Forensic Accounting & Fraud Examination

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What is the ACFE?

- Global professional association providing anti-fraud information & education to help members fight fraud effectively
- 55,000 members world-wide
- 103 local chapters providing education, outreach and networking opportunities
- 50% of members are Certified Fraud Examiners, others are associate members
What is Forensic Accounting?

- Forensic means “Relating to, used in, or appropriate for courts of law or for public discussion or argumentation” (Am. Heritage Dictionary, 4th ed.)

- Accounting means, “a system that provides quantitative information about finances” (WordNet 2.0)

- Forensic accounting is the application of accounting skills to provide quantitative financial info. about matters before the courts
What is Forensic Accounting?

The essential components of forensic accounting include an attempt to piece together or reconstruct a past event or events using financial information where that reconstruction is likely to be used in some judicial proceeding (e.g., criminal court, civil court, deposition, mediation, arbitration, settlement negotiation, plea bargaining).
## Forensic Accounting

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What is Fraud Examination?

Fraud means “any act, expression, omission, or concealment calculated to deceive another to his or her disadvantage; specifically: a misrepresentation or concealment with reference to some fact material to a transaction that is made with knowledge of its falsity or in reckless disregard of its truth or falsity and with the intent to deceive another and that is reasonably relied on by the other who is injured thereby.” (Merriam-Webster Dictionary of Law)
What is Fraud Examination?

- Examination means “the act or art of examining” i.e., “to observe carefully or critically; inspect” or “to study or analyze” an issue (American Heritage Dictionary, 4th ed.)

- Fraud examination is the thorough study, inspection or analysis of an issue relating to fraud
Fraud Examination
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Forensic Accounting

- A broad discipline applying accounting skills to legal matters in a wide range of issues
- Addresses a past event
- Uses financial information

Fraud Examination

- A focused discipline relating entirely to the issue of fraud
- Addresses past, present and future events
- Uses financial and nonfinancial information
### Forensic Accounting
- Produces information about finances
- For use in judicial proceedings
- A relatively small group of practitioners

### Fraud Examination
- Produces information about finances, people and their actions
- For use in business & govt internal proceedings and private and judicial proceedings
- A large force fighting fraud in business and government
The Changing Employment Market for Fraud & Forensic Professionals

- Forensic accounting generally has matured – fraud specifically is the growing area now
- Corporations and government departments are building anti-fraud teams to prevent, deter and detect fraud, in part to reduce fraud losses
- Resource allocation changing from 20% prevention & deterrence & 80% investigation to the opposite
- Big impact on the knowledge, skills and attributes needed for success
More Information

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