Forensic Accountants in the Digital Age

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Abstract
This research paper aims at studying the dramatic changes that are occurring in the accounting environment such as: the new technologies which have an impact on many financial statement filings, new services that accountants are involved in and the need for specialized online database research skills which are continuously expanding. In response to these changes in the accounting environment, accountants need to have the ability to cope with these changes: the need to develop skills in thinking and writing, the need to practice knowledge application of research to problems, and the need to use online databases as tools in gathering and organizing the evidence for the investigation of an accounting issue. Therefore, this study encourages accountants to conduct practical accounting research in a systematic way which encompasses the following processes: identify the relevant facts and issues; collect the evidence; analyze the results and identify the alternatives; develop a conclusion; and communicate the results. Furthermore, this study presents techniques and methodology to help accountants’ ability to investigate the financial irregularities in the current accounting environment and to develop accountants’ skills in both critical thinking and effective writing which in turn will enable them to cope with the accounting changing environment and services.

Keywords: Forensic Accountants, Digital Age, Fraud Investigations, Computer crime, Business Databases.

1. Introduction
The accounting profession is witnessing major changes due to changes in technology. In addition to the traditional accounting services, accountants are involved in such services such as attestation reviews, forensic accounting, and fraud examinations. Today’s accountants must possess the knowledge to remain updated and the skills to critically analyze various problems. Listening effectively and understanding opposing points of view are also critical skills for accountants. Often, accountants must present and defend their own views through formal and informal communications. Professional research and communication skills are essential in this environment.

In response to these changes, understanding how to perform accounting research/investigation is becoming of utmost importance. Success in the profession depends on accountants’ ability to effectively and efficiently research, analyze, communicate, and master other key business skills. This study argues that accountants need practice to apply the knowledge of research to problems in order to develop effective skills in research and analysis by focusing on today’s professional accountants who use online databases to find justifiable authoritative solution’s to accounting, and fraud investigations of problems. The objective of conducting this type of accounting research is a systematic investigation of an issue or problem which requires utilizing the accountant’s professional judgment. Therefore, various skills are needed in order to enhance awareness the
accountant’s critical thinking and effective writing skills for future practice and of technological advancements and business databases (Resnick, 1987; Boostrom, 1992).

The remainder of this study is divided into five sections. The next section presents a theoretical background of this study. Section three provides a literature review. The fourth section presents the research methodology and describes the research method adapted. The fifth section presents the results and the analysis followed by the conclusion section.

2. Theoretical Background

Dramatic changes are occurring in the accounting environment: new technologies have an impact on many financial statement filings, and the need for specialized online database research skills continues to expand.

In the accounting profession, research points to what the accounting practitioner does as an everyday normal part of his or her job. In today’s environment, to become proficient in accounting, accountants must also possess the skills to use various professional databases, which are increasingly available on the Web. Using professional databases for research is even required on the computerized CPA exam.

The professional accountant becomes frequently involved in the investigation and analysis of an accounting issue. Resolving these issues requires formulating a clear definition of the problem, using professional databases to search for the relevant authorities, reviewing the authoritative literature, evaluating alternatives, drawing conclusions, and communicating the results. This part of the research process often requires an analysis of very complex and detailed issues.

Therefore, researching such issues will challenge the critical thinking abilities of the professional accountant. In other words, the professional accountant must possess the expertise to understand the relevant facts and render a professional judgment, even in some situations where no single definitive answer or solution exists. In such cases, the accountant would apply professional judgment in the development of an answer to the issue or problem at hand.

The accountant, as an examiner/investigator, should possess certain desired characteristics that aid in the investigation process like any other research process. These characteristics include inquisitiveness, open-mindedness, thoroughness, patience, and perseverance (Wallace, 1983). Inquisitiveness is needed while gathering the relevant facts to obtain a clear picture of the research problem. Proper problem definition or issue identification is the most critical component of the research. An improperly stated issue usually leads to the wrong conclusion, no matter how the research process carefully is implemented. The accountant must carefully examine the facts, obtain and review authoritative literature, evaluate alternatives, and then draw conclusions based on research evidence. The implementation of an efficient research project requires thoroughness and patience. This is emphasized in both the planning stage, where all relevant facts are identified, and the research stage, where all extraneous information is controlled. Finally, the accountant must work persistently in order to finish the research on a timely basis.

Perhaps the most important characteristic of the research process is its ability to add value to the services provided. A professional accountant not only renders an opinion on a client’s financial statement, but also identifies available reporting alternatives that may benefit the client. A professional accountant not only prepares the returns, but suggests tax planning for future transactions. The ability of an accountant to provide relevant information becomes more important as the competition among accounting firms for clients becomes more intense and the potential

3 The *American Heritage Dictionary* defines critical as "characterized by careful and exact evaluation and judgment".
significance and enforcement of penalties become more common. Accountants who identify reporting alternatives that provide benefits or avoid pitfalls will provide a strong competitive edge for their employers. Providing these tangible benefits to clients through careful and thorough examination is essential in today’s accounting environment.

Perhaps a client requests the accountant’s help to determine if evidence exists of vendor kickbacks to certain employees in the purchasing department. Possibly, a company’s legal counsel may hire an accountant to determine whether an officer of the company has any hidden assets as a result of an embezzlement scheme he or she carried out (Albrecht et al., 1995). The accountant may need to conduct certain background checks (due diligence checks) on potential strategic partners of a proposed joint venture. These are a few examples of value-added forensic accounting services offered by accounting firms to their clients. Other common fraud auditor/examiner engagements in relation to an audit client could include the following (Weirich et al., 2010):

- Providing assistance to the audit team in assessing the risk of fraud and other illegal acts.
- Providing assistance to the audit team in investigating potential fraud or other illegal acts.
- Conducting fact-finding forensic accounting studies of alleged fraud that could include bribery, securities fraud, money laundering, retail fraud, or theft of intellectual property.
- Conducting due diligence studies that could include public record checks or background checks on individuals in a hiring situation or on entities in a potential acquisition.
- Consulting as to the implementation of fraud prevention, deterrence, and detection programs.

These examples of fraud engagements demand that the accountant as an investigator should possess unique research skills in addition to the traditional skills of an accountant.

Furthermore, the connection between accounting and computer crimes and fraud is both straightforward and important (Bagranoff et al., 2010). Managers, accountants, and investors all use computerized financial accounting information to control valuable resources, authenticate accounting transactions, and make investment decisions. But the effectiveness of these activities can be lost if the underlying information is wrong, incomplete, or seriously compromised. This is why digital information in itself is a valuable asset that must be protected. The more managers and accountants know about computer crimes and fraud, the better they can assess risks and implement control to protect organizational assets.

Although the terms “computer crime” and “computer abuse” seem to describe the same problem, there is a subtle difference between them⁴. The type of computer crime with which most professional accountants are familiar is financial fraud. Statement on Auditing Standards No. 99 identifies two types of fraud; (1) fraudulent financial reporting and (2) misappropriation of assets⁵. Although data on computer crimes and fraud are limited, at least three reputable organizations conduct surveys that help us understand the breadth and depth of these crimes⁶.

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⁴ Computer crime involves the manipulation of a computer or computer data, by whatever method, to dishonestly obtain money, property, or some other advantage of value, or cause a loss. In contrast, computer abuse means the unauthorized use of, or access to, a computer for purposes contrary to the wishes of the computer’s owner. Vogon International website: www.vogon-international.co.uk.


⁶ First, the Computer Security Institute (CSI) survey. Second, KPMG survey, and third the Association of Certified Fraud Examiners (ACFE) survey.
3. Literature Review

In general, the research process is often defined as a scientific method of inquiry, a systematic study of a particular field of knowledge in order to discover scientific facts or principles. An operational definition of research encompasses the following process (see Luck et al., 1961):

1. Investigate and analyze a clearly defined issue or problem.
2. Use an appropriate scientific approach.
4. Employ logical reasoning in drawing conclusions.
5. Support the validity or reasonableness of the conclusions.

With this general understanding of the research process, practical accounting research is defined as follows:

A systematic and logical approach of employing critical thinking skills to obtain and document evidence (authorities) underlying a conclusion relating to an accounting issue or problem.

Therefore, the accountant must identify the problem or issue, gather the relevant facts, analyze the issue(s), synthesize and evaluate alternatives, develop an appropriate solution, and effectively communicate the desired information. Such skills are essential for the professional accountant in providing services in today’s complex, dynamic, and changing profession. In this environment, the professional accountant must possess not only the ability to think critically, which includes the ability to understand a variety of contexts and circumstances, but also to apply and adapt various accounting concepts and principles to these circumstances in order to develop the best solutions. The development and nurturing of critical thinking skills will also contribute to the process of lifelong learning that is needed for today’s professional accountants. The dissemination of your research, in whatever form, will require effective communication skills for both oral presentations and written documents.

In addition to the typical accounting services rendered by accountants, the profession is rapidly moving into other value-added services known as fraud investigation (or litigation support) or the broader, more comprehensive term of forensic accounting. The terms forensic accounting and litigation support generally imply the use of accounting in a court of law. Thus, the services of an accountant in a fraud investigation or court case are often referred to as forensic accounting or litigation support services.

Fraud is a major problem for most organizations (Albrecht et al., 1995). Stories about fraud often appear in newspapers and business periodicals. A review of such articles reveals that fraud is not perpetrated only against large organizations. One report in a business magazine has estimated that 80 percent of all crimes involving businesses are associated with small businesses. Although the full impact of fraud within organizations is unknown, various national surveys have reported that annual fraud costs of U.S. organizations exceed $900 billion (or 7 percent of their revenues) and they are

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8 More detailed discussion of the fraud can be found in the following: G. Jack Bologna and Robert J. Lindquist, Fraud Auditing and Forensic Accounting 2nd Ed. (New York: John Wiley & Sons, Inc., 1995); W. Steve Albrecht et al., Fraud Examination (Cincinnati: South-Western/ Cengage, 2009); and Association of Certified Fraud Examiners, Fraud Examiners Manual, annual editions.
increasing (Weirich et al., 2010). Fraud examinations and background checks are not easy tasks. One must have the proper training, skills, and experience to conduct a successful fraud investigation. Therefore, this study concentrates on these issues to fill this gap.

4. Methodology
Research is often classified as either theoretical research or applied research. Theoretical research investigates questions that appear to be interesting to the researcher but may have little or no practical application at the present time. Applied research, which is the focus of this research, investigates an issue of immediate practical importance. One type of applied research is known as a priori (before the fact) research. This research is conducted before the client actually enters into the transaction. Applied research is related to a completed event which is known as a posteriori (after the fact) research. Frequently, many advantages accrue to conducting a priori rather than a posteriori research. For example, if the research reveals that a proposed transaction will have an unfavorable impact on the financial statement, the client can abandon the transaction or possibly restructure it to avoid undesirable consequences. However, these options are not available before a transaction is completed.

This study focuses on applied research, known as professional accounting examinations. Today’s practitioner must conduct research effectively and efficiently in order to reach appropriate and timely conclusions regarding the issues at hand. Effectiveness is critical in order to confirm how an accountant proceeds in a fraud investigation.

Responding to this often-complex question has generally become more difficult and time-consuming as the financial accounting and reporting requirements increase in number and complexity. The research process is often more complicated when the accountant researches a practical issue or question for which no applicable authoritative literature exists. Furthermore, undertaking research in the field of social sciences requires many ways to adopt, and this applies to accounting as a social practice. One of which is the case study, which is preferable for questions to “why” or “how”, because the researcher has “no control over events” (Yin, 1984) and such questions deal with operational links which need to be traced over time, rather than by frequency, and will focus on a contemporary phenomenon within a real-life context to be able to locate practice in its historical, as well as its economic and social contexts (Yin, 1989; Scapens, 1990, Bawaneh, 1997; 2011b).

This study conducts a case study method on fraud and business integrity to help determine the scope of computer crimes and fraud. The participants are the business professionals, computer security practitioners, and accountants in Jordan corporations, government agencies, and financial institutions. Thus, the case study approach helped this study to deal with a detailed description of investigation processes, to analyze the strengths and the weaknesses of processes reported by people interviewed, and most importantly, to deal with multiple sources of evidence.

Based on previous information along with the theoretical argument presented in brief earlier, this study raises this specific question for analysis: what can organizations and accountants do to protect themselves from computer crimes, abuse, and fraud?

5. Results and Analysis
Based on previous theoretical arguments and the general understanding of the research process presented by Weirich et al. (2010), accountants need to conduct practical accounting research and investigations in a systematic way which encompasses the following process: identify the relevant
facts and issues; collect the evidence; analyze the results and identify the alternatives; develop a conclusion; and communicate the results.

Today’s professional accountants, similar to the points of view of Resnick (1987); Boostrom (1992), must respond to the progressive diversity and complexity of accounting and develop life-long learning skills that focus on their ability to think critically. Critical thinking skills are essential to understanding, applying, and adapting concepts and principles in a variety of contexts and circumstances. The accountant’s professional skepticism of questioning management’s responses, involves critical thinking that entails an attitude of examining and recognizing emotion-laden and explicit or hidden assumptions behind each question. Accountants must master critical thinking skills particularly because business organizations continue to evolve in response to new information technology and greater worldwide competition.

Nothing is more important and practical to the accounting practitioner than developing critical thinking skills because poor thinking will inevitably cause new problems, waste of time, and ensure frustration.

The ability to communicate effectively, in both oral and written forms, is essential for today’s practitioners. In the workplace, an accountant may need to write to a supervisor, a shareholder, a company’s management, government agency, or others. Strong communication skills are emphasized in the following personal statement by Dennis R. Beresford, Former Chair of the Financial Accounting Standards Board:

“In accounting and all other professions, we must have the appropriate technical skills. But, if we cannot communicate what we know, the value of technical skills is lessened. For example, knowing how to compute corporate income taxes is a valuable skill. Being able to tell others how to do it magnifies the value of that technical skill. Others can capitalize on your knowledge only if you can communicate it.”

According to the research conducted by Albrecht and Sack (2000), accounting practitioners have ranked written communication as the most important out of the 22 skills required to develop students’ abilities. Similarly, according to a survey of Fortune 500 tax executives were conducted by Paice and Lyons (2001), it has been found that writing skills are among the most important attributes considered in the hiring process. Thinking and writing are somewhat related: Thinking determines what one wants to say, and writing records these ideas for future communication. However, effective writing is more than making a draft, jotting down isolated ideas, writing reminders for oneself, making outlines, or charting different sides of an issue. Writing is a process that enables one to make his or her ideas more precise and effective, rather than merely relying on reading or discussion.

Since thinking and writing are related, by the same token critical thinking and effective writing are also connected. Effective writing is not only a matter of form but also of quality content arising from critical thought. Therefore, accountants must think critically in order to write effectively.

Also, the growth of information technology has been a positive force in business; but, as in the case with all innovations, it has a downside risk as well. Organizations, both large and small, have become to rely heavily on information technology to provide timely information used in making critical business decisions. As such, reliance on information technology grows, so do the risks which the organization faces. So, anyone involved in decision making should understand those risks and
how they can impact the organization. Fraud is one of the business risks. A fraud is a dishonest act by an employee that results in personal benefit to the employee at the expense of the employer. Why does fraud occur? The three main factors that contribute to fraudulent activity are depicted by the fraud triangle: opportunity, financial pressure, and rationalization.

Opportunity is the most important element of the fraud triangle. For an employee to commit fraud, the workplace environment must provide opportunities that an employee can take advantage of. **Opportunities** occur when the workplace lacks sufficient control to deter and detect fraud. For example, inadequate monitoring of employee actions can create opportunities for theft and can embolden employees because they believe they will not be caught. A second factor that contributes to fraud is **financial pressure**. Employees sometimes commit fraud because of personal financial problems caused by too much debt. Or they might commit fraud because they want to lead a lifestyle that they cannot afford on their current salary. The third factor that contributes to fraud is **rationalization**. In order to justify their fraud, employees rationalize their dishonest actions. For example, employees sometimes justify fraud because they believe they are underpaid while the employer is making lots of money. Employees feel justified in stealing because they believe they deserve to be paid more (for details, see Weygandt *et al.*, 2010).

Fundamentally, computer fraud is people fraud; no computer system can perpetrate fraud without at least some human intervention. The required computer skills will vary greatly depending on the type of fraud being perpetrated. Frauds such as data diddling— the intentional modification of information— require only basic skills; on the other hand, theft of information in a secure database will require more advanced computer skills from the fraudster (Bawaneh, 2011a).

What can be done to prevent or to detect fraud? After numerous corporate scandals came to light in the early 2000s, The Congress addressed this issue by passing the Sarbanes-Oxley Act of 2002 (SOX). Under SOX, all publicly traded U.S. corporations are required to maintain an adequate system of internal control. Corporate executives and boards of directors must ensure that these controls are reliable and effective. In addition, independent outside auditors must attest to the adequacy of the internal control system. Companies that fail to comply are subject to fines, and company officers can be imprisoned. SOX also created the Public Company Accounting Oversight Board (PCAOB), to establish auditing standards and regulate auditor activity (for details, see Bawaneh, 2011b) and below is a brief description of a good internal control to help an organization achieve its objectives.

**Internal Control**

Internal Control consists of all the various methods and measures designed and implemented within an organization to achieve the following four objectives: (1) safeguard assets, (2) check the accuracy and reliability of accounting data, (3) promote operational efficiency, and (4) enforce prescribed managerial policies (Bagranoff *et al.*, 2010). An organization that achieves these four objectives is typically one with good corporate governance. This means managing an organization in a fair, transparent, and accountable manner to protect the interests of all the stakeholder groups. Internal control systems have five primary components: a control environment, risk assessment, control activities, information and communication, and monitoring (Weygandt *et al.*, 2010). Each one of the

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9 In 1989, the U.S. Department of Justice defined computer fraud as being any illegal act for which knowledge of computer technology is used to commit the offense.

five components of an internal control system is important, but the control activities are the backbone of the company’s effort to address the risks it faces, such as fraud. The specific control activities used by a company will vary, depending on the management’s assessment of the risks faced. This assessment is heavily influenced by the size and nature of the company. According to Weygandt et al. (2010), there are six principles of control activities which are applied to most companies and are relevant to both manual and computerized accounting systems: establishment of responsibility, segregation of duties, documentation procedures, physical control, independent internal verification, and human resource control.

In the information age, fraud potential is wider in scope. However, new tools and techniques are available to combat this expansion of fraud. Uncovering signs of fraud among possibly millions of transactions within an organization requires the fraud examiner to use analytical skills and work experience to construct a profile to test the data for the possibility of fraud. There are three important tools for the accountant, as a fraud examiner, such as data mining software, public databases, and the Internet and a brief description of these tools is as follows:

**Data Mining Software**

Data Mining Software is a tool that provides models of database for the purpose of determining patterns and relationships among the data. This tool is an outgrowth of the development of expert systems. Computer-based data analysis tools can prove to be invaluable in searching for possible fraud. From the analysis of data, the fraud examiner can develop fraud profiles from the patterns existing within the database. Through identifying and understanding these patterns, the examiner may uncover fraudulent activity. The use of data mining software also provides the opportunity to set up automatic red flags that will reveal discrepancies in data that should be uniform. Following is a list of some of the more common commercial data mining software products used by fraud examiners:

*WizRule, Financial Crime Investigator, IDEA (Audimation Services, Inc.), Monarch, Analyst’s Notebook (i2 Inc.), and ACL for Windows is the most commonly used software package. This software allows the fraud examiner to perform various analytical functions without modifying the original data. ACL is very beneficial in fraud detection due to its ability to quickly and thoroughly analyze a large quantity of data in order to highlight those transactions often associated with fraudulent activity.*

**Public Databases**

Given the enormous volume of public records (including information sold to the public for a fee), in certain cases, the fraud examiner or investigator may not need anything else in gathering evidence. These public databases include, among other information, records of lawsuits, bankruptcies, tax lines, judgments, and property transactions from all over the United States and, in certain cases, from around the world. If the examiner cannot locate the information via computerized databases, he or she can still locate the necessary information by personally visiting courthouses, recorder’s offices, or city halls.

The fraud examiner/investigator relies heavily on public records/databases. Because these records are in the public domain, there are usually no restrictions on the access of information. Business intelligence literature commonly cites that 95 percent of spy work comes from public records/databases. Additional reasons for utilizing public records include the quick access time and the inexpensive search costs.
The Internet
Fraud examiners/investigators tend to utilize the Internet more than accessing commercial databases. Searching the Internet is generally not as precise as searching most commercial databases. Thus, investigators tend to stick with LexisNexis and Dialog. However, Internet online magazines often provide breaking news stories not covered elsewhere. Newsgroups and mailing lists contain raw (but often erroneous) data on companies. Finally, the first source of information of a company these days is often taken from its own corporate web site. For example, companies place detailed background information about themselves as well as profiles of their key executives on their web sites which can be utilized by accountants as fraud examiners/investigators. Therefore, there are many different types of information which is available to accountants as fraud investigators. Accountants must legally gather information in order to provide the court of law with evidence. Thus, an accountant, fraud examiner/investigator, should be keen on learning more about the legality of evidence gathered.

As a future accounting professional, accountants may be called upon to help prevent, detect, or correct situations.

What can organizations and accountants do to protect themselves against computer fraud? Experts note that, for all their intricacy and mystique, we can protect computer systems from crimes, abuses, and fraud just as well as we can manual systems, and sometimes better. For example, computers can be programmed to automatically search for anomalies and to print exceptional conditions on control reports. These computerized monitoring systems are often superior to manual surveillance methods because they are automatic and can screen 100%, instead of merely screening a sample of the target population data. In practice, there are several methods for thwarting (mitigating) computer crimes, abuses, and fraud by organizations and accountants as follows:

1. Enlist top-management support: Most experts agree that computer security begins with top management and security policies. Unfortunately, many top managers are not fully aware of the dangers of computer crimes, abuse, and fraud, and therefore are not sufficiently concerned about this type of offense. Computer safeguards are only effective if top management takes computer crimes seriously and chooses to financially support and enforce control procedures to stop, or at least minimize computer crimes. Therefore, accountants need top management support.

2. Increase employee awareness and education: Ultimately, controlling computer crimes means controlling people. But which people? The idea that computer crimes are “outside jobs” is a myth. With the exception of hackers, most computer abusers are the employees of the same companies at which the crimes take place11.

3. Assess security measures and protect passwords: Common sense dictates that organizations should regularly survey their computer security measures and assess potential areas of vulnerability. Nearly all organizations use firewalls, anti-virus software, and access controls, but many are not as conscientious about performing periodic security reviews. An important security process that organizations should consider is evaluating employee practices and educating users to protect their own computers12.

4. Implement controls: Most computer crimes and abuse succeed because of the absence of control rather than the failure of control. The solution to the computer-security problems of most

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12 For recommended steps for safeguarding personal computers, see Bagranoff et al., 2010, p. 328.
organizations is straightforward: design and implement control. This means that accountants should install control procedures to deter computer crimes, and managers should enforce them, and both internal and external auditors should test them.

5. Identify computer criminals: To prevent specific types of crimes, criminologists often look for common character traits that can be used to screen potential culprits (for details, see Bagranoff et al., 2010).

6. Don’t forget physical security: An old adage in the computer security industry is that “a good hammer beats a strong password every time.” What this means is that physical safeguards can be even more important than logical ones in deterring computer crimes and abuse.

7. Recognize the symptoms of employee fraud: The clues that signal some computer offenses can be subtle and ambiguous, but many are rather obvious. For example, the study conducted by KPMG concluded that nearly half of the employee fraud would have been detected more quickly if obvious telltale symptoms had not been ignored. Although recognizing the symptoms of computer offenses will not prevent computer crimes, knowing the telltale signs may help individuals detect and report it, which will help minimize the potential damage to the victim organization.

8. Employ forensic accountants: When an organization suspects an ongoing computer crime or fraud, it can hire forensic accountants to investigate its problems, document findings, and make recommendations. Forensic accountants have the required technical and legal experience to investigate a given concern, follow leads, establish audit trials of questionable transactions, document their findings, organize evidence for external review and law enforcement bodies, and (if necessary) testify in court. Accountants use specialized software tools to help them perform their tasks.  

6. Conclusion
The research work of a practicing professional accountant is very important. Few practitioners ever experience a workweek that does not include the investigation and analysis of an accounting issue. Thus, every professional accountant should possess the ability to conduct practical research in a systematic way.
Accounting professionals provide value-added services to others in a dynamic, complex, expanding, and constantly changing profession. Therefore, accountants must learn to rethink, to develop lifelong learning skills to think critically – to grasp the meaning of complex concepts and principles – and to judge and apply these concepts and principles to specific issues. Additionally, quality writing requires continual practice to strengthen and improve writing skills. Accountant lecturers must recognize the importance of developing strong writing skills because these skills are essential tools for accounting professionals.

As discussed in this study, fraud is a major risk to society. Each fraud investigation is unique and requires strong critical thinking skills as it proceeds. As fraud increases, businesses are turning to fraud examiners/investigators to help fight it. Therefore, professional accountants are offering additional services to clients in the area of forensic accounting or litigation support services related to the audit. Fraud examination steps include identifying the issues and planning the investigation, gathering the evidence in an investigation phase, evaluating the evidence, and reporting findings to

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13 For example, Audit Command Language (ACL) for auditing tasks, and EnCase for file copying, custody documentation, and other forensic activities.
entity management or legal counsel. Software and database tools are used to help the professional accountant gather and organize the evidence for such engagements.

This study provides an opportunity for fresh graduates of accounting as well as professional accountants to gain a head start in the rapidly expanding forensic accounting profession by presenting techniques and methodology to aid accountants’ ability in how to investigate financial irregularities in the current accounting environment.

Although this study sheds light on the financial frauds that emerge from the modern computerized environment, more research is needed to study in depth the relationship between accounting and information technology by emphasizing the utilization of accounting in fraud investigations.
References


