

1 Accountant's Perception of Forensic Accounting (Case Study of 2 Iran)

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7 **Abstract**

8 Forensic accounting is considered as a specialized field of accounting relating frequently to
9 legal problems (claims) and complaints. Forensic accountants usually called as forensic audits
10 or detector accountants are bound to provide other specialists with required evidence in law
11 counts. This study looks for to investigate the rate of accountants' perception of forensic
12 accounting considering the fact that as accountants' perception of financial rules increases the
13 number of firms which refer to law courts for their financial complaints will be reduced.
14 Research method is descriptive based on which the author has used Lickret 5 options
15 questionnaire to satisfy research goals. The research results indicate the low level of
16 accountants' perception of forensic accounting methods in which the author provide some
17 recommendations to enhance the accountants' perception of forensic accounting.

19 **Index terms**— forensic accounting, accountants' perception, Iran.

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27 methods in which the author provide some recommendations to enhance the accountants' perception of forensic
28 accounting.

29 **1 I. INTRODUCTION**

30 Forensic accounting is a specialized field of accounting which deals with legal claims and complaints. Forensic
31 accountants usually called as forensic audits or detector accountants are bound to provide other specialists with
32 required evidence in law courts.

33 A forensic physician is responsible to determine the cause of a victim's death by dissection and other
34 examinations.

35 Also there is a need for forensic accountants to investigate the cause of a legal one's death and like a forensic
36 physician, his profession & deals with scientific tests to help with police investigation and legal problems. The
37 word "forensic" employs this meaning as it is in forensic medicine; therefore, the term "forensic accounting" is a
38 translated form which is similar to "forensic medicine" in its responsibility.

39 Any accountant, especially in employment of a law court, plays a role like as a forensic physician but being in
40 employment of a firm a forensic accounting appears as an agency. In other words forensic accounting eats in a
41 domain of proxy and accounting.

42 forensic accountant is an agent who is familiar with financial, accounting, auditing and legal problems (affairs)
43 acting as a referee, expert, inspector or proxy specially in financial claims and cases of financial fraud.

5 RESEARCH METHODOLOGY

44 In other words, forensic accountants are considered as experienced auditors, accountants and inspectors of
45 legal and financial documents who are employed to investigate fraudulent activity and prevent it. They also
46 provide some services in accounting, damages, analysis.

47 They also try to provide services in some fields such as accounting, damages, analysis valuation and general
48 consultation.

49 Forensic accountants have critical role in divorce, insurance claims, personal damage claims, fraud claims,
50 construction, auditing of publication right and detecting terrorism by using financial precedence's.

51 Most of forensic accountants run parallel with proxies and rule executives in their investigation and play their
52 role in law courts as expert with nesses. All big and small firms have special circles for forensic accounting.

53 Forensic accounting itself has sub branches in which some are expert in insurance claims and some are expert
54 in personal damage, fraud, construction, affairs.

55 This research, based on above mention points, tries to examine Iranian accountants' perception of forensic
56 accounting in which the research has classified his study in two categories:

57 1. Accountants' perception and knowledge of consultation services related to forensic accounting. 2.
58 Accountants' perception of the source and methods of forensic accounting.

59 II.

60 2 LITERATURE REVIEW

61 Morteza Ramazani and Hossein Refiee Atani (2010) studied the accountants' perception of prevention methods of
62 fraud. In this research they examined accountants' perception of forensic accounting which demonstrates the low
63 extent of accountant's perception of forensic accounting. Forensic accounting is considered as one of the factors
64 in fraud prevention. (James L, 2006) Forensic accounting expert testimony has been experiencing a higher level
65 of assessment since the codification of the Daubert standard within the Federal Rules of Evidence under rule 702.
66 Harrison (2001) identifies this issue by using judicial opinions evaluating expert witness' testimony and suggests
67 that many judges have become increasingly skeptical of the expert performing consulting and expert witnessing
68 services for the compensating litigant. Pedneault (2009) has recognized, in "everyday litigation" attorneys are
69 inclined to use a single expert in both roles of consultant and expert for economic reasons. This type of monetary
70 compromise during the pre-trial stages of the litigation cycle does not emerge without potential threats to an
71 expert's lack of prejudice.

72 KPMG These studies also provide evidence indicating that forensic accounting education has evolved from
73 being limited, to continuing professional education sessions for practicing accountants, to a current state of being
74 offered as a credit course by several universities. Buckhoff and Schrader's study (2000, 135) finds, "adding
75 a forensic accounting course to the accounting curriculum can greatly benefit the three major stakeholders in
76 accounting education-academic institutions, students, and employers of accounting graduates."

77 Prior related studies are classified into two groups. The first group consists of studies that examine course
78 syllabi to determine the coverage of forensic accounting including fraud investigation education. Groomer and
79 Heintz (1994) analyze the topics covered in internal auditing courses in the United States and Canada and find
80 that fraud related topics were taught in more than 31 percent of examined internal auditing courses. Rezaee et al.
81 (1996) examine the coverage of forensic accounting in the accounting curriculum and find that only a handful of
82 universities offer a fraud and/or forensic accounting course, and suggest that the accounting curriculum provide
83 a knowledge acquisition base in forensic accounting as part of curriculum changes in response to the mandated
84 American Institute of Certified Public Accountants (AICPA) 150hour accounting program. Peterson and Reider
85 (2001) review forensic accounting course syllabi of universities and analyze the level of course offering, learning
86 objectives, content of forensic accounting courses, and course requirements.

87 3 III.

88 4 RESEARCH OBJECTIVES

89 This research tries to follow the objectives as follow:

90 1. Examination the extent of accounts' perception of forensic accounting. 2. To provide some recommendation
91 in order to enhance accountants' perception of forensic accounting.

92 IV.

93 5 RESEARCH METHODOLOGY

94 The research methodology used in this study is based on both survey and description methods. So far accurate
95 answer to the research questions, the authors design and developed a questionnaire which it is the most suitable
96 for this study. A survey questionnaire was completed by the accountants of Iranian Company at the end of 2011.
97 The questionnaire contains 3 parts namely (A).The Factors of forensic accounting services (B). The factors of
98 forensic accounting resources.

99 V.

100 **6 THE RESEARCH HYPOTHESES**

101 1-Iranian accountants have great knowledge of forensic accounting services! 2-Iranian accountants have great
102 knowledge of resource and methods of forensic accounting!

103 **7 VI. RESEARCH VALIDITY AND RELIABILITY**

104 Considering the fact that an ideal Test must include some distinctive feathers as objectivity, ease performance,
105 applicability, easy explication, validity and reliability, the two last ones are the most important features in every
106 test.

107 Research has used Cronbach's Alpha to examine the research reliability based on Table No.1 the value of
108 Cronbach's Alpha, measured by SPSS software, is $0.88 > 0.70$ which indicates the reliability of the test and
109 describes the validity of the responses. In order to examine the offer one week test reliability, 10 questionnaires
110 were sent again to those addresses the results indicated the uniform responses during a week which show the
111 reliability of the questions.

112 **8 TEST HYPOTHESES**

113 In order to test all hypotheses following accept and reject hypotheses were proposed: a) Test of First Hypothesis
114 Considering T value -0.116 , $df= 203$ and $sig = 0.708 > 0.05$, H_0 is reject and H_1 is accepted (Table No.3) than
115 we can state that Iranian accountants have no knowledge of forensic accounting services.

116 **9 b) Test of Second Hypothesis**

117 Considering T value -0.116 , $df= 203$ and $sig = 0.708 > 0.05$, H_0 is reject and H_1 is accepted in meaningful level
118 0.05 (Table No, 3). Therefore we can claim that Iranian accountants' have no knowledge of sources and methods
119 of forensic accounting.

120 **10 RESEARCH RESULT AND FINDINGS**

121 This research tries to provide the results of survey research obtained Frome 204 accountants, t test results indicates
122 the low extent of accountants; perception of services, method and sources of forensic accounting stemming from
123 poor informed and training provide by firms' financial managers and their limited knowledge of forensic accounting
124 methods.

125 **11 X.**

126 **12 RECOMMENDATIONS**

127 We can propose some recommendations based on subject importance and results obtained from research data as
128 follow:

129 1. Performance of training courses, general and private, for accountants in order to enhance their perception of
130 financial rules and forensic accounting. 2. To provide necessary training in fraud and its prevention. 3. Encourage
131 active persons to learn financial rules of crimes and their application. 4. Standardization of forensic accounting
132 source to help accountants' perception. 5. Providing a good database of financial fines and its prevention method.
133 6. Establishment of consultation society for accountants in forensic accounting. 7. To provide courses in forensic
134 accounting basis a university. 8. To hold specialized seminars in forensic accounting.¹

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Figure 1: Accountant' s

Figure 2:

No

neutrality of expert Table No, 2 Descriptive Statistics

Frequen	Descriptio	Freque	Perc
cy	n	ncy	ent
Gender	Male Female	143 61	70.1 29.9
Age	30 to 35 36 to 45	189 15	92.6 7.4
	Diploma	25	12.3
Educati on	Ass Diploma Bachelor	15 139	7.4 68.1
	Master	25	12.3
Experie nce	1 to 4 5 to 9 10 to 14	73 90 41	35.8 44.1 20.1
VIII.			

1, Reliability
Statistics
Cronbach's
Alpha
.850

N
of
Items
25

Figure 3: Table No .

No

??Description	t	df	Sig. (2-tailed)	Test Value = 3	Mean Difference	Result	IX.
First Hypothesis	-0.116	203	0.708		-.00445	Reject	
Second Hypothesis	0.526	203	0.575		.02548		Reject

Figure 4: Table No

12 RECOMMENDATIONS

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