

CHAPTER 9

MODERN CONCEPTS IN ACCOUNTING

FORENSIC ACCOUNTING

ACCORDING TO SINGLETON AND SINGLETON " FORENSIC ACCOUNTING INVOLVES FRAUD INVESTIGATION , DETECTION AND PREVENTION OF FRAUD AND ANALYSING ANTIFRAUD CONTROLS AFTER GATHERING NON FINANCIAL INFORMATION.

FEATURES:

- SPECIAL SKILLS IN ACCOUNTING, AUDITING, FINANCE, QUANTITATIVE METHODS, THE LAW AND RESEARCH.
- QUANTITATIVE SKILL TO COLLECT ,ANALYZE AND EVALUATE FINANCIAL EVIDENCE ,AS WELL AS THE ABILITY TO INTERPRET AND COMMUNICATE FINDINGS.
- FINANCIAL SKILLS AND AN INVESTIGATIVE MENTALITY TO UNRESOLVED ISSUES , CONDUCTED WITHIN THE CONTEXT OF RULES OF EVIDENCE.
- FRAUD INVESTIGATION , DETECTION AND PREVENTION OF FRAUD AND ANALYSING ANTIFRAUD CONTROLS AFTER GATHERING NON FINANCIAL INFORMATION.
- SPECIALTY PRACTICE AREA OF ACCOUNTANCY THAT EXPLAINS ENGAGEMENTS WHICH RESULTS FROM ACTUAL OR ANTICIPATED DISPUTES OR LITIGATION
- SIGNIFICANT IMPROVEMENT IN THE QUALITY OF FRAUD DETECTION AND PREVENTION.

NEED AND IMPORTANCE

- LAWFULL ISSUES
- FALSE MOVEMENT FROM ORGANIZATION
- FINANCIAL ACTIVITIES

BENEFITS

- MINIMIZED LOSSES
- IMPROVED EFFICIENCY
- REDUCED EXPLOITATION RISK
- AVOIDANCE OF LEGAL PROBLEMS
- IMPROVED BRAND REPUTATION AND AUTHORITY

DETECTION TECHNIQUES USED IN FORENSIC ACCOUNTING

- CONDUCTING INTERVIEWS
- REVIEWING PUBLIC DOCUMENTS AND DOING BACKGROUND CHECKS
- ANALYSING THE FINANCIAL STATEMENTS
- BENFORDS LAW
- RATIO ANALYSIS
- DATA MINING
- COMPUTER ASSISTED AUDITING TOOLS
- CRITICAL POINT AUDITING
- PROPRIETY AUDIT