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***The Importance and Evolution of Forensic Accounting***

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Committing any fraud, whether it is a significant scheme such as in an organization, or a small project (such as cheating), could be said that it is a phenomenon inherent in human society and accompanying it throughout the history of its existence. Many individuals do not hesitate to use all sorts of (and often bizarre) methods for circumventing rules or laws, thus promoting one's interests. Since regulations and laws are subject to constant changes, fraud methods are also changing, thus stimulating the creativity of their creators.

The field of accounting does not avoid negative manifestations of human creativity. Accounting fraud arises in companies at different levels and from different motivations. The common denominator, however, is that these motivations are always selfishness and personal gain. The initiator, for example, a company director trying to improve current results, can be a fraud in the eyes of investors or a manager manipulating the necessary parameters to achieve a higher bonus. Fraud results in financial damage and loss of credibility against a specific individual or organization. Accounting fraud is a natural and unexceptional phenomenon in today's economies.

Therefore, the issue of accounting fraud is still very current and exciting. From a more optimistic perspective, it should be emphasized that the development of fraud is also occurring in the development of methods helping to detect these frauds through forensic accounting investigators. Moreover, it is an activity that, unlike an audit, does not have a regulatory framework. However, it has a wide and exciting range of methods that explicitly focus on fraud detection.

Forensic accounting and its methods are a popular topic, especially in the foreign professional literature (especially in Anglo-Saxon countries). Domestic literature offers only a limited number of publications devoted to the methodology detection of accounting fraud.

This thesis delves deeply into fraud as well as the forensic accounting profession. It describes forensic accountants' education, training, and careers and why the demand for this profession has suddenly increased. The necessary skills of forensic accountants are discussed, such as why these skills are valuable and discussing standard forensic accounting techniques and how they can be employed to detect and prevent fraud. This dissertation tries to explain several fraud schemes and well-known frauds that contributed to the increased demand for forensic accountants. The fraud triangle, as well as other contributing factors, are investigated.

This work discusses the changes made in the aftermath of the Enron and WorldCom scandals and the Sarbanes-Oxley Act of 2002. There are interpretations for the amendments made and why they were necessary. This dissertation aims to demonstrate the significance of forensic accounting while also thoroughly explaining the various aspects of fraud and forensic accounting. Furthermore, there are highlights on the importance of strong corporate governance, explaining the COSO internal control framework, and listing and explaining several critical internal controls. Cybersecurity is also discussed, including why it has become a must-have and how companies can more effectively enforce cybersecurity measures.

The study is divided into eight chapters, each covering a part of the broad and vast topic that is forensic accounting. The first chapter is dedicated to the research methodology adopted in the research of this study, which can be described as a structured descriptive review method. This method has been chosen as the purpose of this dissertation is to answer the research questions: is there a positive attitude among certified accountants toward forensic accounting as a tool for fraud management? Could forensic accounting indeed help improve internal control systems? Could forensic auditing indeed reduce the occurrence of fraud? Is the figure of the forensic accountant considered as necessary in Italy as it is

elsewhere? This research will essentially be a step toward Forensic Accounting for fraud management. Because these influences, the corporate and the economy, are intertwined, an effort will be made to examine the effectiveness of forensic accounting as an instrument to ameliorate corporate fraud, assess forensic accounting for an improved internal control system, and contribute to the presentation of quality financial reports.

The second chapter of this study is solemnly dedicated to defining forensic accounting as well as outlining the origins of forensic accounting starting from the Code of Hammurabi which was composed c. 1755-1750 BC. The third chapter focuses on forensic accountants and their roles, starting from the necessary education and training, the important skills needed, as well as an in-depth description of the differences between forensic accounting and auditing. Lastly, there is a depiction of the general forensic accounting process.

The fourth chapter deals with fraud in all its forms. The first part explains what fraud is, followed by a section focused on the reasons why fraud occurs. Furthermore, there is a depiction of fraud schemes where the most famous and well-known ones are presented in detail. Lastly, there is a description of the fraud investigation cycle. Chapter five regards forensic accounting techniques, and, more precisely, the use of CAATs, data mining techniques, ratio analysis, Benford's Law and the theory of relative size factors (RSF).

The sixth chapter focuses on the types of internal controls and their framework, and chapter seven looks at the future by explaining the current advances in cybersecurity. At last, chapter eight describes the current situation of forensic accounting in Italy and, lastly, the conclusions.