

Accounting fraud through product costing

[Law](#), [Crime](#)



Fraud is a malicious obtaining of money or property by deception then accompanied by concealment of theft and translation of stolen property or money into personal resources for private use. The costs of fraud are difficult to estimate because not all uncovered fraud is disclosed for correct action to be pursued. Most fraud is committed by the trusted and valued employees and it leads to shock and disbelief when such cases are discovered (Cones, 2011).

Such fraudulent behavior may include cutting costs, spending corporate and shareholder money on personal expenses, and manipulating financial records for personal needs. Through fraud examination, organizations can be able to determine if fraud occurs and in such case help to gather relevant evidence for the crime, the financial records are analyzed by financial detectives and relevant surveillance conducted to mitigate such hideous acts. A comprehensive review on the organizations internal control is carried out to ensure all workers comply with the relevant regulatory standards and industry benchmarks.

This process also conducts analytical review on key accounting areas to reveal Seibel fraudulent activities. Forensic accountants can investigate frauds, investigate accountants, forensic auditors or fraud auditors. Scientific knowledge can be used to relate and investigate crimes through Interactive process and assess evidences of crimes committed. According to Siltstone & Sheets (2012), these experts have analyzed several cases and most fraud in product costing results from overstatements of revenues or understatement of receivables and Inventory. References Siltstone, H. , & Sheets, M. (2012).