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Assessment 1: Answer

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SHORT QUESTIONS:

I. **What is a fraud?**

Answer: The use of one's occupation for personal enrichment through the deliberate misuse of misapplication of the employing organization's resources or assets. Act or course of deception, an intentional concealment, omission, or perversion of truth, to (1) gain unlawful or unfair advantage, (2) induce another to part with some valuable item or surrender a legal right, or (3) inflict injury in some manner. Willful fraud is a criminal offense which calls for severe penalties, and its prosecution and punishment (like that of a murder) is not bound by the statute of limitations.

II. **What skills are most important to the successful practice of forensic accounting?**

- Answer: The most important skills to successful practice of Forensic Accounting are: Ability to identify fraud with minimal initial information, Interviewing skills, Develop a mindset enabling her to to sense whether something is not right without actually knowing the nature of the anomaly, Knowledge of evidence, Presentation of findings, Knowledge of investigative techniques , Investigative skills, and Investigative mentality

III. **What qualities of mind and or/body should a Forensic Accountant posses?**

Answer: Interpersonal, analytical, Intelligence/Intuitive, Confidence, Resilient, Common sense, Calm, methodical, Collegiality, Flexible, Integrity

IV. **Outline basic steps involved in Fraud Investigation**

Answer: Accepting the investigation, Reporting, Court Proceedings, Plan the Investigation and Gathering evidence.

V. **How would you distinguish Forensic Accounting, Fraud Auditing and Investigative Auditing from financial Accounting?**

Answer: The distinction of the Forensic Accounting, Fraud Auditing and Investigative Auditing from Financial Accounting is that, the first three mentioned was for the purpose of detection of Fraud or anomalies based on the evidences gathered that leads to legal outcome. However, the Financial Accounting refers to gathering and summarizing financial data to prepare a financial report for the organizations management.

CASE STUDY:

1. **How the investigation for the above case should be started?**

The investigation has to starts from accepting the investigation to determine if the team has the required skills and experience to undertake the job.

2. **Outline Some documents which you think can help disclose the administrator's fraud activities.**

Documents needed are the receipts being presented for reimbursements, the rent a car Invoice and mileage history to verify the person accountable on the car, the credit card statement of the board being used for his personal car gas and payments to his entertainment during weekend to verify the usage of the card if used for business purposes (to include investigation of the date, merchant and amounts used)

3. **if the Forensic Accountant is to be hired, how should he be chosen?**

The Forensic accountant should be the one with experience in Asset misappropriation fraud investigation, analytical skills, skeptical with the ability to identify the fraud with minimal initial information, interviewing skills, mindset to sense the whether there is something is not right without actually knowing the nature of the anomaly, knowledge of the evidence and able to present the findings, knowledge of the investigative techniques, skills and mentality.

4. **Should the administrator be interviewed? If so, at which stage?**

Yes, the administrative should be interviewed after gathering and thoroughly examine the sufficient and corroborative evidences that the Forensic Accountant should be presenting to the board.