H2:** There is a Positive relation between the two whistleblower and fraud control.
- **H4:** There is a Positive relation between the two whistleblower and organizational performance.

The scope of conventional auditors’ work needs to be extended to include fraud detection in order to allow them to be a powerful force in corporate firms in terms of fraud management, prevention, and identification. Forensic auditors should be included during statutory audit. It is also notable, across all the results, that whistle-blowing policies, fraud hotlines, and forensic accountants are less widely used. The government should consider creating more fraud hotlines, strengthening whistle blowing policy, and developing a public sector forensic accounting department to improve the public sector fraud prevention system.

### 3. The Conceptual Framework

The conceptual structure makes distinctions and analyzes concepts and thoughts together in a way that is understood by the readers and knits the descriptions in question. The conceptual framework in this research is the impact of forensic auditing, traditional auditing and reporting on fraud control and organizational performance in Pakistan's corporate sector.
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4. Methodology

The study used a deductive research approach. The deductive approach through analyzing the exploration presumptions (theory) and the inductive approach through concentrate the framework and gathering more data to encourage investigation.

4.1 Sampling

Data were collected from both the public and private sectors. The population of the study consisted of financial institutions in Multan. The sample was consist of managerial level employees in different public and private organizations. Convenient sampling techniques were utilized to select the respondents. Total of 230 questionnaires was distributed to both sectors, out of the total, 211 questionnaires received completed. In this research, primary and cross-sectional data were collected from the directors and managers of organizations and audit firms. According to (Li, 2016) for an infinite population, the sample size must be 10 to 50 for each variable. For time limitation, 230 sample size was taken for testing.

4.2 Data Collection Method

Data were collected by adopted questionnaires through surveys. A well-structured close-ended questionnaire was design based on three parts. First section introduces the purpose of the research to the respondents, the second section was consist of scales based on five points liker scale (ranging from strongly agree to strongly disagree). The last section got the demographic information from the respondents. The questionnaire was used for data collection from respondents to measure the positive relation between these four forensic auditing, whistleblower, organizational performance, and fraud control or minimize in both private and public sectors.

4.3 Instrumentation

In this research, a close-ended questionnaire used for measurement. The questionnaire was adapted for organizational performance from Venkatraman, N. (1985) theory based on the perception of profitability. It consists of eight items to measure organizational performance having Cronbach's alpha(α) value of 0.67 while the scale of fraud control was adopted from Saunders, Carol Stoak, and Jack William Jones (1992) consist of 7 items having the Cronbach alpha value 0.66. Similarly, the scale of forensic audit based on seven items was adopted Venkatraman, N. (1985) with alpha(α) value 0.62 while Six items scale used for whistleblower measurement was adopted from Berger, P. G., & Lee, H. (2019) having Cronbach's alpha(α) equal to 0.54. Overall questionnaire Cronbach's alpha(α) value is 0.77.
for 31 items.

5. **Data Analysis**

SPSS software was used for data coding and data analysis. Based on the relationship of the variables of study, we used multiple regression analysis techniques for finding the cause and effect relationships between the variables (IVs and DV).

5.1 **Results and Discussion**

<table>
<thead>
<tr>
<th>Table 1: Gender Distribution between the Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

![Figure 1: Gender frequency Chart](image)

<table>
<thead>
<tr>
<th>Table 2: Age frequency distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>15 years to 24 Years</td>
</tr>
<tr>
<td>25 years to 34 Years</td>
</tr>
<tr>
<td>35 years to 44 Years</td>
</tr>
<tr>
<td>45 years to Above</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
Table 2 shows the age frequency distribution and Figure 3 depicts age frequency distribution in the sample. 15 years to 24 years old accountants, managers and auditors were 46 out of 211 respondents having percentage 21.8% of whole sample size and 25 years to 34 years frequency 133 respondents, representing 63% and 35 to 44 years respondents were n=27 shows 12.8% and 45 years to above ages respondents were only 5 means 2.4% of the whole sample.

<table>
<thead>
<tr>
<th>Valid</th>
<th>Graduate</th>
<th>23.7</th>
<th>23.7</th>
<th>23.7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelors</td>
<td>60</td>
<td>28.4</td>
<td>28.4</td>
<td>52.1</td>
</tr>
<tr>
<td>Masters</td>
<td>101</td>
<td>47.9</td>
<td>47.9</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Figure 3 shows education distribution, the highest qualified managers were equal to Master's degree N=101, 47.9% of the whole sample. Matriculation educationist accountants were nill%, graduates
respondents were 50, 23.7%. Some auditors and financial experts were masters and PhDs. Degree holders. Masters and Ph.D were 101, 47.9% and 0% respectively.

Table 4: Fraud Control as the Dependent Variable

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.332a</td>
<td>.110</td>
<td>.102</td>
<td>5.053</td>
<td>1.482</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Forensic audit, Whistleblowing
b. Dependent variable: Fraud control

Table 4 revealed fraud control as dependent variables; the Durbin Watson (DW) statistic is a test for autocorrelation in the residual from a statistical regression analysis. The Durbin-Watson statistic will always have a value between 0 and 4. A value of 2.0 means that there is no autocorrelation detected in the value between 0 and 4. A value from 0 to less than 2 indicates positive autocorrelation and values from 2 to 1 indicate negative autocorrelation. The table shows that there is not any problem of serial autocorrelation because the value is in the range of 1.5 to 2.5. The Adjusted R² gives us the idea of how well our model generalizes and its values should be closed to R² values. Large F ratios prove model fit and significant. F changes values establish a fit of the regression model. R square value of 0.11 is better revealing the impact of forensic audit and whistle blowing of fraud control in Pakistani organizations.

Table 5: ANOVAa

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>658.073</td>
<td>2</td>
<td>329.037</td>
<td>12.885</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>5311.633</td>
<td>208</td>
<td>25.537</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>5969.706</td>
<td>210</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent variable: Fraud control
b. Predictors: (Constant), Forensic audit, Whistleblowing

Table 5 of ANOVA presents the conclusions of the variance analysis. It shows that there is a positive relationship among the observed and predicted values. Since the significance value of the F statistic is small (smaller than say 0.05), the independent variables (Forensic Audit and Whistle Blowing) do a good job explaining the variation in the dependent variable (Fraud Control). It shows the model fitness.

Table 6: Coefficientsa

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>95.0% Confidence Interval for B</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td>t</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>16.79</td>
<td>2.781</td>
<td></td>
<td>6.039</td>
</tr>
<tr>
<td>Whistleblowing</td>
<td>.345</td>
<td>.077</td>
<td>.307</td>
<td>4.493</td>
</tr>
<tr>
<td>Forensic audit</td>
<td>.085</td>
<td>.089</td>
<td>.065</td>
<td>.952</td>
</tr>
</tbody>
</table>

a. Dependent variable: Fraud control

Table 6 shows the results of the calculation of the basic method regression coefficients. The standardized β values tell us the number of standard deviations that, due to one standard deviation change in the predictor variable, the result will change. The coefficient table 6 includes the model
(regression equation) coefficients and the p-values for each independent variable. The output shows that the interaction is significant for whistle-blowing on fraud control. The whistleblower helps to control the frauds in the organizations. They help to identify the fraud which can be curbed through effective policies by the top management. While the forensic audit does not play a role to stop the fraud. It might be because fraud happens before the forensic audit is carried out in Pakistan.

Table 7: Organization Performance as the Dependent Variable

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.272\textsuperscript{a}</td>
<td>.074</td>
<td>.065</td>
<td>4.598</td>
<td>1.536</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Forensic audit, Whistleblowing

Table 7 shows a weak R square value for the impact of forensic audit and whistle-blowing on organization performance. The Durbin Watson value is in the range which confirms that there no sign of serial autocorrelation in the data.

Table 8: ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>351.574</td>
<td>2</td>
<td>175.787</td>
<td>8.316</td>
<td>.000\textsuperscript{b}</td>
</tr>
<tr>
<td>Residual</td>
<td>4396.606</td>
<td>208</td>
<td>21.138</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4748.180</td>
<td>210</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organization performance
b. Predictors: (Constant), Forensic audit, Whistleblowing

The table shows a good model fit by sig. value of 0.00 which is far lower than the threshold value of 0.05. Moreover, the residual value has been higher than expected showing a weak impact of independent variables in explaining the variations in organization performance.

Table 9: Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>95.0% Confidence Interval for B</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td>Lower Bound</td>
</tr>
<tr>
<td>(Constant)</td>
<td>22.04</td>
<td>2.530</td>
<td>8.711</td>
<td>.000</td>
</tr>
<tr>
<td>Whistleblowing</td>
<td>.246</td>
<td>.070</td>
<td>.245</td>
<td>3.517</td>
</tr>
<tr>
<td>Forensic audit</td>
<td>.077</td>
<td>.081</td>
<td>.066</td>
<td>.951</td>
</tr>
</tbody>
</table>

a. Dependent variable: Organization performance

Table 9 revealed again that the whistleblowing has a positive relationship with organization performance. The information about fraud helps the organization to grow. While the forensic audit does not affect the organization performance as the sig value has come higher than the threshold value of 0.05. VIF value is below 10 which confirm that there is no problem of multicollinearity in the data.

6. Conclusion and Recommendation

The study quantified the impact of auditing in fraud control in corporate associations utilizing traditional auditing and forensic auditing as the independent variables while fraud control was used as the dependent variable. The study found that while conventional auditing is common in Pakistan's corporate organizations, forensic auditing is unpopular and in its infancy. Hypotheses have however been developed to assess if whistle-blowing and forensic auditing have a significant connection with fraud control and whether forensic auditing is more compelling than traditional auditing to identify fraud in corporate organizations. The analysis revealed a significant association between the independent variables and the dependent variable (whistle-blowing) (fraud control). The study also found that
forensic auditing is more accurate than standard auditing in the detection of fraud in corporate organizations. Above data, interpretation of results shows the relationship between forensic auditing and fraud control in the private and public sector are not strongly co-related. The relationship between whistle blowing and organization performance in the private and public sector have a significant relationship. The unique contribution of this paper is that it addresses the effects of Forensic auditing on the performance of financial organizations in Pakistan, upon which most banks and businesses in a developing economy ought to adapt to mitigate financial irregularities. The contribution/importance of professional forensic accountants cannot be overemphasized, whether to the public sector or the private sector. The purpose of this study is to examine Forensic auditing as a tool for fraud detection and prevention in the public sector organizations and firm performance concerning Multan financial organizations. Accordingly, the researchers concluded that whistle blowing, forensic auditing and fraud control are a major trend that should be taken seriously by corporate organizations.

7. Recommendation and Limitations
This research conducted in Multan, Pakistan due to time and cost. In future for study, data collected KSE and can be conducted in non-financial institutions and production departments.

In all corporate organizations, traditional and standard auditing should be improved by training and retraining of personnel or staff. The scope and range of the study of forensic auditors to include the detection of fraud needs to be expanded to enable them to be a major weapon in corporate organizations in terms of fraud management, prevention and identification.

Employment of forensic auditors in corporate organization and steady preparing of such personnel or staff to be overhauled in which present day innovation and modern ways or area of committing fraud and their cures. The forensic audit ought to be included within the statutory review report. Currently ICAP (Institute of Chartered Accountant Of Pakistan) work on this issue and only one institution in Pakistan who give professional training and knowledge of forensic audit and give a certificate to qualify members IFAP (Institute Of Forensic Accountant Of Pakistan). On the other hand, the organization must strike the whistleblower safety policies, as the whistleblower improves the fraud control in the organization. Moreover, whistleblowers enhance organization performance by curing fraud and malpractices in organizations.

Reference


