

Course work on investigative procedures

[Media](#), [Interview](#)



Investigative procedures

In order to ensure that there exist a continuous good relationship with the plant controller and the other concerned parties. A proper way of handling this fraud should be taken, the director has various options to incorporate although some may not be very efficient. First of all the director can decide to employ enforcement of law, he can use a regulatory agency, private law Company, a team of external audits, or handle the issue in-house. When the in-house technique is employed, its applicability will depend on the breadth and duration of the problem and the available skills regarding in-house investigation.

In-house investigation will be of much success because the director will get to know more about the activities that are taking place in the audit division. There will also be a high control over the process of investigation and a high secrecy in order to maintain the good relationship with the CEO and the CFO. This however may lack support and therefore the expected results and solutions may not be achieved.

If investigation is to be carried out in this division, either the investigator should identify all the parties involved directly or indirectly, this will involve the plant controller and other parties working in the same division.

Identifying this will help to decide whether to do the investigation externally or internally.

Secondly, the investigator should establish a system to measure the credibility of the information sources, this is important because the information was anonymous and its credibility may not be 100%. Sometimes, the initial information obtained may be wrong with lots of assumptions. After

ascertaining the truth in the information, the investigator should quantify the extent of the fraud although it may be difficult to get the exact extent before investigations are done. Finally, the investigator should ensure that he has knowledge on the fraud alleged, and should be well conversant with the area to be investigated.

When all these factors are met, the investigator will have to take the most appropriate way of conducting an interview; first, he has to collect as many facts as possible to act as evidence. Draw a strategy, which he will use to interview the accused. Before carrying out the interview, the investigator should inform the interviewee his reason for being there and what is to be discussed. These reasons should be stated in a manner that will not directly tell the accused that there is suspected fraud within his division.

The investigator may decide to start interviewing employees who may have had an oversight of the activities in the division before interviewing the plant controller. The investigator should avoid using a language that sounds abusive because this will make the interviewee uneasy and unwilling to give any reliable information.

In order to show that the investigation was done, documentation is very important. Lack of documentation will result in many complications including contradicting information and the method is therefore dictated by the case's specific facts. Two ways of documentation can be done, the investigator can have the interviewee write a statement and sign it in order to avoid inconsistent stories in future, or decide to write down notes as the interviewee gives his verbal information.

At this point, the investigator will be in a position to ask any question

provided its not leading. He should ensure that goodwill is maintained throughout because more information is still required. If there is any information that suggests possibility of fraud, another investigator is brought to the panel and notes taken as interview goes on. This is done in private where the controller is free and where he can possibly confess. The interviewer may confront the controller, if he does not confess, a guilty person from former interviews may be brought in if available, and if not; the investigator will go ahead and ask leading questions, which constitute target admission.

Once the benchmark admission is made, it is reinforced by a comment, which is positive; this will leave the controller with no other option than confessing. All the information given by the controller as a confession will be written down as a report for documentation and will be used in determining the measures to be taken on him.

References:

Albrecht, S. & Albrecht , O. (2009). Fraud Examination. New York, NY:
Cengage Learning.

Murphy, P. Vandenberg, H. (2003). How to conduct investigation on fraud.
New York, NY:
Thomson press.

Singleton, T. & Bologna, J. (2006). Fraud auditing and forensic accounting.
New York, NY:
John Wiley and Sons.