

THE CHARTERED CERTIFIED FORENSIC ACCOUNTANT (CCFA) DESIGNATION CANDIDATE GUIDEBOOK

The Gold Standard for Professional Forensic Accountants



International Institute of Certified Forensic Accountants, Inc. USA



**CHARTERED CERTIFIED
FORENSIC ACCOUNTANT**

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CHARTERED CERTIFIED FORENSIC ACCOUNTANT

**THE INTERNATIONAL INSTITUTE OF CERTIFIED FORENSIC ACCOUNTANTS, INC.
(USA)**

The International Institute of Certified Forensic Accountants Inc. (USA), is a State of Delaware approved International Institution; with the license to operate globally. The IICFA is a leading International Forensic Accounting Certification body with members representing more than five continents and practicing in over hundred countries globally. The International Institute of Certified Forensic Accountants, IICFA is a proud member of the International Federation of Forensic Accountants and Auditors, IFFAA and a founding member of The Forensic Auditors Certification Board (FACB) in England and Wales. The FACB is an Accreditation and Certification body for the Forensic Accounting and Auditing Profession; regulating the world's leading professional Forensic Accounting and Auditing professional bodies. The IICFA currently administers the CCFA and CGFA Certification programs and an accredited global Master of Science (M.Sc) Degree Program in Fraud Auditing and Forensic Accounting in collaboration with leading universities in Europe, Asia and the USA.



www.iicfaglobal.com

THE CHARTERED CERTIFIED FORENSIC ACCOUNTANT, CCFA VALIDATION CERTIFICATION PROGRAM

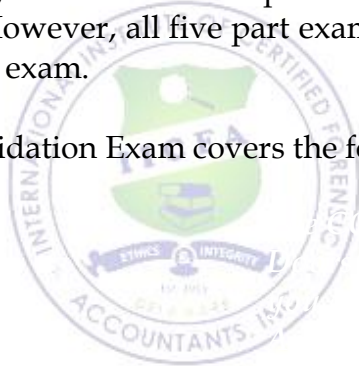
The International Institute of Certified Forensic Accountants (USA), CCFA Credential is a series of evaluation exams, designed for the development of Professional Forensic Accountants. Endorsed by leading university programs, and industry firms, it is the global standard for Forensic Accounting Practitioners.

Built by a broad coalition of industry leaders to reflect the mission and objectives of the IICFA, and to establish the leading form of education, accreditation and certification in the Forensic Accounting profession. The CCFA Capstone program count candidates from over hundred countries.

To validate your CCFA credential, you must pass a five part certification exam, earning a score of eighty percent (80%) or better on each part. You may study for and take each part of the Exam separately. However, all five part exams must be taken within a thirty day period after taken the first exam.

The five part online CCFA Validation Exam covers the following five papers:

1. Advanced Forensic Accounting
2. Fraud Auditing and Assurance
3. Computer Forensics & Cyber Crime
4. Compliance, Ethics and Governance
5. Criminal Investigation



I am a proud CCFA credential Holder.



TESTING DETAILS

The CCFA Credential Validation Exam is a computer based exam.
Each Validation Exam consists of Two hundred (200) multiple-choice questions.
All five tests must be completed within a thirty day period from the time the first test is taken.
An Eighty percent (80%) minimum score is required to pass.
Failed tests may be retaken at any time after repurchasing the test at \$50 (First time is free)
The entire CCFA Credential Validation program must be completed within a one-year period.



TESTING PROCEDURES

Once a test is requested, you will be emailed instructions for accessing the testing center along with a username and password for that test. You may start the test at your leisure after signing in to the IICFA's testing center. However, once you have begun your test, it must be completed within the One hundred and eighty minute time limit. When your test is complete, you will receive your results after two weeks. Your results will automatically be emailed to the IICFA as well. The CCFA Validation Exam is tough, rigorous and credible. Ensure you are well prepared before taking the Validation Exam.

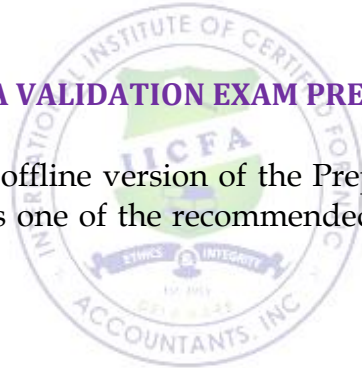


THE CCFA VALIDATION EXAM PREP COURSE

The Certification Test is divided into five parts and covers five books. Each test contains Two hundred multiple-choice questions and covers one book. The Exam Prep Course is a question database which contains Five hundred questions for each book. Two hundred (200) questions are pulled at random from the database for each certification test. The Prep Course contains all of the database questions for each book and gives feedback for each question explaining which answer is correct and the logic behind the answer. The feedback section also explains why the incorrect answers are wrong. The Prep Course is online and can be accessed with the user name and password that will be emailed to you upon request. The Prep Course also contains a practice test for each book that you can take as many times as you would like. Each practice test will be Two hundred questions pulled randomly from the question database. Once you can consistently score eighty percent or more on these practice tests, you should have no trouble with the Final CCFA Validation Exam.

THE CCFA VALIDATION EXAM PREP MANUAL

The Exam Prep Manual is an offline version of the Prep Course. It contains over 2,500 questions. The Prep Manual is one of the recommended study resources for the CCFA Validation Certification Exam.



CHARTERED CERTIFIED FORENSIC ACCOUNTANT

DURATION AND EXAMINATION PERIOD:

The CCFA Validation Certification exam can be written in April and October. All members have one year to pass the exam. All five papers must be completed within a thirty day period after the first exam is written.

EXAMINATION FEE

No Exam Fee

HOW TO REQUEST FOR THE CCFA VALIDATION CERTIFICATION PROGRAM & EXAM

You can request for the study resources from now till December 2017. You can also request for an exam at anytime between April and October, 2018. When you are ready to write the online exam kindly send an email with the subject CCFA Credential Validation to membership@iicfaglobal.com

Begin your journey of validating your Chartered Certified Forensic Accountant, CCFA Credential today to maintain your status as a global leader in the Forensic Accounting Profession.

Note: All CCFA credential members have up to December 2017 to request for the study materials to begin preparing for their validation exam.

This is also a requirement to be a member in good standing. Failure to validate your CCFA credential through the validation exam within the stipulated period could lead to the termination of your membership as a CCFA to an Associate member of the IICFA.



CCFA VALIDATION CERTIFICATION PROGRAM SYLLABUS

1. CRIMINAL INVESTIGATION

a. Fundamentals of Criminal Investigation

15%

Foundation of Criminal Investigation

- i. The Historical Context of Criminal Investigation
- ii. The Increase of Research and Science in Criminal Detection
- iii. Criminal Investigation Research
- iv. Computer-Aided Investigation
- v. The Objectives of Criminal Investigation
- vi. Types of Investigations
- vii. Modes of Investigation
- viii. The Role of the Criminal Investigator
- ix. The Preliminary Investigation

The Crime Scene: Field Notes, Documenting and Reporting

- x. Field Notes and Reports
- xi. Putting Field Notes to Work
- xii. Writing the Official Report
- xiii. The Structure of the Report
- xiv. Photographing the Crime Scene

Processing the Crime Scene

- xv. The Preliminary Investigation Crime Scene Evidence
- xvi. Special Cases in Evidence Handling
- xvii. Collecting Evidence
- xviii. Interviewing Witnesses
- xix. Preparing Crime Scene Report
- xx. Performing the Follow-up Investigation

b. Follow-up Investigative Process

15%

Identification of Criminal Suspects: Field and Laboratory Processes

- i. The Role of the Crime Laboratory
- ii. Fingerprinting
- iii. The Genetic Finger Print: DNA
- iv. Hand Writing Analysis
- v. Facial Composites
- vi. Criminal Investigation Analysis
- vii. Safeguarding Against Misidentifications

Legal Issues in Criminal Investigation

- viii. Legal Guidelines for Searches
- ix. Exceptions to the Exclusionary Rule
- x. Searches with a Warrant
- xi. Warrantless Searches
- xii. Making an Arrest
- xiii. When is a Person Under Arrest

c. Obtaining Information

15%

Interviews and Interrogations

- i. Interview Vrs Interrogation
- ii. The Interview Process
- iii. The Suspect Interrogation Process
- iv. Methods of Coercive Interrogations
- v. The Interrogation Procedure
- vi. Why Suspects Cooperate and Confess
- vii. The Cognitive Interview Technique
- viii. Written Statements
- ix. Recorded Statements
- x. Use of the Polygraph
- xi. The Voice Stress Analyzer

Criminal Intelligence and Surveillance Operations

- xii. The History, Pitfalls of Intelligences Gathering and Usefulness of Intelligence
- xiii. Overt and Covert in Intelligence Collection
- xiv. Criminal Intelligence and Criminal Investigation
- xv. Procedures for Intelligence Gathering
- xvi. Analyzing Information
- xvii. Surveillance Operations
- xviii. Electronic Surveillance and Wiretaps
- xix. Thermal Imaging

Management of Informants and Undercover Operations

- xx. Using Informants
- xxi. Documenting Your 'Source'
- xxii. Legal Considerations
- xxiii. Undercover Operations

d. Crimes Against Persons

15%

Death Investigations

- i. Types of Wrongful Deaths, Modes of Death and Characteristics of Homicide
- ii. Preliminary Investigation
- iii. Estimating the Time of Death
- iv. Gunshot Wounds as Evidence
- v. Pitfalls in Homicide Investigations
- vi. Autoerotic Death

Robbery

- vii. Robbery Offenses
- viii. Types of Robbery
- ix. The Robber's Method of Operation
- x. Physical Evidence and Role of Witnesses

Assault and Related Offenses

- xi. Legal Classifications of Assault
- xii. Preliminary Investigation
- xiii. Domestic Violence, Elder Abuse and Stalking
- xiv. Sexual Assault

Missing and Abducted Persons

- xv. Looking at the 'Big Picture'
- xvi. The Role of the Investigator
- xvii. The 2003 Child Protection Act (Amber Alerts)
- xviii. Interviewing Suspects in Abductions
- xix.

Crimes against Children: Child Abuse and Child Fatalities

- xx. The Abuse of Children
- xxi. Child Fatalities: The Nature of the Problem
- xxii. Physical Child Abuse
- xxiii. Battered Child, Shaken Baby, Munch Auser and Sudden Infant Death Syndromes
- xxiv. Sexual Abuse of Children
- xxv. The Forensic Interview
- xxvi. The Child Molester
- xxvii. Children as Witnesses

e. Crimes Against Property

15%

Theft Related Offenses

- i. Burglary
- ii. Preliminary Investigations
- iii. Tracing Stolen Properties
- iv. Larceny Theft
- v. Credit Card Fraud and Shoplifting
- vi. Identity Theft
- vii. Motor Vehicle Theft

- viii. The National Insurance Crime Bureau (NIC)

Arson, Bombings and Terrorism

- ix. Arson Offenses
- x. Bombing Incidents
- xi. Terrorism

f. Vice and Profit Related Crimes 15%

Gangs, Organized Crime and Drugs

- i. Gangs
- ii. Organized Crimes
- iii. Drug Related Offenses
- iv. Tools and Techniques in Drugs Investigation
- v. Pharmaceutical Diversion
- vi. Extraordinary Drug Enforcement Techniques

White Collar and Computer Crime

- vii. White Collar Crime, Corporate Crime and Money Laundering
- viii. Confidence Games
- ix. Computer Crime

g. Prosecution 10%

Preparation for Court

- Trial Preparation
- The Investigator as Expert Witness
- Role of the Expert Witness
- Testifying Court

2. COMPUTER FORENSICS AND CYBER CRIME

a. Overview of Computer Forensics Technology

20%

Computer Forensics Fundamentals

1. Use of Computer Forensics in Law Enforcement
2. Computer Forensics Assistance to Human Resource
3. Computer Forensics Services
4. Benefits of Professional Forensics Methodology
5. Steps Taken by Computer Forensics Specialist
6. Who Can Use Computer Forensics Evidence

Types of Computer Forensics Systems

7. Internet Security Systems
8. Intrusion Detection Systems
9. Firewall Security Systems
10. Storage Area Network Security Systems
11. Network Disaster Recovery Systems
12. Public Key Infrastructure Systems
13. Wireless Network Security Systems
14. Satellite Encryption Security Systems
15. Instant Messaging (IM) Security Systems
16. Net Privacy Systems
17. Identity Management Security Systems
18. Identity Theft
19. Biometric Security Systems
20. Homeland Security Systems

Vendor and Computer Forensics Services

21. Occurrence of Cyber Crime
22. Cyber Detectives
23. Fighting Cyber Crime with Risk Management Techniques
24. Computer Forensics Investigative Services
25. Forensic Process Improvement

b. Computer Forensics Evidence and Capture

20%

Data Recovery

1. Define Data Recovery
2. Data Backup and Recovery
3. The Role of Backup in Data Recovery
4. The Data Recovery Solution
5. Hiding and Recovering Hidden Data

Evidence Collection and Data Seizure

6. Why Collect Evidence?
7. Collection Options
8. Obstacles
9. Types of Evidence
10. The Rules of Evidence
11. Volatile Evidence
12. General Procedure
13. Collection and Archiving
14. Methods of Collection
15. Artifacts
16. Collection Steps
17. Controlling Contamination: The Chain of Custody
18. Reconstructing the Attack

Duplication and Preservation of Digital Evidence

19. Preserving the Digital Crime Scene
20. Computer Evidence Processing Steps
21. Legal Aspects of Collecting and Preserving Computer Forensic Evidence

Computer Image Verification and Authentication

22. Special Needs of Evidential Authentication
23. Practical Considerations
24. Practical Implementation

c. Computer Forensics Analysis

20%

Discovery of Electronics Evidence

1. Electronic Evidence Recovery

Identification of Data

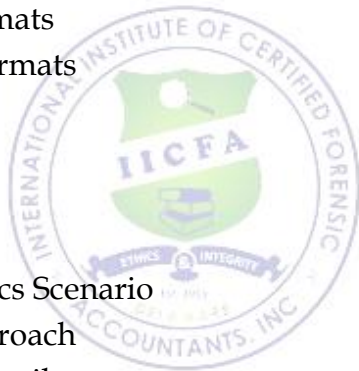
2. Time Keeping
3. Forensic Identification and Analysis of Technical Surveillance Devices

Reconstructing Past Events

4. How to Become a Digital Detective
5. Useable File Formats
6. Unusable File Formats
7. Converting Files

Networks

8. Network Forensics Scenario
9. A Technical Approach
10. Destruction of Email
11. Damaging of Computer Evidence
12. Tools for Intrusion Response to the Destruction of Data
13. System Testing



d. Countermeasures: Information Warfare

30%

Fighting Against Macro Threats: Defense Strategies for Governments and Industry Groups

1. What Industry Groups have done to Prepare for Information Warfare
2. Strategic Diplomacy and Information Warfare
3. The Role of International Organizations
4. The Role of Military Alliances
5. Marshall Law and Cyberspace
6. The Super cyber Protection Agencies

The Information Warfare Arsenal and Tactics of the Military

7. Overview of Military Tactics
8. Offensive Ruinous and IW Tools and Tactics
9. Offensive Containment IW Tools and Tactics
10. Defensive Preventive IW Tools and Tactics
11. Defensive Ruinous and IW Tools and Tactics
12. Defensive Responsive Containment IW Tools and Tactics
13. Countering Sustained Terrorist IW Tools and Tactics
14. Dealing with Random IW

The Information Warfare Arsenal and Tactics of Terrorists and Rogues

15. The Profile of the Terrorist
16. Why Terrorist and Rogues have an Advantage in IW
17. The Dark World of the Cyber Underground
18. The Criminal Café in Cyberspace
19. The Super Computer Literate Terrorist
20. The New Security Professionals
21. The Middle East Cyberwar
22. The New Tools of Terrorism
23. Why Tools are Easy to Get and Use
24. Why Nasty People are so Hard to Track Down and Capture
25. The IW Games

The Information Warfare Arsenal and Tactics of Private Companies

26. Surviving Offensive Ruinous IW
27. Surviving Offensive Containment IW
28. Participating in Defensive Preventive IW Planning
29. Benefiting From and Surviving Defensive Ruinous IW
30. Benefiting From and Surviving Defensive Containment IW
31. Protection Against Random Terrorist Tactics
32. What to do When Terrorists Keeps Attacking
33. Countering Sustained Rogue IW
34. Protection Against Random Rogue IW

35. Keeping the Amateur Rogue Out of the Cyberhouse

The Information Warfare Arsenal of the Future

- 36. Weapons of the Future
- 37. The Global Positioning System
- 38. Snoop, Sniff and Snuff Tools
- 39. Email Wiretaps
- 40. IW Weapons of the Future
- 41. Nanotechnology

Surveillance Tools for Information Warfare of the Future

- 42. Monitoring
- 43. Cyber Surveillance
- 44. The Cyber Footprint and Criminal Tracking
- 45. The Implementation of Cookies and Integrated Platforms
- 46. Wintel Inside
- 47. Data Mining
- 48. The Wireless Internet

Civilian Casualties: The Victims and Refugees of Information Warfare

- 49. What the Cyber Masses have to Lose
- 50. The Destruction of Personal Assets in IWs
- 51. Short and Long Term Personal Economic Impact on Cyber Citizens
- 52. The Violation of Privacy During Information Wars
- 53. The Individual Exposed
- 54. Identity Theft
- 55. Monitoring Private Affairs in Cyberspace.
- 56. The New Order and State Medical ID Cards

e. Advanced Computer Forensics Systems and Future Decisions 10%

1. Advanced Encryption: The Need to Conceal
2. Advanced Hacking
3. Advanced Tracker Hackers
4. The Problem of the Present

3. COMPLIANCE, ETHICS AND GOVERNANCE

a. Importance and Foundations of Compliance Management 10%

- a. Why Doing the Right Thing Matters
- b. Dealing With Ethical Challenges
- c. Corporate Governance, Corporate Responsibility and the Environment
- d. Risk Assessment and Structuring the Program
- e. Elements of a Compliance Program

b. Critical Success Factors for Compliance Management 15%

- a. Oversight and a Culture of Compliance
- b. Education and Training
- c. Understanding Fraud and Other Wrong Doings
- d. Identification, Investigation and Enforcement
- e. Compliance Program Evaluation

c. Mitigating Risk: A brief on Compliance with Various Laws 15%

- a. International Compliance
- b. Money Laundering
- c. Health Care Concerns and Data Privacy
- d. Fair Labor Standards Act
- e. The Environmental Protection Act and Amnesty Provisions
- f. Antitrust Compliance

d. Ethics and Human Interface

10%

- a. Essence, Determinants and Consequences of Ethics in Human Action
- b. Dimensions of Ethics
- c. Ethics in Private and Business Relationships
- d. Human Values
- e. Role of Family, Society and Educational Institutions in inculcating Values

e. Attitude

5%

- a. Content, Structure and Function of Attitude
- b. Attitude Influence and Relation with Thought and Behavior
- c. Moral and Political Attitudes
- d. Social Influence and Persuasion

f. Aptitude

5%

- a. Aptitude and Functional Values for Civil Service
- b. Integrity, Impartiality and Non-Partisanship
- c. Objectivity, Dedication to Public Service
- d. Empathy, Tolerance and Compassion towards the Weaker Sessions.

g. Ethical Decision Making: Personal and Professional Context **5%**

- a. A Decision Making Process for Ethics
- b. When Ethical Decision Making Goes Wrong: Why Do 'Good' People Engage in 'Bad' Acts
- c. Ethical Decision Making in Managerial Roles

h. Ethical Decision Making: Corporate Governance, Accounting and Finance
10%

- a. Professional Duties and Conflict of Interest
- b. The Sarbanes-Oxley Act of 2002
- c. The Internal Control Environment

- d. Going Beyond the Law: Being an Ethical Board Member
 - e. Conflicts of Interest in Accounting and the Financial Markets
 - f. Executive Compensation
 - g. Insider Trading
- i. Public/Civil Service Values and Ethics in Public Administration 15%**
- a. Status and Problems
 - b. Ethical Concerns and Dilemmas in Government and Private Institutions
 - c. Laws, Rules, Regulations and Conscience as Source of Ethical Guidance
 - d. Accountability and Ethical Governance
 - e. Strengthening of Ethical and Moral Value in Governance
 - f. Ethical Issue in International Relations and Funding
 - g. Corporate Governance
- j. Probity in Governance 10%**
- a. Concept of Public Service
 - b. Philosophical Basis of Governance and Probity
 - c. Information Sharing and Transparency in Government
 - d. Right to Information
 - e. Code of Ethics
 - f. Citizen's Charters
 - g. Work Culture
 - h. Quality of Service Delivery
 - i. Utilization of Public Funds
 - j. Challenges of Corruption

4. FRAUD AUDITING AND ASSURANCE

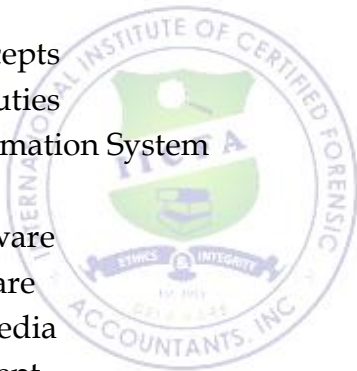
Fraud and Forensic Accounting Overview

20%

- a. History of Fraud and the Anti-fraud Profession
- b. The Fraud Cycle
- c. Forensic Accountant and Audits
- d. Forensic Accountants and Fraud Auditors
- e. Keys to Effective Fraud Investigation
- f. The Anti-fraud Professional's Career

Fraud and Accounting Information System

- g. Accounting Concepts
- h. Segregation of Duties
- i. Accounting Information System
- j. Key Personnel
- k. Computer Hardware
- l. Computer Software
- m. New Forms of Media
- n. Audit Trail Concept



Chartered and Certified Forensic Accountant

Fraud and the Public Accounting Profession

- o. History of Fraud and the Auditor
- p. Fraud and the Auditor's Liability
- q. Fraud and the Auditor's Responsibility
- r. Fraud and the Auditor's Role

a. Fraud Investigation

30%

Principles of Fraud

- a. Fraud, Theft and Embezzlement
- b. Fraud Triangle
- c. Scope of Fraud

- d. Victims of Fraud
- e. Profile of Fraudsters
- f. Fraud Taxonomies
- g. Fraud Tree
- h. Evaluation of a Typical Fraud

Fraud Schemes

- i. ACFE Fraud Tree
- j. Financial Statement Schemes
- k. Corruption Schemes
- l. Assets Misappropriation Schemes

Red Flags

- m. Professional Standards
- n. Common Red Flags
- o. Specific Red Flags
- p. Fraud Detection Model

Fraud Risk Assessment

- q. Risk Assessment Factors
- r. Risk Assessment Best Practices
- s. Risk Management Checklist and Documentation

Fraud Prevention

- t. Prevention Environment
- u. Perception of Detection
- v. Classic Approaches
- w. Other Prevention Measures
- x. Accounting Cycle

Fraud Detection

- y. Fraud Detection Axioms
- z. Common Detection Methods

aa. Specific Detection Methods

Fraud Response

bb. Fraud Policy

cc. Fraud Response Team

dd. Recovery

b. Gathering , Obtaining and Evaluating Evidence

10%

Gathering Evidence

a. Rules of Evidence

b. Hearsay Exceptions

c. Other Rules of Evidence

Obtaining and Evaluating Non-financial Evidence

d. Interviews

e. Body Language

f. Deception Cues

g. Eye Language

h. Statement Analysis

i. SCAN

c. Expert Witnessing

20%

General Criteria and Standards for Establishing an Expert Witness' Qualification

a. Credentials

b. Personal Qualities of the Expert

c. Sources of Locating Expert Witnesses

d. Distinguishing the Actual Area of Competence

The Legal Role and Qualification of an Expert Witness

- e. Role of a Forensic Accountant as an Expert Witness in Court
- f. Legal Qualification for a Forensic Accountant as an Expert Witness
- g. Qualification and Admissibility of Accounting Evidence
- h. Expert's Role in the Litigation Team
- i. Pre-testimony Activities

Effective Tactics and Procedures for the Expert Witness in Court

- j. Effective Profile
- k. Being a Credible Expert Witness
- l. Expert's Role in Litigation Team
- m. Pre-testimony Activities
- n. Trial and Testimony
- o. Survival Techniques

d. Auditors' and Management Responsibilities 10%

- a. Management Responsibilities for the Quality, Integrity, Reliability and Internal Control for the Financial Reporting Process
- b. Responsibilities of Signing Officers Under Sarbanes-Oxley Act
- c. The Independence of an Audit Committee
- d. Responsibilities of External Auditors
- e. Roles Internal Auditors Play in Preventing Internal Fraud
- f. The Treadway Commission

e. Forensic Accounting Engagement 10%

- a. Definition of Forensic Accounting Engagement
- b. Engagement Acceptance
- c. Planning and Scope of Work
- d. Information Collection and Analysis
- e. Reliance on the Work of Others
- f. File Documentation
- g. Reporting

5. ADVANCED FORENSIC ACCOUNTING

a. Revenue Based Fraudulent Schemes

20%

Introduction to Revenue-Based Financial Reporting Fraud Schemes

- a. Revenue Recognition Principles
- b. Changes Proposed by FASB and IASB
- c. Overview of Revenue Based Schemes

Timing Schemes

- d. Alteration of Records
- e. Shipping Schemes
- f. Percentage of Completion Schemes
- g. Improper Estimates of Revenue Recognition Schemes
- h. Multiple-Element Revenue Recognition Schemes
- i. Customer Loyalty Programs
- j. Channel Stuffing
- k. Bill and Hold Schemes
- l. Sales with Right of Return
- m. Improper Pushing of Current Revenue to Future Periods
- n. Use of Reserves as a Rainy Day Fund

Fictitious and Inflated Revenue

- o. Fictitious Revenue Schemes
- p. Sales to Related Parties
- q. Inflated Revenue Schemes
- r. Consignment or Financing Arrangements

Misclassification Schemes

- s. Recording Financial Arrangements as Revenue
- t. One Time Credits Recorded as Revenue
- u. Sales Incentive Schemes

Gross - Up Schemes

- v. Agent Verses Principal
- w. Barter and Round-Trip Transactions
- x. Phony Revenue and Expenses

b. Assets Based Fraudulent Schemes

20%

Improper Capitalization of Cost

- a. Start-up Costs
- b. Research and Development Costs
- c. Property and Equipment
- d. Software Development and Acquisition Costs
- e. Website Costs
- f. Intangible Assets
- g. Advertising Cost
- h. Other Deferral and Prepaid Expense
- i. Inventory Capitalization Schemes
- j. Inventory Flow Assumptions

Assets Valuation Schemes

- k. Fictitious Assets
- l. Inventory Valuation Schemes
- m. Inflating the Basis of Property and Equipment
- n. Inflating the Basis of Assets Acquired in Noncash Transactions
- o. Assets Acquired from Related Parties
- p. Understanding Depreciation and Amortization Expense
- q. Investment Property
- r. Improper Valuation of Investment - Financial Assets
- s. Loans
- t. Equity Method Investments
- u. Proper Consolidation
- v. Improper Classification or Amortization of Intangible Assets
- w. Impairment Losses - Nonfinancial Assets
- x. Investments in Insurance Contracts

Fair Value Accounting

- y. Fair Value Considerations
- z. Methods of Measuring Value
- aa. Internal Versus External Developed Valuations
- bb. Inputs Used in Measuring Fair Value

c. Expense and Liability Schemes 20%

Shifting Expenses to Future Periods

- a. Timing Schemes Involving Liabilities
- b. Accounts Payable
- c. Compensated Absence
- d. Contingent Liabilities
- e. Accrued Compensation
- f. Improper Use of Liability 'Reserves'

Omissions and Underreporting of Liabilities

- g. Debt
- h. Guarantees
- i. Pension Liabilities
- j. Conditional Assets Retirement Obligations

d. Other Financial Reporting Schemes 20%

Consolidations and Business Combinations

- a. Fraudulent Reporting Involving Consolidations
- b. Business Combinations

Financial Reporting Fraud as a Concealment Tool

- c. Financial Statement Fraud to Conceal Assets Misappropriation
- d. Financial Statement Fraud to Conceal Illegal Act

Financial Statement Fraud by Not-For-Profit Organizations

- e. Inflating the Value of Non-Cash Contribution
- f. Improperly Reporting Contributions Raised for Others
- g. Netting the Results of Fund-Raising Events
- h. Improper Allocation of Costs Associated with Joint Activities
- i. Misclassification of Expenses

Disclosure Fraud

- j. Categories of Disclosure Fraud
- k. Common Disclosure Risks

e. Detection and Investigation 20%

Detecting Financial Statement Fraud

- a. Motives for Financial Statement Fraud
- b. Fraud Risk Indicators
- c. Internal Control Indicators

Financial Statement Analysis

- d. Use of Analytical Techniques to Detect Fraud
- e. Horizontal Analysis
- f. Vertical Analysis
- g. Budget Variance Analysis

Ratio Analysis

- h. Research on Ratio Analysis
- i. Use of Operating Ratios to Detect Financial Statement Fraud
- j. Another Useful Measure: Working Capital to Total Assets

Other Detection Procedures

- k. Analysis Using Multiple Ratios
- l. Ratios Involving Nonfinancial Data

- m. Other Information and Disclosures in Financial Statements
- n. Understandability of Financial Statement Disclosures
- o. Testing of Journal Entries

Fraud or Honest Mistake

- p. The 'Smoking Gun'
- q. Witnesses
- r. Altered Documents
- s. Multiple Records
- t. Destruction of Evidence
- u. Actions that Contradict Recommendations
- v. Patterns of Behavior
- w. Personal Gain
- x. There's No Other Explanation for it
- y. Assessing (Or Minimizing) Auditor Liability
- z. Litigation Against Auditors
- aa. Concealment from the Auditors
- bb. Auditing Standards
- cc. Consideration of the Risks of Material Misstatement
- dd. Improper or Inadequate Use of Analytical Procedures
- ee. Auditing Accounting Estimates and Fair Values
- ff. Revenue Recognition Risks
- gg. Insufficient Consideration of Related Party Transactions
- hh. Auditing Disclosures in the Financial Statements
- ii. Overreliance on the Management Representation Letter