

Introduction to Forensic Accounting

Assessment 1

1. What is fraud? **7**
2. What qualities of mind/ and or body should a forensic accountant possess? **8**
3. How would you distinguish forensic accounting, fraud auditing, and investigative auditing from financial auditing? **7**

Case Study **8**

The administrator of the school board in a small city had ultimate authority for all items payable from the board's annual budget. As an administrator, he travelled frequently to education conventions and meetings of administrators in the state capitol and across the country. Although he was an excellent CPA and the day-to-day affairs of the board ran smoothly, his prickly personality did not endear him to the board and made his attempts to get approval for his proposals difficult. Frustrated and increasingly embittered, he saw a way to get back at the board by using his signing authority to approve personal expenditures and write checks to himself. He submitted mileage expenses while using a car leased for him by the board, and he used the board credit card to put gas in his own car. Other bills submitted and approved by himself were for meals and entertainment on weekends and repairs to his car. His secretary blew the whistle on him when she became aware of some of these activities.

In light of the above please answer the following questions:

1. How the investigation for the above case should be started?
2. Outline some documents which you think can help disclose the administrator's fraud activities.
3. If the forensic accountant is to be hired, how should he be chosen?
4. Should the administrator be interviewed? If so at which stage?