

## 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 the .....to the rules and laws
- 2- .....is considered as one of the fraudulent activities
- 3- Forensic accounting gives .....when it comes to legal controversies.
- 4- .....transactions can be uncovered thanks to forensic accounting.
- 5- Forensic accounting analyzes financial statements for .....purposes.

### **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=.....