



**INSTITUTE OF FORENSIC ACCOUNTANTS
(IFA)**

EXAMINATION SYLLABUS

SYUMMARY OF SYLLABUS

FOUNDATION LEVEL

- 0.1. Financial Accounting**
- 0.2. Auditing**
- 0.3. Taxation**
- 0.4. Public Speaking**

PROFESSIONAL LEVEL-1

- 0.5. Business Law**
- 0.6. The Law of Evidence**
- 0.7. Financial Reporting**
- 0.8. Introduction to Forensic Accounting**

PROFESSIONAL LEVEL-2

- 0.9. Legal Elements of Fraud**
- 10. Criminology and Ethics**
- 11. Forensic Accounting in Fraud Investigation**
- 12. Financial Transactions and Fraud Schemes**

PROFESSIONAL LEVEL-3

- 13. Expert Interview Skills in Forensic Accounting**
- 14. Litigation Support in Forensic Accountant**
- 15. Expert Witnessing in Forensic Accounting**
- 16. Expert Forensic Accounting Reporting**

DETAILS SYLLABUS

FOUNDATION LEVEL

01. FINANCIAL ACCOUNTING

1. The Accounting Equation and the Balance Sheet
2. The Double Entry System for Assets and Liabilities
3. The Assets of Stock
4. The Double Entry System for Expenses and Revenues.
The Effect of Profit or Loss on Capital
5. Balancing off Accounts and the Trial Balance
6. Trading and Profit and Loss Accounts: An Introduction
7. Balance Sheets
8. Trading and Profit and Loss Accounts and Balance Sheets:
Further Considerations
9. Accounting Concepts and Conventions
10. The Division of the Ledger
11. The Banking System
12. Two Column Cash Books
13. Cash Discounts and the Three Column Cash Book
14. The Sales Journal
15. The Purchases Journal
16. The Returns Journals
17. Depreciation of Fixed Assets: Nature and Calculations
18. Double Entry Records for Depreciation
19. Bad Debts, Provisions for Doubtful Debts, Provisions for
Discounts on Debtors
20. Capital and Revenue Expenditure
21. Other Adjustments for Final Accounts: Accruals,
Prepayments etc.

22. Modern Methods of Processing Data
23. Bank Reconciliation Statements
24. The Analytical Petty Cash Book and Imp rest System
25. The Journal
26. Errors Not Affecting Trial Balance Agreement
27. Suspense Accounts and Errors
28. Control Accounts
29. Introduction to Accounting Ratios
30. Single Entry and Incomplete Records
31. Receipts and Payments Accounts and Income and Expenditure Accounts
32. Manufacturing Accounts
33. Departmental Accounts
34. Partnership Accounts: An Introduction
35. Goodwill
36. Partnership Accounts Continued: Revelation of Assets
37. An Introduction to the Final Accounts of Limited Liability Companies
38. Purchase of Existing Partnership and Sole Trader's Businesses
39. The Valuation of Stock
40. Bills of Exchange
41. Joint Ventures
42. Consignment Accounts
43. Partnership Dissolution
44. Branch Accounts
45. Further Methods of Providing for Depreciation
46. Container Accounts
47. Royalty Accounts

48. Hire Purchase and Payment by Installments
49. Limited Companies: General Background
50. The Issue of Shares and Debentures
51. Redemption of Redeemable Preference Shares and of Redeemable Debentures
52. Limited Companies Taking Over Other Businesses
53. Provisions, Reserves and Liabilities
54. Taxation in Accounts
55. The Increase and Reduction of the Share Capital of Limited Companies
56. The Final Accounts of Limited Companies
57. Flow of Funds Statements and Cash Budgeting
58. Investment Accounts
59. Contract Accounts
60. Consolidated Accounts: Introduction
61. Consolidation of Balance Sheets: Basic Mechanics I
62. Consolidation of Balance Sheets: Basic Mechanics II
63. Inter-Company Dealings: Indebtedness and Unrealised Profits in Stocks
64. Consolidated Accounts: Acquisition of Shares in Subsidiaries at Different Dates
65. Inter-Company Dividends
66. Consolidated Balance Sheets: Sundry Matters
67. Consolidation of the Accounts of Vertical Groups Of Companies
68. Consolidated Profit and Loss Accounts
69. Accounting for the Results of Associated Companies
70. Discounting Techniques
71. Accounting for Inflation

72. Accounting Ratios: Further Consideration
73. Interpretation of Final Accounts

0.2. AUDITING

1. Theory and Philosophy of auditing
2. Stewardship
3. Auditing and other Services
4. Types of Audit
5. Objectives of audit
6. Features of an audit
7. Timing of the audit
8. Generally Accepted Auditing Standards (GAAS)
9. Appointment of an auditor
10. Removal of auditor
11. Resignation of Auditors
12. Rights, Duties and Responsibilities of an Auditor
13. Books of Accounts
14. Commencing an audit
15. The Engagement letter
16. The Conduct of the audit
17. Audit Committees
18. Profession Ethics
19. The Independence of an auditor, Auditor's Independence and the Nigerian companies and Allied matters Decree, 1991
20. Auditor's Independence and the Professional Bodies Aid to maintaining Independence
21. Audit Planning, Controlling, Quality Control of Audit
22. And Analytical Procedure
23. Audit Planning

24. Controlling an audit
25. Quality Control
26. Types of Reviews
27. Analytical Procedures
28. Internal Accounting Control System
29. Design of Internal Control System
30. Elements of Internal Control
31. Essential Characteristics of Internal Control
32. Types of Internal Control
33. Techniques of Ascertainment
34. Methods of Recording the System
35. Procedures to obtain an understanding of the Client's
36. Internal Control Structure
37. Testing the System of Internal Control
38. Letter of weakness (Management Letter)
39. Internal Audit
40. Management Audit
41. Internal Check
42. Audit Working Papers
43. Purpose or Objective of Working Paper
44. Types of Working Papers
45. Audit Programmes
46. Standards Audit Programmes
47. Verification and Valuation of Assets and Liabilities
48. Verification (Definition)
49. Vouching
50. Verification of Fixed Assets
51. Verification of Current Assets
52. Cut-Off Procedures

53. Verifications of Liabilities
54. Balance Sheet Audit
55. Programme for a Balance Sheet Audit
56. Audit Evidence
57. Audit Sampling
58. Evaluation of Errors
59. Audit of Computer Based Accounting System EDP Systems
60. Use of Compute for Audit Purposes Internal Control In EDP Systems
61. Advantages and Problems in Computer Based Accounting System
62. Typical ICQs in EDP Systems
63. Liabilities of Auditors
64. Liabilities of Client
65. Liabilities of Third Parties
66. Criminal Liabilities
67. Responsibilities for the Prevention and Detection of error and/irregularities
68. Unlawful Acts of Client and their staff-Auditor's Liabilities
69. Legal Decisions on Auditing
70. Audit Reports and/or Opinions
71. Legal Requirements
72. Requirements of the Auditing Standard
73. Parts of Audit Report
74. Emphasis of Matter
75. Qualified Opinion
76. Public Sector Audit
77. Appointment, Retirement and Removal of Government
78. Duties
79. Independence
80. Nature of Audit of Government Accounts
81. Accounting Units

82. Internal Audit
83. Power to Conduct Investigation
84. Audit Report and Government Accounting
85. Audit Organization within the Government
86. Expanded Scope Audit
87. Value for Money Audit
88. Investigations
89. General Principles
90. Investigation on behalf of an Individual Firm Proposing to Buy a business
Investigation on behalf of the promoter of a proposed

0.3. TAXATION

1. INCOME FROM EMPLOYMENT

Contract for services

Income assessable

Benefits in kind

Pay-As-You-Earn (PAYE)

Guaranteed tax-free remuneration

2. INCOME FROM TRADE, PROFESSION OR VOCATION

Definition of income

Illegal trade operations and isolated transactions

Assets capable of domestic or private use

Bad debts and provision for bad debts

Basis period for computing assessable income

Post cessation receipts

Tax assessment on basis of turnover of a business

Change of accounting date

3 CAPITAL ALLOWANCES

Qualifying expenditure

Conditions for claiming capital allowances

Allowances available to a taxpayer

Basis period for capital allowances Assets with an element of private use

Relevant interest in building, structure or works

Manner of making claims for allowances

Leases

Assets acquired on hire-purchase

Industrial Inspectorate Division

4. INDIVIDUAL LOSS RELIEF

Claims for loss relief

Commencement provisions

Year of cessation

5. INCOME FROM DIVIDENDS, INTEREST, DISCOUNTS, PENSIONS,
ANNUITIES, SETTLEMENT, TRUST OR ESTATES

Chargeable dividends

Interest derived from Nigeria

Computed income of a trust

Deemed income of the settler

Double taxation relief

Preparation of settlement accounts

6. INCOME FROM PROPERTY

Who is liable?

Basis of assessment

7. INDIVIDUAL INCOMES COMPUTATION

Statutory income

Reliefs and allowances

Claims for reliefs

Due date for payment of tax

8. PARTNERSHIP INCOME

Computation of partnership income

Capital allowances

Changes in partnership

Personal allowances and deductions

Partnership losses

Sole trade preceding partnership

Sole trade succeeding partnership

Registration of partnership agreement

9. IMPOSITION OF INCOME TAX ON COMPANIES AND PROFITS

CHARGEABLE

History of companies' income tax

Profits subject to tax

Dividends

Definition of Nigerian company

Interest on foreign loans

Profits of shipping, air transport, cable undertakings and insurance companies

10. ASCERTAINMENT OF PROFITS

Allowable and disallowable expenses

Procedure for computing adjusted profits

Trading assets received in specie

Consumption or gift of trading asset

Valuation of stock in trade

11. BASIS OF ASSESSMENT OF PROFITS

Commencement of trade

Cassation of trade or business

Change of accounting date

Sale or transfer of trade or business

Companies incorporated outside Nigeria

Assessment on turnover

Assessment and taxation of banks

12. COMPANIES LOSS RELIEF

Forms of relief

Companies having more than one source of income

Companies in agricultural trade or business

Loss incurred by new business and losses on cessation of trade

13. PIONEER INDUSTRIES AND PRODUCTS

Application for pioneer certificate

Indigenous controlled company

Cancellation of pioneer certificate

Tax relief period

Net loss of pioneer company

Restriction on dividend and loans

Appeals

Offences and penalties

14. ADMINISTRATION OF INDIVIDUAL INCOME TAX

Meaning of “relevant tax authority”

Administration of the Act

Functions of the Board

Assessments

Objection and appeals

15. ADMINISTRATION OF COMPANIES INCOME TAX

Federal Board of Inland Revenue

Persons chargeable to tax

Company being would-up

Returns

Assessments

Appeals

Offences and penalties

16. PETROLEUM PROFITS TAX

Ascertainment of chargeable profits

Definition of profits

Capital allowances

Chargeable tax

Posted price

Collection and payment

Offences and penalties

17. CAPITAL TRANSFER TAX

Value of gift transferred

Property passing on death

Quick succession relief

Interaction of capital transfer tax and capital gains

Tax

Valuation of property

Administration and collection

Assessments and payment

Appeal

18. CAPITAL GAINS TAX

Who is liable?

Basis of assessment and rate of tax

Chargeable assets

Exemptions and reliefs

Part disposal of assets

Compensation and insurance proceeds

Replacement of business assets and roll-over relief

Compulsory acquisition of land

Principal Private Residence

Death

Shares and securities

Bonus and rights issue

Capital loss

Connected persons

Artificial or fictitious transactions

Administration returns and appeal

19. MISCELLANEOUS TOPICS - 1

Determination of residence

Taxation of members of the Armed Forces and Other persons

Double taxation relief

Taxation aspects of pension funds schemes

20. MISCELLANEOUS TOPICS - 2

With-holding tax

Tax clearance certificate

Tax planning

Back duty

0.4 **PUBLIC SPEAKING**

1. INTRODUCTION

Why public speaking?

You can learn public speaking

Public speaking as empowerment

Public speaking and critical thinking

Public speaking and ethic

2. COMMUNICATION APPREHENSION

What's communication apprehension?

What are you afraid of?

You're not alone

Speech Anxiety as a form of energy

Overcoming fears of public speaking

3. COMMON TYPES OF SPEECHES

Informative speeches

Persuasive speeches

Argument Speeches

Entertainment Speeches

4. FUNDAMENTALS OF PERSUASIVE SPEAKING

What's persuasive speaking?

Factors of persuasive

Speaker's credibility

Source of Credibility

Speaker's character

Speaker's logic

Logical fallacies

Speaker's rational appeals

Types of Evidence

Speaker's emotional appeals

5. SPEECH ORGANIZATION FOR PERSUASION

Problem-solution order

Problem-Cause-Solution order

Monroe's Motivated Sequence

Indirect Proof

Answering Objections

Using humour and satire

Reframing the issue

Comparative Advantages order

Primacy and Recency Effect

6. CHALLENGE OF AUDIENCE INVOLVEMENT

Causes of audience inattention

Talk about Audience needs

Maslow's Hierarchy of Needs

Establish common bond

Commitment to the topic

The magic in names

Speech Opening for audience involvement

Speech closing for Audience involvement

7. FORMS OF NONVERBAL BEHAVIOUR

Body language

Gestures

Postures

Eye contact

Nonverbal Language of Colour

Nonverbal Language of Touch

Nonverbal Language of dressing

Nonverbal Language of Micro ecology

Nonverbal Language of Vocal Qualifiers

Volume

Tempo

Tone

Pause

Nonverbal language of Time

Verbal Crutches

8. MODES OF SPEECH DELIVERY

Impromptu speaking

Extemporaneous speaking

Memorized Mode of speaking

Speaking from Manuscript

9. COMMON FORMS OF ADDRESSES

Keystone Addresses

Acceptance Speeches

Election Campaign Speeches

Inaugural Speeches

Corporate Speeches

Eulogies

Graduation Speeches

Entertainment Speeches (Luncheon, After-Dinner and Banquet Speeches)

After-Dinner Speeches

Banquet Speeches

10. SAMPLE SPEECHES WITH COMMENTARY

11. INFORMATIVE SPEECH

Successful strategies for achieving your career goals (Virgis Colbert)

12. PERSUASIVE SPEECHES

How to stop Boring your Audience to Death (Charles Francis)

Abolition of the Osu System Bill (Nnamdi Azikiwe)

13. CONCLUSION REMARKS

Basic Misconceptions about public Speaking

PROFESSIONAL LEVEL-1

0.5. BUSINESS LAW

1. LAW, ITS ADMINISTRATION AND ENFORCEMENT

The Meaning of Law

Types of Law

Organization of Courts

The Personnel of the Courts

2. CONTRACT

Nature of a Contract

Formation of a Contract

Privity of Contract

Conditions and Warranties

Exemption Clauses

Reality of Consent illegality

Assignment of Contract

Discharge

Remedies for Breach of Contract

3. SALE OF GOODS

Nature of sale of goods

Contract of sale of goods distinguished from other contracts

Conditions and warranties

Caveat emptor

Transfer of property

Transfer of title

Performance of the contract

C. I. F., F. O. B. and Ex-Ship contracts

Acceptance

Rights of unpaid seller

4. **AGENCY**

Nature of Agency

Creation of Agency

Termination of Agency

5. **HIRE PURCHASE**

The meaning of 'Hire Purchase'

Credit sale agreements

The hire purchase Act, 1965

6. **NEGOTIABLE INSTRUMENTS AND NOTES**

Nature of negotiable instruments and notes

Bills of exchange

Dating

Acceptance

Cheques

Promissory notes

7. **INSURANCE**

The meaning of insurance

Contract of insurance – how effected

Conditions and warranties

Liability of principal for Acts of its Agent

Basic principles

Classes of insurance

Assignment of insurance policies

8. **BUSINESS ORGANIZATIONS**

Partnership

Company Law

Shares and Debentures

Rights and duties of directors

Meetings and resolutions

Winding-up

Foreign companies

9. **TORTS OF IMPORTANCE TO BUSINESS**

Nature of Torts of importance to business

Basis of Tortious liability

Particular Torts

Product liability

Occupier's liability

Master and servant: Vicarious liability

Death as affecting liability

Passing off

10. **LABOUR RELATIONS**

Labour relations: Genera

The labour code

Workmen's compensation Act

Trade Unions

0.6. THE LAW OF EVIDENCE

1. INTRODUCTION
2. RELEVANCY OF FACTS
3. ADMISSIONS AND CONFESSIONS
4. STATEMENTS BY PERSONS WHO CANNOT BE CALLED AS WITNESSES
5. STATEMENTS MADE IN SPECIAL CIRCUMSTANCES
6. JUDGMENTS OF COURT OF JUSTICE
7. OPINIONS OF THIRD PERSONS
8. EVIDENCE OF CHARACTER
9. MEANS OF PROOF
10. FACTS WHICH NEED NOT BE PROVED
11. PROOF OF PREVIOUS CONVICTION
12. TYPES AND PROOF OF DOCUMENTS
13. STATEMENTS ADMISSIBLE UNDER SECTION 91
14. DOCUMENTARY EVIDENCE
15. BURDEN OF PROOF
16. PRESUMPTIONS
17. ESTOPPEL
18. EFFECT OF WRONGFUL ADMISSION AND REJECTION OF EVIDENCE
19. COMPETENCE AND COMPELLABILITY OF WITNESSES
20. OFFICIAL AND PRIVILEGED COMMUNICATIONS
21. CORROBORATION
22. THE TAKING OF ORAL EVIDENCE AND THE EXAMINATION OF WITNESSES
23. THE SERVICE IN ONE STATE OF WITNESS SUMMONS AND OTHER PROCESSES ISSUED IN ANOTHER STATE

0.7. FINANCIAL REPORTING

1. Accounting theory, or accounting can be interesting introduction. An analogy – all about sausages the focus of the book. Summary Exercises
2. The objectives of financial statements and their usefulness to the general user groups. Introduction. The corporate Report. The user groups summary of user needs. Characteristics of useful information. The need for communication. Summary Exercises
3. Traditional accounting conventions
Introduction. The conventions. The revenue recognition problem explored. The problem considered. The compromise solution. A coherent frame work. Summary. Exercises
4. Economic valuation concept
Introduction, The basic equation, Income and capital wealth and value, An array of value concepts, Economic value, Capital maintenance, Criteria for appraising alternative valuation concepts, Fisher and psychic income, psychic income and Frankel's critique, Hicks and capital maintenance, The calculation of economic income, Income *ex ante* and income *ex post*, summary, Exercises
5. Current entry values
Introduction, Back to basics, The business itself, Capital maintenance, Replacement cost accounting and depreciation, Current entry values, a preliminary appraisal, Summary, Exercises
6. **Current exit value and mixed values**
Introduction, Current exit value accounting, Current exit values, a preliminary appraisal, Mixed values – *ad hoc methods*, Mixed values – deprivation value, Deprivation value (DV) – an appraisal, Current values, Some overall thoughts, Summary, Exercises
7. **Current purchasing power accounting**
Introduction, The measuring unit problem, Current purchasing power, Combination of
8. methods, Current purchasing power- what does it really mean? Summary, Exercises

9. The UK position: past, present and future? Introduction, The background to SSAP 16 and current cost accounting, The array of possibilities, UK practice Summary, Exercises

10. Some possible extensions to the accounting framework

Introduction, The need for additional statement, Possible additional financial reporting statements, Social accounting, Environmental reporting and the international scene, Desegregation or segmental reporting, More (or less) information? Summary, Exercises

11. Towards a general framework

Introduction, The elements of accounting, The balance sheet, Profit and loss, A conceptual framework for the 1990s? the IASC framework, Underlying assumptions, Qualitative characteristics of financial statements, Conclusions, Towards a critical review, The crunch questions!, Summary, Exercises

12. The international dimension

Introduction, The International Accounting Standards Committee (IASC), The European dimension, Influences on accounting in Europe, The EU directives, The UK, European and international dimensions, Conclusions, Summary, Exercises

13. Limited Liability companies

Introduction, Limited liability, The principle established, Conclusions and comments, Sanctity of capital – the ‘interim’ accounting problem, The legal response, Restrictions affecting capital, Distributable profits, the case law background, The Companies Act of 1985, Distributable profits, Summary, Exercises

14. The Companies Act and published accounts

Introduction, The true and fair view, The continental influence, The specified formats, Other Companies Act requirements, Notes to the accounts (schedule 4, part III, 1985 Act). Summary, Exercises

15. The accounting standards setting process

Introduction, Accounting Standards Committee, Need for reform, Dearing Committee,

16. Accounting Standards Board, ASB statement of aims, Financial Reporting Review Panel, Procedure leading to the issue of standards by the ASB, ASB foreword to accounting standards ED, Urgent Issue Task Force, Summary, Exercises

17. Accounting principles

Introduction, Fundamental accounting concepts, Accounting bases Accounting policies, The Companies Act 1985, The ASB attempts to create a 'statement of principles' Financial reporting standards for smaller entities, Conclusion, Summary, Exercises

18. Fixed assets and goodwill

Introduction, Depreciation, Methods of calculating depreciation, Some less common alternatives, Some misconceptions underlined, Government grants (SSAP 4), Depreciation and SSAP 12, The Companies Act 1985, Accounting for investment properties (SSAP 19), Some issues and problems, Transfers from fixed assets to current assets, FRED 17 'Measurement of Tangible Fixed Assets' Goodwill, Purchased goodwill and inherent goodwill, Accounting for goodwill, The Companies Act and goodwill, FRS 10, 'Goodwill and Intangible Assets, Initial recognition of positive goodwill and intangible assets, Consideration of FRS 10, FRS 11 'Impairment of fixed Asset and Goodwill', Summary, Stop press: FRS 15 and SSAP 12, Exercises

19. Research and development (SSAP 13)

Introduction, The problem, The SSAP's proposals, Accounting treatment of R&D, Development costs written off, Disclosure requirements, The companies acts, Oil and gas exploration costs, Summary, Exercises

20. Substance over form

Scope of the chapter, FRS 5 'Reporting the Substance of Transactions', Substance of a transaction, Recognition of an item, Quasi-sub subsidiary, Application notes, Consignment stock example, Capital instruments, Deep discounted bonds, FRS 4 'Capital Instruments' Definition of shares, Finance costs, Accounting practice, Allocation of finance costs, The future of substance over form, FRS 13 'Derivatives and Other Financial Instruments: Disclosure' Financial instrument disclosure requirements, Summary, Exercises.

21. Leases and hire purchase contracts (SSAP 21)

Introduction, Court Line case, Forms of lease agreements, Further SSAP 21 definitions, Accounting for leases in the lessee's books, Accounting for leases in the lessor's books, Taxation effect on finance lease accounting for lessors, HP contracts, Disclosure of information, Summary, Exercises

22. Stock and long-term contracts (SSAP 9)

Introduction, Stock and work progress, Stock cost assumptions, The SSAP requirements, The companies Act, Long-term contract work in progress, The Companies Act 1985 and long-term contracts, Long-term contracts-an illustration, Summary, Exercises

23. Taxation (SSAP 5, 8, 15)

Introduction, Value added tax, Imputation tax system, Timing of corporation tax, Accounting treatment of irrecoverable ACT, The future of ACT, Deferred, What is deferred tax? Arguments for deferred tax, arguments against deferred tax, The accountants' response, SSAP 15 (revised) 'Accounting for Deferred Tax' Changing tax rates and deferred tax, Deferral v. liability method of provision, Deferred tax calculation, Crystallization of a liability, Disclosure requirements (SSAP 15 (revised)), Companies Acts and deferred tax, A critical appraisal of the ASC's approach, Further changes to SSAP 15, The future of deferred tax, Summary, Exercises

24. Pension costs (SSAP 24)

Introduction, Types of pension schemes, Problems, Matching principle, SSAP 24 requirements, The accounting objective explored, Balance sheet effects of matching pension costs, Scope and disclosure requirements, Deferred taxation, Companies Act requirements, June 1995 discussion in respect of pension costs, July 1998 discussion in respect of pension costs, Pension scheme accounts, Review of SORP 1, Summary, Exercises.

25. Post-Balance sheet events and provisions and contingencies (SSAP 17, FRS 12)

Introduction, Post-balance sheet events (SSAP 17), Adjusting and non-adjusting events, Redrafting of accounts for post-balance sheet events, Window dressing and

26. SSAP 17, Accounting for provisions, contingent liabilities and contingent assets, The Companies Act and contingencies, Redrafting of accounts involving contingencies under SSAP 18, The provisions problem, FRS 12 objectives and definitions, Accounting treatment for provisions, contingent liabilities and contingent assets, Measurement of a provision under FRS 12, Summary, Exercises.

27. Group accounts and associated companies (SSAP 1 and FRSs 2, 6, 7, 8)

Introduction, Need for group accounts, Goodwill (premium) on acquisition, Definition of Subsidiary, FRS 2 ‘Accounting for Subsidiary Undertakings’, Mixed groups, Pre-acquisition profits and acquisition accounting, Acquisition accounting later than date acquisition, Inter-company trading and the elimination of unrealized profits, The reconciliation of inter-company balances, The regulations governing the presentation of group accounts, Consistency within the group, Exemptions from consolidation, Accounting treatment of excluded subsidiaries, Changes in composition of a group, Accounting for the results of associates and Joint ventures (FRS 9), Example 1 – The normal presentation, Merger accounting, Comparison of Companies Act and SSAP 23, SSAP 23 problems, Revision to SSAP 23, Companies Act and FRS 6, Differences between acquisition accounting and merger accounting, FRS 6 disclosure requirements, FRS 7 ‘Fair Values in Acquisition Accounting’ Related party transactions, FRS 8 ‘Related Party Disclosures’ Related parties, Information to be disclosed, Summary, Exercises.

28. Foreign currency transaction (SSAP 20)

Introduction, Currency conversion, Currency translation, SSAP 20 requirements for individual companies’ foreign currency transactions, Translation methods, Consolidated financial statements, Disclosure requirements, The Companies Act 1985, Summary, Exercises.

29. Reporting financial performance (SSAP 3, 25 and FRS 3)

Introduction, Basic earnings per share, The tax problem, The number of shares problem, Changes in equity above capital during the year, Diluted earnings per share, Disclosure requirements of FRS 14, All inclusive and current operating performance

30. concepts, ASB solution, FRS 3, 'Reporting Financial Performance', Prior year adjustments, Changes in accounting policies, Fundamental errors, Statement of total recognition gains and losses (SORG), Historical cost profits and losses, Profit or loss on the disposal of an asset, Segmental reporting, *Corporate Report* and segmental reporting, SSAP 25, 'Segmental Reporting', Summary, Exercises.

31. Cash flow statements (FRS 1)

Introduction, Cash flow reporting, Funds flow or cash flow? Advantages of cash flow statements, Practical examples, Summary, Exercises.

32. Interpretation of financial statements

Introduction, Accounting information and users, Benchmarking, Technique of ratio analysis, Financial status, Investment potential, Additional information, Multivariate analysis, Summary, Exercises.

33. Financial statement analysis

Introduction, Effects of different accounting policies, Real-life vignette, Summary, Exercises, Final thoughts.

0.8. INTRODUCTION TO FORENSIC ACCOUNTING

1. Forensic Accounting definition and backward
2. Investigative Forensic Accounting
3. The Forensic Accountant as Expert Witness
4. Differences between Forensic Accounting and Fraud Examination
5. Financial Crime Summaries
6. Qualities of a Good Forensic Accountant
7. When and why to call a Forensic Accounting Investigation
8. Understanding white Collar Crimes
9. Money Laundering
10. Computer Crimes

PROFESSIONAL LEVEL-2

0.9. LEGAL ELEMENTS OF FRAUD

THE LAW RELATED FRAUD

1. Definition of Fraud
2. Principal Types of Fraud
 - Misrepresentation of Material Facts
 - Concealment of Material Facts
 - Bribery
 - Illegal Gratuity
 - Commercial Bribery
 - Extortion
 - Conflict of Interest
 - Theft of Money and Property
 - Embezzlement
 - Larceny
 - Theft of Trade Secrets
 - Remedies
 - Breach of Fiduciary Duty
 - Duty of Loyalty
 - Duty of Care
3. Federal Legislation Related to Fraud
 - The Sarbanes-Oxley Act (Public Law 107-204)
 - Public Company Accounting Oversight Board
 - Certification Obligations for CEOs and CFOs
 - New Standards for Audit Committee Independence
 - New Standards for Auditor Independence
 - Enhanced Financial Disclosure Requirements

Protections for Corporate Whistleblowers under Sarbanes-Oxley
Enhanced Penalties for White-Collar Crime
Mail Fraud and Wire Fraud
Mail Fraud
Wire Fraud
“Honest Services” fraud
Interstate transportation of stolen property
Racketeer influenced and corrupt organizations (RICO)
Prohibited activities
Criminal penalties
Civil remedies
False claims and statements
Statements or entries generally
Possession of false papers to defraud United States
Demands against the United States
Bank entries, reports and transactions
Loan and credit applications generally
Crop insurance
Conspiracy
False, fictitious, or fraudulent claims
Major fraud against the United States
Civil false claims Act
Program fraud civil remedies
Civil monetary penalty law

4. **Insurance Fraud Prevention Act**

5. **Federal Corruption Statutes**

Bribery of public officials and witnesses
Anti-kickback Act of 1986

The foreign corrupt practices Act

Theft or bribery concerning programs receiving federal funds

6. Federal Securities Law

Sarbanes-Oxley

7. Tax evasion, false returns, and failure to file

8. Bankruptcy fraud

9. Statutes relating to financial Institutions

Bank fraud

Injunctions against fraud

Fraud by bank personnel and receivers

Financial Institutions reform, recovery and enforcement Act

Financial Institution Anti-fraud enforcement Act 1990

Continuing financial crime enterprise statute

Participation in the affairs of a financial Institution by a convicted Felon

Fraudulent use of credit cards

The electronic funds transfer Act

10. Laws relating to Health Care Fraud

11. Identity Theft

Fraud and related activity in connection with identification documents and information

The Anti-Phishing Act of 2004

Aggravated identity theft

12. Telemarketing Fraud

13. Computers and Access Devices

Fraud and related activity in connection with access devices

Fraud in connection with computers

Prosecuting computers related frauds

14. **Internet Crime**

15. **Identifying and protecting Trade Secrets**

16. **Money Laundering**

Laundering of money instruments

Engaging in monetary transactions in property derived from specified unlawful activity

17. **Conspiracy and Aiding and Abetting**

Conspiracy

Aiding and abetting

18. **Obstruction of Justice**

Destruction, alteration, or falsification of records in Federal Investigations and Bankruptcy

Destruction of corporate Audit Records

Obstruction of Federal Audit

Obstructing Examination of financial institution

19. Perjury

20. **INDIVIDUAL RIGHTS DURING EXAMINATION**

Employee's Duty cooperate

Employee's rights during Investigation

Contractual rights

Whistleblowers

Employee's constitutional rights

21. INTERVIEWS

Employee's right against self-incrimination

Nature of the right

Miranda warnings

Public of corporate attorney

Employee's right to counsel

Applicability

Employee's right to due process

State constitutions

Federal statutes

National labor relations Act

Nondiscrimination statutes

Fair labor standards

22. COMMON LAW PROTECTION IN CONNECTION WITH INTERVIEWS

Invasion of privacy: Intrusion into seclusion

Invasion of privacy: Public disclosure of private facts

Outrageous Conduct: Intentional infliction of Emotional distress

Defamation

Good faith and fair dealing

Breach of implied contract

False imprisonment

23. COMMON LAW PROTECTIONS IN CONNECTION WITH SEARCHES AND SURVEILLANCE

Invasion of privacy: Intrusion into seclusion

Invasion of privacy: Public disclosure of private facts

Outrageous Conduct: Intentional of Emotional distress

Defamation

Good faith and fair dealing

Breach of implied contract

False imprisonment

Trespass

24. DISCHARGING A SUSPECTED WRONGDOER

Good cause

Negligent discharge

Breach of implied contract

Breach of the duty of good faith and fair dealing

Discharge in violation of public policy

25. CRIMINAL PROSECTUTION FOR FRAUD

Basic principles of criminal Law

Fourth Amendment

Fifth Amendment

Sixth Amendment

Fourteenth Amendment

26. ARREST AND INTERROGATION

Interrogation of suspects

27. THE CHARGING PROCESS

The grand jury

Immunity

Indictment and information

Arraignment

Prosecutorial discretion and plea bargains

The burden of proof in criminal trials
Pre-trial motions in criminal court
Motion to dismiss

28. THE TRIAL PROCESS

Jury selection
Opening statements
Presenting evidence
Common legal issues in fraud cases
Legal defenses
Closing arguments
Jury deliberations

29. SENTENCING

Sentencing guidelines
Sentencing of Organizations
Setting the amount of the fine
Effective program to detect and prevent violations of law
Due diligence
Appeal

30. THE CIVIL JUSTICE SYSTEM

Civil litigation
Beginning the civil action
The discovery stage
Pre-trial motions in civil court
Counterclaims and cross-claims

31. ALTERNATIVE DISPUTE RESOLUTION

Mediation

Arbitration

32. TRIAL OF A CIVIL CASE

33. FIDELITY BOND CLAIMS

34. BASIC PRINCIPLES OF EVIDENCE

Definition of evidence

Three types of evidence

Direct versus circumstantial evidence

Relevance

Special problems concerning some types of circumstantial evidence

Character evidence

Exception to the character rule

Opinion

Exceptions to the opinion rule

Exhibits

Laying the foundation for typical exhibits

Diagrams

Correspondence

Business records

Computer records

Photographs

General points

The “best evidence” rule

Chain of custody

35. HEARSAY

Exceptions to the Hearsay rule

The truth of the statement is not at Issue

Admissions
Statement against interest
Business and government records
Absence of an entry in business records
Recorded recollections
Former testimony
Present sense impressions
Then existing mental, emotional, or physical condition
Statements to medical personnel
Printed matter, learned treatises, refresher writings
Other exceptions

36. EXCLUDING ILLEGALLY SEZED EVIDENCE

Impeachment
Privileges
Attorney-Client privilege
The Attorney work product doctrine
Self evaluation privilege
Marital privilege
Law enforcement privilege to withhold the identity of an informant

37. EXPERT WITNESS TESTIMONY

Disclosure requirements under the federal rules of civil procedure

38. TESTIFYING AS AN EXPERT WITNESS

Introduction
Pre-trial preparation
Conflicts of interest
Preparing a report

Discoverability of expert's reports
The consulting expert exception
Keeping good files
Qualifying as an expert witness
Qualifications
Testimony
Daubert factors
Preparing to testify
Appearance
Do's and Don'ts
Direct examination cross-Examination
Myopic vision
Safety
Contradiction
New information
Support Opposing side's theory
Bias
Confrontation
Sounding board
Fees
Terms of Engagement
Discrediting the witness
Expressing an Opinion on Guilt

10. CRIMINOLOGY AND ETHICS

1. INTRODUCTION TO CRIMINOLOGY/UNDERSTANDING HUMAN BEHAVIOR

Applying behavior theory to a fraud case

Fraud as an Act of behavior

Behavioral analysis and the detection of fraud

Operant conditioning and the deterrence of fraud

Conclusion

2. WHY PEOPLE OBEY THE LAW

Instrumental perspective

Normative perspective

Legitimacy

Voluntary compliance

Measuring legitimacy and compliance

Legitimacy and compliance

Implications of the Chicago Study

The psychological variables

Legitimacy and experience

The meaning of procedural justice

Influence of control on the meaning of procedural justice

3. THEORIES OF CRIME CAUSATION

Classical criminology

Routine activities theory

Biological theories

Psychological theories

Cognitive theories

Integrated theories

Conditioning theory

Social structure theories
Theory of Anomie
Social process theories
Social learning theories
Theory of differential Association
Social control theory
Differential reinforcement theory

4. WHITE-COLLAR CRIME

What is white-Collar crime?
Public perceptions of white-Collar crime
National survey of crime severity ratings: Selected offenses stimuli
Donald R. Cressey
Cressey's Hypothesis
Non-shareable financial problems
The importance of solving the problem in secret
Perceived Opportunity
Rationalizations
Conjuncture of events
Conclusions
Dr. Steve Albrecht
The Albrecht study
The fraud scale
Richard C. Hollinger
The Hollinger – Clark study
Hypotheses of employee theft
2004 report to the Nation on Occupational fraud and abuse
Types of Organizations
Measuring the Cost of Occupational fraud

How Occupational fraud is Committed

Detecting Occupational fraud

Limiting fraud losses

The perpetrators

Case results

5. FRAUD PREVENTION PROGRAMS

Responsibility for fraud prevention

Vicarious or Imputed Liability

Responsibility (and Liability) of a Corporation's directors and Officers

The tread way commission

COSO recommendations

Control Environment

Risk Assessment

Control Activities

Information and Communication

Monitoring

6. CORPORATE SENTENCING GUIDELINES

Fines

Calculating the fine

Departures

Restitution

Remedial Orders

Probation

7. IMPLEMENTING AN EFFECTIVE COMPLIANCE PROGRAM UNDER THE:

Corporate sentencing Guidelines

Establishing standards

Assigning responsibility
Audit committees
Don't let the wolves guard the Hen House
Communicating the policy
Training employees
Achieving compliance
Proactive fraud policies
Management oversight
Monitoring systems
Disciplinary action
Appropriate responses
Relation of COSO and corporate sentencing guidelines
Sample corporate compliance policy

8. FRAUD PREVENTION STANDARDS UNDER SARBANES-OXLEY

Audit committee responsibilities
Overseeing audits
Receiving complaints
Composition of the Audit committee
Management responsibilities
Management's responsibility for Internal controls
Codes of Ethics for senior financial Officers
Certification Obligations
Whistleblower protection
Fraud prevention requirements for external Auditors
Attesting to Internal Controls
Restrictions on Non-Audit Activity

9. FRAUD PREVENTION POLICY

- Fraud policy objectives
- Selling fraud prevention to management
- The impact on the bottom line
- The impact of publicity

10. WRITING THE FRAUD POLICY

- Policy statement
- Scope of policy
- Actions constituting fraud
- Nonfraud irregularities
- Investigation responsibilities
- Confidentiality
- Authorization for investigation
- Reporting procedures
- Termination

11. COMMUNICATING THE FRAUD POLICY

- Orientation
- Memoranda
- Posters
- Employee morale
- Legal considerations

12. ETHICS PROGRAMS

- Origins of Ethics
- Ethics' current place in Business
- Ethics program development

13. SAMPLE CORPORATE COMPLIANCE PROGRAM

14. SAMPLE FRAUD POLICY

15. FRAUD POLICY DECISION MATRIX

16. SAMPLE CODES OF BUSINESS ETHICS AND CONDUCT

Introduction

Competition and Antitrust

Fair competition

Compliance with laws and regulatory Orders

Foreign corrupt practices Act

Conflicts of Interest

Gifts and Entertainment

Outside Employment

Relationships with suppliers and customers

Employment of relatives

17. CONFIDENTIAL INFORMATION AND PRIVACY OF COMMUNICATIONS

Confidential Information

Classified National security Information

18. COMPANY ASSETS

Cash and Bank Accounts

Company Assets and Transactions

Expense reimbursement

Company credit card

Software and computers

19. POLITICAL CONTRIBUTIONS

20. EMPLOYEE CONDUCT

Conduct on company Business

21. REPORTING VIOLATIONS

22. DISCIPLINE

23. COMPLIANCE LETTER AND CONFLICT OF INTEREST QUESTIONNAIRE

24. ETHICS FOR FRAUD EXAMINERS

What is Ethics?

An Ethical decision maker's role

Ethical decisions

25. MORALITY, ETHICS, AND LEGALITY

The High road

Philosophy, Ethics, and Law

Means and ends

26. VALUES AND PRINCIPLES

Values

Principles

The Imperative principle

The Utilitarian Principle

The Generalization principle

Some concluding remarks

11. FORENSIC ACCOUNTING IN FRAUD INVESTIGATION

1. ANALYZING DOCUMENTS

Chain of custody

Obtaining documentary evidence

Types of evidence

Organization of evidence

Chronologies

To-DO lists

- 2. EXAMINING FRAUDULENT DOCUMENTS**
- 3. EARLY CONSULTATION WITH AN EXPERT CAN PROVE VALUABLE**
- 4. TYPES OF FORENSIC DOCUMENT EXAMINATIONS**
- 5. HANDLING DOCUMENTS AS PHYSICAL EVIDENCE**
 - Preserving for fingerprint examinations
 - Charred or partially burned documents recognizing phony documents

- 6. IDENTIFYING WRITINGS**
 - Class characteristics
 - “Copy-book” Styles
 - “Copycat” Styles

- 7. NATURAL VARIATIONS, DISGUISE, AND DISTORTIONS**
 - Variation
 - Disguise
 - Distortions
 - Forgeries

- 8. THE DOCUMENT EXPERT’S FINDINGS**
 - Non-Identification
 - Identification
 - Inconclusive

- 9. HOW TO OBTAIN HANDWRITING SAMPLES**
 - Undictated writing samples
 - Dictated writing samples
 - Obtaining dictated handwriting samples by Court Order
 - Preparation for taking dictated handwriting samples

Directions for obtaining dictated handwriting samples

10. TYPEWRITERS AND COMPUTER PRINTERS

Typewriter ribbons could be evidence

Avoid taking unnecessary samples

Taking typewriter samples

11. PHOTOCOPIES

Identifying the source of a photocopy

Permanent “trash marks”

Transient “Trash Marks”

Taking photocopier samples

12. “DATING” A DOCUMENT

The “Alibi” Document

The “Long Lost” will

Valuable historical and collectible documents

Anachronisms in documentary materials

13. INDENTED WRITINGS

Developing indented writings

14. COUNTERFEIT PRINTED DOCUMENTS

Counterfeiting methods

Detecting counterfeits

15. FINGERPRINTS

Fingerprints on paper or other absorbent porous surfaces

Fingerprints on Hard, No-Porous surfaces

Fingerprint Comparison Standards

16. SOURCES FOR EXPERT DOCUMENT EXAMINATIONS

Law enforcement laboratories

Forensic document experts in private practice

Graphologists (Graphoanalysts)

FINANCIAL TRANSACTIONS AND FRAUD SCHEMES

1. ACCOUNTING CONCEPTS

Accounting basics

Accounts and the accounting Cycle

2. FINANCIAL STATEMENTS

Users of financial statements

3. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

GAPP Hierarchy

Basic Underlying Accounting principles

Historical cost

Revenue recognition

Matching

Consistency

Full disclosure

Objectivity

Separate entity assumption

Going concern-continuity assumption

Unit of measure

Periodicity-Time period assumption

4. DEPARTURES FROM GAAP-MODIFYING CONVENTIONS

Conservatism

Industry practices and peculiarities

Substance over form

Application of judgment

Materiality

Cost-Benefit

5. MANAGEMENT'S AND AUDITOROR'S RESPONSIBILITIES

Management

6. THE TREADWAY COMMISSION

Mandatory Independence Audit Committee

Written Charter

Resources and Authority

Informed, Vigilant, and Effective Audit Committees

The COSO report

7. CERTIFIED FORENSIC ACCOUNTANTS

8. HELP RESOLVE ALLEGATIONS OF FRAUD

9. OBTAIN EVIDENCE

10. TAKE STATEMENTS

11. WRITE REPORTS

12. TESTIFY TO FINDINGS

13. ASSIST IN THE DETECTION AND PREVENTION OF FRAUD

14. EXTERNAL AUDITORS

15. **PRIOR SAS TREATMENT OF FRAUD**
16. **SAS NO. 99 – *CONSIDERATION OF FRAUD IN A FINANCIAL STATEMENT AUDIT***
17. **DESCRIPTION AND CHARACTERISTICS OF FRAUD**
18. **IMPORTANCE OF EXERCISING PROFESSIONAL SKEPTICISM**
19. **DISCUSSION AMONG ENGAGEMENT PERSONNEL REGARDING RISK OF MATERIAL MISSTATEMENT DUE TO FRAUD**
20. **OBTAINING INFORMATION NEEDED TO IDENTIFY RISKS OF MATERIAL MISSTATEMENTS DUE TO FRAUD**
21. **IDENTIFYING RISKS THAT MAY RESULT IN MATERIAL MISSTATEMENTS DUE TO FRAUD**

Assessing the Identified risks after taking into Account an evaluation of the entity's programs and controls

22. **RESPONDING TO THE RESULTS OF THE ASSESSMENT**
23. **EVALUATING AUDIT EVIDENCE**
24. **COMMUNICATING ABOUT POSSIBLE FRAUD TO MANAGEMENT, THE AUDIT COMMITTEE, AND OTHERS**
25. **DOCUMENTING THE AUDITOR'S CONSIDERATION OF FRAUD**
26. **SAS NO. 96 – AUDIT DOCUMENTATION**
27. **PERFORMING AN ICOFR AUDIT**
28. **FRAUD CONSIDERATIONS**
29. **FORMING AN OPINION ON THE EFFECTIVENESS OF ICOFR**
30. **INTERNAL AUDITOR RESPONSIBILITIES**

Proficiency

Due professional care

Governance

31. GAO AUDITING STANDARDS

Applicability

32. ROLES AND RESPONSIBILITIES

Management

Auditors

33. TYPES OF GOVERNMENT AUDIT ENGAGEMENTS

Financial statement Audits and financial-Related Audits

Performance Audits

34. AUDIT STANDARDS

35. WHAT RED FLAGS ARE ASSOCIATED WITH TIMING DIFFERENCES

(including premature revenue recognition)?

36. IMPROPER ASSET VALUATION

Inventory valuation

Accounts receivable

Business combinations

Fixed assets

Understating assets

Capitalizing Nonassets Cost

Misclassifying Assets

What red flags are associated with Improper Asset valuation?

37. CONCEALED LIABILITIES AND EXPENSES

Liability/Expense Omissions

Capitalized Expenses

Returns and Allowances and warranties

What red flags are associated with concealed liabilities and expenses?

38. IMPROPER DISCLOSURES

Liability Omissions

Subsequent events

Management fraud

Related-party transactions

Accounting changes

What red flags are associated with Improper disclosures?

39. WHAT RED FLAGS ARE ASSOCIATED WITH FINANCIAL STATEMENT FRAUD GENERALLY?

40. DETECTION OF FRAUDULENT FINANCIAL STATEMENT SCHEMES

41. FINANCIAL STATEMENT ANALYSIS

Percentage analysis – Horizontal and Vertical

Vertical Analysis discussion

Horizontal Analysis discussion

Financial ratios in detail

Tax return review

Fraudulent financial statement red flags

42. INTERVIEWS IN FRAUDULENT FINANCIAL STATEMENT CASES

Interviewing Techniques

The Interview

43. PREVENTION OF FINANCIAL STATEMENT FRAUD

Auditors

Management

Reduce the Situational pressures that encourage statement fraud

Reduce the opportunity to commit

Reduce rationalization of fraud – strength employee personal integrity

44. ASSET MISAPPROPRIATION: CASH THEFT

Skimming

Sales skimming

Register manipulation

Skimming during Nonbusiness hours

Skimming of Off-site sales

Poor collection procedures

Understated sales

Theft of checks received through the mail

Check for currency substitutions

Skimming receivables

Forcing account balances or destroying transaction records

Lapping

Stolen statements

False account entries

Inventory padding

Detection of skimming schemes

Receipt or sales level detection

Journal entry review

Detecting lapping of sales or receivables

Prevention of skimming schemes

Receipt or sales level control

General controls

Skimming controls

45. CASH LARCENCY

Incoming cash

Theft of cash from the register

Other larceny of sales and receivables

46. CASH LARCENCY FROM THE DEPOSIT

Deposit Lapping

Deposits in Transit

47. DETECTION OF CASH LARCENCY

Receipt recording

Control objectives

Analytical review

Register detection

Cash account analysis

48. PREVENTION OF CASH LARCENCY

Segregation of duties

Assignment rotation and mandatory vacations

Surprise cash counts and procedure supervision

Physical security of cash

49. ASSET MISAPPROPRIATION: FRAUDULENT DISBURSEMENTS

Register disbursement schemes

50. FALSE REFUNDS

Fictitious refunds

Overstated refunds

Credit card refunds

51. FALSE VOIDS

52. CONCEALING REGISTER DISBURSEMENTS

Small disbursements

Destroying records

53. DETECTION OF REGISTER SCHEMES

Fictitious refunds or voided sales

Review and analysis of decreases in gross sales and/or increases in returns and allowances

Register scheme red flags

Prevention

54. CHECK TAMPERING

Forged maker schemes

Obtaining the check

To whom is the check made payable?

Forging the signature

Converting the check

55. FORGED ENDORSEMENT SCHEMES

Interception checks before delivery

Theft of returned checks

Re-routing the delivery of checks

Converting the stolen check

56. ALTERED PAYEE SCHEMES

Altering checks prepared by others: inserting a new payee

Altering checks prepared by Others: "Tackling On"

Altering checks prepared by the fraudster: Erasable Ink

Altering checks prepared by the fraudster: Blank checks

Converting altered checks

57. AUTHORIZED MAKER SCHEMES

Overriding controls through intimidation

Poor controls

58. CONCEALMENT

The fraudster reconciling the Bank statement

Re-Alteration of checks

Miscoding fraudulent checks

Re-Issuing Intercepted checks

Bogus supporting documents

59. DETECTION

Account analysis through cut-Off statements

Bank reconciliations

Bank confirmation

Check-Tampering red flags

60. PREVENTION

Check disbursement controls

Bank-Assisted controls

Physical Tampering prevention

Check theft control procedures

61. BILLING SCHEMES

62. INVOICING VIA SHELL COMPANIES

Forming a shell company

Submitting false invoices

Self-Approval of fraudulent Invoices

“Rubber Stamp” Supervisors

Reliance on false documents

Collusion

Purchases of services rather than goods

Pass-through schemes

63. INVOICING VIA NONACCOMPLICE VENDORS

Pay-and-return schemes

Over billing with a Nonaccomplice vendor’s Invoices

64. PERSONAL PURCHASES WITH COMPANY FUNDS

Personal purchases through false Invoicing

Personal purchases on Credit Cards or Other Company Accounts

65. DETECTION

Analytical review

Computer-Assisted Analytical Review

Statistical sampling

Vendor or Outsider complaints

Site visit – Observation

Sample Audit program

66. PREVENTION

Education (Training)

Compensation

Proper documentation

Proper Approvals

Segregation of Duties

Hotlines

Competitive bidding

Prevention checklist

67. PAYROLL FRAUD

68. GHOST EMPLOYEES

Adding the Ghost to the Payroll

Collecting timekeeping information

Issuing the Ghost's paycheck

Delivery of the paycheck

69. FALSIFIED HOURS AND SALARY

Manually prepared timecards

Timeclocks and other automated timekeeping systems

Rates of pay

70. COMMISSION SCHEMS

Fictitious sales

Altered sales

Altering commission rates

71. DETECTION OF PAYROLL SCHEMES

Independent payroll distribution

Analysis of payee address or accounts

Duplicate identification numbers

Overtime authorization

Commissions

Analysis of deductions from payroll checks

72. PREVENTION OF PAYROLL SCHEMES

Segregation of duties

Periodic review and analysis of payroll

Indicators of payroll fraud

73. EXPENSE REIMBURSEMENT SCHEMES

Mischaracterized expense reimbursements

Overstated expense reimbursements

Altered receipts

Over purchasing

Overstating another employee's expenses

Orders to overstate expenses

74. FICTITIOUS EXPENSE REIMBURSEMENTS

Producing fictitious receipts

Obtaining blank receipts from vendors

Claiming the expenses of others

75. MULTIPLE REIMBURSEMENTS

76. DETECTION OF EXPENSE REIMBURSEMENT SCHEMES

Review and analysis of expense accounts

Details review of expense reports

77. PREVENTION OF EXPENSE REIMBURSEMENT SCHEMES

Detailed expense reports: submission and review

78. MISUES OF INVENTORY AND OTHER ASSETS

The costs of inventory misuse

79. THEFT OF INVENTORY AND OTHER ASSETS

Larceny schemes

The false sale

80. ASSET REQUISITIONS AND TRANSFERS

81. PURCHASING AND RECEIVING SCHEMES

Falsifying incoming shipments

82. FALSE SHIPMENTS OF INVENTORY AND OTHER ASSETS

83. CONCEALING INVENTORY SHRINKAGE

Altered inventory records

Fictitious sales and accounts receivable

Write off of inventory and other assets

Physical padding

84. DETECTION

Statistical sampling

Perpetual inventory records

Shipping documents

Physical inventory counts

Analytical review

Computer-Generated Trend analysis

Detailed Audit program

85. PREVENTION

Proper documentation

Segregation of duties

Independent checks

Physical safeguards

86. BRIBERY AND CORRUPTION

Bribery

87. KICKBACK SCHEMES

Diverting business to vendors

Overbilling schemes

88. BID-RIGGING SCHEMES

The presolicitation phase

The solicitation phase

The submission phase

89. ECONOMIC EXTORTION

90. ILLEGAL GRATUITIES

91. METHODS OF MAKING ILLEGAL PAYMENTS

Gifts, Travel, and Entertainment

Cash payments

Checks and other financial Instruments

Hidden Interests

Loans

Payment of credit card bills

Transfer at other than fair market value

Promises of favorable treatment

92. DETECTION

Red flags of bribery schemes

The corrupt recipient

The corrupt payer

General purchasing

Presolicitation

Bid solicitation

Bid submission or contract acceptance

93. METHODS OF PROVING CORRUPT PAYMENTS

The business profile – Analysis

Sources of information for the business profile

94. PROVING ON-BOOK PAYMENTS

Fictitious disbursement schemes

Ghost employee's schemes

Over billing schemes

95. PROVING OFF-NOOK PAYMENTS

Indirect evidence of unrecorded sales on the suspect company's

Books and records

Unbalanced ratios of cost to sales

Investigation in the marketplace

Proving payments in cash

96. CONFLICTS OF INTEREST

Purchase schemes

Unique assets

Turnaround sales

97. SALES SCHEMES

Under billings

Writing off sales

98. OTHER SCHEMES

Business diversions

Resource diversions

Financial interest in companies under perpetrator's supervision

Financial disclosure

Appearance of conflict of interest

99. DETECTION

Tips and complaints

Comparison of Vendor addresses with employee addresses

Review of Vendor ownership files

Review of exist interviews and comparisons of Vendor

Addresses to addresses of subsequent employers

Interviews of purchasing personnel for favorable treatment of one or more Vendors

100. PREVENTION

101. FINANCIAL INSTITUTION FRAUD

Embezzlement schemes

Types of embezzlement schemes

False accounting entries

Unauthorized withdrawals

Unauthorized disbursement of funds to outsiders

Paying personal expenses from Bank funds

Theft of physical property

Moving money from customers' dormant or Inactive Accounts

Unauthorized, unrecorded cash payments

Theft and other unauthorized use of collateral

Detection methods

102. LOAN FRAUD

Financial institution failure as a result of real estate loan fraud

Common loan fraud schemes

Loans to nonexistent borrowers

Sham loans with kickbacks and diversion

Double-pledging collateral

Reciprocal loan arrangements

Swapping bad loans – daisy chains

Linked financing

False applications with false credit information

Single-family housing loan fraud

Construction loans

103. RED FLAGS OF LOAN FRAUD

Nonperforming loans

High turnover in developer's personnel

High turnover in tenant mix

Increased change orders

Missing documentation

Loan increases or extensions, replacement loans

Cash flow deficiencies

Change in ownership makeup

Disguised transactions

104. REAL ESTATE FRAUD

Appraisal fraud

The role of the appraiser

Fundamentals of real estate appraisals

Determining "Value"

Valuation methods

Fraudulent appraisals

Uses for fraudulent appraisals

Red flags of “Made-as-Instructed” appraisals

Detecting fraudulent appraisals

105. MORTGAGE-BACKED SECURITIES

106. EQUITY SKIMMING

107. LAND FLIPS

Nominee or strawman loans

Mortgage-pilling

108. NEW ACCOUNT FRAUD SCHEMES

False identification

Business accounts using stolen checks

Personal accounts using fraudulent checks

Prevention

Personal accounts

Business accounts

109. DETECTION

110. MONEY TRANSFER (WIRE) FRAUD SCHEMES

Instantaneous transfer

111. COMMON SCHEMES

Dishonest Bank employees

Misrepresentation of identity

System password security compromised

Forged authorizations

Unauthorized entry and interception

112. PREVENTING AND DETECTING WIRE TRANSFER FRAUD

Business Audits

Bank Audits

113. AUTOMATED TELLER MACHINE (ATM) FRAUD

Detection

114. ADVANCED FEE FRAUD

Red flags

Brokered loans

115. LETTER-OF-CREDIT FRAUD

116. INSIDE/OUTSIDE FRAUDS

Account information frauds

Trading activities

117. PREVENTION

Loan origination, underwriting, closing, disbursement, and servicing segregation

Committee approval of all large or unusual transactions

Transfer journal entries and orders review

Independent review of loans

Management review of write-offs

Routine examination of officers' accounts

Proper lending policies

Document requirements for standards transactions

Information verification (for example, loan applications)

Employee training

Standardized procedures

118. SUSPICIOUS ACTIVITY REPORTS

119. APPLICABLE FEDERAL STATUTES

120. BANK FRAUD

PROFESSIONAL LEVEL-3

13. EXPERT INTERVIEW SKILLS IN FORENSIC ACCOUNTING

1. INTERVIEW THEORY AND APPLICATION

Preparation

Characteristics of a good Interview

Characteristics of a good Interviewer

2. QUESTION TYPOLOGY

Introductory questions

Informational questions

Closing questions

Assessment questions

Admission-seeking questions

3. LEGAL ELEMENTS OF INTERVIEWING

Legal Authority to conduct Interviews

Use of Deception in Interviews

Frazier vs. Cupp

4. ELEMENTS OF CONVERSATION

Expression

Persuasion

Therapy

Ritual

Information Exchange

5. INHIBITORS OF COMMUNICATION

6. COMPETING DEMANDS FOR TIME

7. EGO THREAT

Repression

Disapproval

Loss of status

8. ETIQUETTE

9. TRAUMA

10. FORGETTING

11. CHRONOLOGICAL CONFUSION

12. INFERENTIAL CONFUSION

13. UNCONSCIOUS BEHAVIOR

14. FACILITATORS OF COMMUNICATION

Fulfilling expectations

Recognition

Altruistic Appeals

Sympathetic Understanding

New experience

Catharsis

Need for meaning

Extrinsic rewards

15. INTRODUCTORY QUESTIONS

Provide the introduction

Establish rapport

Establish the interview theme
Observe reactions
Theme development
Methodology
Physical contact
Establish the purpose of interview
Don't interview more than one person
Privacy
Ask nonsensitive questions
Get a commitment for Assistance
Establish transitional statement
Seek continuous agreement
Do not invade body space

16. INFORMATIONAL QUESTIONS

Open questions
Closed questions
Leading questions

17. DOUBLE-NEGATIVE QUESTIONS

18. COMPLEX QUESTIONS

19. ATTITUDE QUESTIONS

20. QUESTION SEQUENCES

21. CONTROLLED ANSWER TECHNIQUES

22. FREE NARRATIVES

23. INFORMATIONAL QUESTION TECHNIQUES

24. NOTE-TAKING

Maintain Eye contact
Opinions

Writing down questions

Documenting results

25. OBSERVING INTERVIEW REACTIONS

Proxemics

Chronemics

Kinetics

Paralinguistic's

26. THEME DEVELOPMENT

27. METHODOLOGY

Begin with background questions

Observe verbal and Nonverbal behavior

Ask nonleading (Open) questions

Approach sensitive questions carefully

28. DEALING WITH RESISTANCE

“I’m Too Busy”

“I don’t know anything about it”

“I don’t remember”

“What do you mean by that?”

29. DIFFICULT PEOPLE

Don’t react

Disarm the person

Change tactics

Make it easy to say “Yes”

Make it hard to say “No”

30. VOLATILE INTERVIEWS

Physical symptoms

Other considerations

Overcoming objections

31. ASSESSMENT QUESTIONS

Norming or calibrating

Physiology of deception

Verbal clues

Nonverbal clues

32. METHODOLOGY

33. CLOSING QUESTIONS

34. ADMISSION-SEEKING QUESTIONS

35. PURPOSE OF QUESTIONS

36. PREPARATION

Interview Room

Presence of Outsiders

Miranda warnings

37. THEME DEVELOPMENT

38. STEPS IN THE ADMISSION-SEEKING INTERVIEW

Direct accusation

Observe reaction

Repeat accusation

Interrupt denials

Delays

Interruptions

Reasoning

Establish rationalization

Unfair treatment
Inadequate recognition
Financial problems
Aberration of conduct
Family problems
Accuser's actions
Stress, drugs, and alcohol
Revenge
Depersonalizing the victim
Minor moral infraction
Altruism

39. GENUINE NEED

Diffuse Alibis
Display physical evidence
Discuss witnesses
Discuss deceptions
Present Alternative
Benchmark Admission
Reinforce rationalization
Verbal confession motive for Offense
Others involved
Physical evidence
Specifics of each Offense

40. KINESIC INTERVIEW AND INTERROGATION

Self-Initiated Verbal statements
Prompted verbal responses
Structured questions
Nonverbal behavior/body language

41. CRITERIA-BASED STATEMENT ANALYSIS

- Parts of speech
- Pronouns
- Possessive pronouns
- Verbs
- Balance of the statement
- General characteristics
- Specific content
- Peculiarities of content

42. THE COGNITIVE INTERVIEW TECHNIQUE

- The Narrative phase
- Reconstruct the circumstances of the event
- Instruct the Eyewitness to report everything and be complete
- Recall the events in different Orders
- Change perspective

43. SPECIFIC ITEMS OF INFORMATION

- Physical Appearance
- Names
- Number
- Speech characteristics
- Conversation

14. Litigation Support in Forensic Accountant

15. Expert Witnessing in Forensic Accounting

16. Expert Forensic Accounting Reporting