

Lesson 1 “Forensic accounting “

What is forensic accounting?

a specialized field within accounting that focuses on investigating fraud, etc. It combines the skills of accounting, auditing, and investigation to analyze financial records and transactions for legal purposes.

The purposes of forensic accounting

1-Fraud Detection :It identifies and investigates fraudulent activities such as embezzlement, money laundering, or financial statement manipulation.

2-Dispute Resolution: It provides evidence in legal disputes, including divorce cases, business valuations, or breach of contract.

3-Regulatory Compliance: It helps in adherence to financial regulations and standards because they are very important for the financial system.

Activities of forensic accounting

1-Financial analysis :It examines financial records to identify irregularities .

2-Tracing funds: It tracks the flow of money to uncover hidden assets or fraudulent transactions.

3-Data analysis: It uses advanced software and techniques to analyze large datasets to identify patterns that may indicate fraudulent behavior.

4-Litigation Support :It prepares reports to assist attorneys in court cases. It helps them solve complex issues.

5-Preventive Measures :It recommends internal controls(the process of protecting an organization's assets)and policies to prevent future fraud.

Common Techniques of forensic accounting

1-Benford's Law

The law is used in financial investigations to detect manipulation of financial data

2-Forensic Auditing

It conducts detailed audits to uncover evidence of fraud or misconduct

3-Digital Forensic

It examines electronic records and systems for evidence of tampering or fraud.

Skills Required in forensic accounting

- 1-Strong accounting and auditing knowledge.
- 2-Analytical and critical thinking skills.
- 3-Familiarity with legal procedures and regulations.

Task 1: complete the following sentences using these words:

Legal- compliance -fraudulent- embezzlement -evidence.

- 1- The process of forensic accounting assists in theto the rules and laws
- 2-is considered as one of the fraudulent activities
- 3- Forensic accounting giveswhen it comes to legal controversies.
- 4-transactions can be uncovered thanks to forensic accounting.

- 5- Forensic accounting analyzes financial statements forpurposes.

Task 2: find synonyms of the following words in the lesson:

Discovery(n)=

Adherence(n)=

Controversies (n)=

Lawyers (n)=

Task 3: Find opposites of the following words in the lesson:

Cover=

External=

Unfamiliarity=

Task 4: to what do the underlined words in the lesson refer to?

It =..... They =.....

Them=.....