Assignment Cover Sheet

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Course:	DIPLOMA IN FORENSIC ACCOUNTING
Assignment NO:	06

Marking Criteria:

We expect the learners to write minimum one well expressed point in three lines against each allocated mark. This means one needs to write 15 lines with 5 well expressed points to get high grades for a 5 marks question.

For high grades use examples and illustrations where appropriate.

Question 1

i. What does the term 'best evidence' mean?

Best evidence refers to a rule of evidence that requires the original of a recording, writing, a photograph or whichever document in order to prove its contents. Where the best evidence rule applies, copies of the original will not be accepted with certain exceptions such as the original document is unavailable due to no fault of the party offering the evidence such as the original being in possession of the adverse party.

ii. Why is it important to keep collected evidence in a well organised manner?

It is important to keep evidence in a well organised manner to ensure easier tracking, for financial crime investigations create large volumes of evidence. Organisation ensures that the nature of the evidence is maintained and that the chain of custody is maintained. You can keep evidence organised by giving each of them a unique identifier and stamping and storing them sequentially for easy referencing.

iii. List the devices which could help when collecting evidence.

When it comes to financial crime investigations, the devises that could help when collecting evidence include:

- Digital cameras
- Voice recorders
- Copier machines
- Computers
- Cellphones
- Removable storage devices, i.e., flash disks and external hard drives.

iv. Which points should be considered when planning for the evidence gathering process?

The points that should be considered when planning are as follows:

- The source of the evidence needs to be determined so that if the evidence is in possession of the party requesting for the investigation, then the investigator is able to obtain the documents required. However, if the documents are in possession of other parties or uncontrolled locations, specific legal actions is required such as subpoenas or court orders before attempting to obtain them.
- The period or duration of interest is important for it will determine the scope of the investigation.
- Considering the document retention policies for the firm under investigation will determine the availability of evidence.
- The nature of the alleged crime will determine whether the evidence is available in the organization under investigation.
- Planning will inform whether involvement of experts is required, for example, forensic IT experts.

v. What are the ‘working papers’? Which type of information do they contain?

Working papers are the summaries and analyses of factual material which are usually the basis of the testimony in cases of litigation. Different investigations produce different working papers but they typically consist of accounting records, public record searches, documentation specifying chain of custody, interview notes and third party information amongst others.

vi. Outline the main steps involved in evidence gathering process.

- ❖ Determination of eligibility for consent.
- ❖ Understanding the business process of interest and standard operating procedures.
- ❖ Planning considerations on the mode of collection of evidence, that is, interviews, third party consultations, questionnaires or observation.
- ❖ Review of the processes, transactions and records.
- ❖ Document retention gathering, preservation and creation of a chain of custody.

vii. Which types of documents are collected in the evidence gathering process and what could be the possible sources of these?

Documents from the victim.

These should be collected as soon as the investigator receives a complaint or an allegation for there is a great possibility that they will be lost or destroyed. They include business records, correspondences, that is, emails or letters and written and signed statements from witnesses and complainants.

Documents from third parties.

These can be government records or documents associates such as suppliers and bank records.

Documents from the suspect.

These can be in the form of confessions or correspondences.

2. Evidence is required to support any investigation of financial crime. Discuss various types of evidence used in financial crime investigations.

- ❖ Direct evidence is evidence that proves the existence or absence of a fact, directly. They include eye witness testimony or confessions.
- ❖ Circumstantial evidence uses inference to prove the existence or absence of a fact.
- ❖ Oral evidence which can be presented as voice recordings or testimonies.
- ❖ Documentary evidence which can be in the form of business records or written and signed statements.
- ❖ Real or physical evidence are tangible objects that corroborate the commission of a crime.

3. Evidence gathered in financial crime cases is different form the one gathered in non-financial crime cases. What is the basic difference in the composition of these two types of evidence?

The difference between financial crimes and nonfinancial crimes is the composition of evidence. We encounter real evidence such as fingerprints, knives, guns to prove non-financial crimes such as murders and burglaries. In financial fraud cases, documentary evidence makes up the bulk of the evidence, such as financial records, contracts and letters.

Nonfinancial crime cases are often characterised by admission of direct evidence. Direct evidence includes testimony that tends to prove or disprove a fact in issue directly, such as eyewitness testimony or a confession. Financial crime cases are mostly solved using circumstantial evidence alone or in combination with direct evidence. Circumstantial evidence is evidence that proves or disapproves a fact in issue indirectly or by inference. Circumstantial evidence is used to prove fraudulent intent or motive.

Student Statement:

By submitting this assignment, I confirm that this is my own work.

Student Signature	S.W.A.N.	Date	12/05/2020

For Tutor / Assessor Use Only

Total Marks	
Marks Obtained	
Percentage / Grade	