Contents

Preface vii	
Introduction xi	R.
Statement on Standards for Consulting Service Discussion Points xxvii	25 XX
Chapter 1: F - Forgetting the Present and t	he Past 1
Fraud in the Present and Past	1
Management	6
External Auditors	11
Internal Auditors	17
Ethical Standards around the World	18
Audit versus Fraud Investigation	32
Summary	40
Recommendations	40
Chapter 2: R – Pelying on Others	45
Introduction	45
Management	46
External Auditors	55
Internal Auditors	69
Expert Witnesses	71
Additional Considerations	74
Summary	75
Recommendations	75
Discussion Questions	76

Chapter 3: A – Accepting, Not Verifying	81
Introduction Sufficient Evidential Matter Management	81 84 89
External Auditors	96
Others: Expert Witnesses	100
Summary	106
Recommendations	106
Chapter 4: U – Underestimating the Effort	109
Introduction	109
External Auditors	111
Expert Witnesses, Fraud Examiners, and Consulting Experts	118
Management and Internal Audit	136
Summary	137
Recommendations	138
Chapter 5: D – Determining the Outcome Before the Work	141
Introduction	141
Objectivity	145
Objectivity in Other Areas	152
Due Professional Care and Skepticism	154
Summary	164
Recommendations	164
Chapter 6: Overcoming Barriers to Reporting Fraud and	
Misconduct	167
Introduction	167
Barriers	168
Summary	189
Recommendations	190
About the Author 195	
Acknowledgments 197	
Index 203	