

Report on forensic accounting.

[Law](#), [Criminal Justice](#)



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Introduction.

Forensic accounting involves an integration of accounting and auditing knowledge and the application of investigative skills with regard to civil or criminal procedures. It provides an analyzed account suitable for a court debate, discussion or an ultimate resolution for a dispute. A forensic accountant's key role is to review a client's instructions, through a solicitor, investigate the instructions, examine all financial or contractual information provided, obtain solid evidence, prepare appropriate calculations and publish the findings as a report to present in a court. The skills of a forensic accountant are considered necessary in the following situations matrimonial dispute, fraud and criminal investigations, negligence of professionalism, individual injuries and interruption of business and insurance claims (Crumbley, Stone and Miller, 2012).

Literature review.

The forensic accounting literature can be traced in the 1990's form the increased demand for accountants with fraud detection and criminal investigation skills. The accounts literature, at this time, integrated

accounting and forensics in the accounting curriculum and no learning institution specialized on investigative courses. The National Institute of Justice was the first organization to recommend a development in the curriculum model with an aim to separate accounting features with investigative forensic features. Concurrently, most researchers raised suspicions on the importance of specialized and technical abilities and skills required in the forensic accounting background. Most of these researchers extended their input by conducting surveys on accounting academics, users and practitioners of accounting forensics and the relevant skills behind the profession (DiGabriele, 2011). Most of the responses were based on the importance of the implementation of forensic skills and knowledge in the accounting.

The AICPA recognized the demand of qualified forensic accountants and developed the Certified Financial Forensics in 2008. The credential is granted to Certified Public Accountants who possess skills, knowledge, experience and expertise in forensic accounting. The credential supports fundamentals and accounting knowledge and skills applied by CPA professional and applies the skills in areas such as fraud detection and prevention, family law, bankruptcy, insolvency, financial statements miscalculations, among others. Since the introduction of CFF, a lot have changed in the accounting background; for instance, forensic accounting has become popular in students with 9.14 ratings on a ten point satisfaction scale (Crumbley, Stone and Miller, 2012). This has been boosted by the fact that the AECC has advanced the 150 hours requirement of accounting competency as a prerequisite for CPA examination. These provisions have also provided the

needed impetus for introduction of more courses that includes forensic accounting in the curriculum.

Conclusion.

As regulators continue to enhance on the responsibility in auditing and detection of fraud in financial reporting, the demand of forensic accounting is in an increasing trend in many organizations. The need to understand fraud and detect it is a crucial element of accounting that has not been realized until recently (DiGabriele, 2011). The introduction of forensic accounting in the accounting curriculum has developed a new market breed of accountants to deal with financial collapses, white collar criminals and the increasing trends of fraud. The Association of Certified Fraud Examiners estimates that over \$994 billion is lost annually from occupational fraud. This has increased the need for qualified and experienced expertise for detection and prevention of such instances. The present study of forensic accounting makes a distinction between skills and characteristics of CPA and an approach to the importance of these skills and experience in managing fraudulence and crime in the accounting curriculum.

Reference.

Crumbley, D. L., Stone, D. N., & Miller, T. C. (2012). The state of, and prospects for, forensic and fraud research that matters. *Journal of Forensic & Investigative Accounting*, Vol. 4(2).

DiGabriele, J. A. (2011). Revisiting the Integration of Forensic Accounting and the Auditing Paradigm. *The Forensic Examiner*, Vol. 20(2).