Appendix 1 – Expected Values for the Benford Theorem
(For the First Five Significant Digits from the left).

<table>
<thead>
<tr>
<th>Significant Digit</th>
<th>First Digit</th>
<th>Second Digit</th>
<th>Third Digit</th>
<th>Fourth Digit</th>
<th>Fifth Digit</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Not Applicable</td>
<td>11.97%</td>
<td>10.18%</td>
<td>10.02%</td>
<td>10.00%</td>
</tr>
<tr>
<td>1</td>
<td>30.11%</td>
<td>11.39%</td>
<td>10.14%</td>
<td>10.01%</td>
<td>10.00%</td>
</tr>
<tr>
<td>2</td>
<td>17.61%</td>
<td>10.89%</td>
<td>10.10%</td>
<td>10.01%</td>
<td>10.00%</td>
</tr>
<tr>
<td>3</td>
<td>12.50%</td>
<td>10.43%</td>
<td>10.06%</td>
<td>10.01%</td>
<td>10.00%</td>
</tr>
<tr>
<td>4</td>
<td>9.69%</td>
<td>10.03%</td>
<td>10.02%</td>
<td>10.00%</td>
<td>10.00%</td>
</tr>
<tr>
<td>5</td>
<td>7.92%</td>
<td>9.67%</td>
<td>9.98%</td>
<td>9.99%</td>
<td>10.00%</td>
</tr>
<tr>
<td>6</td>
<td>6.70%</td>
<td>9.34%</td>
<td>9.94%</td>
<td>9.99%</td>
<td>10.00%</td>
</tr>
<tr>
<td>7</td>
<td>5.80%</td>
<td>9.04%</td>
<td>9.90%</td>
<td>9.99%</td>
<td>10.00%</td>
</tr>
<tr>
<td>8</td>
<td>5.12%</td>
<td>8.76%</td>
<td>9.86%</td>
<td>9.99%</td>
<td>10.00%</td>
</tr>
<tr>
<td>9</td>
<td>4.58%</td>
<td>8.50%</td>
<td>9.83%</td>
<td>9.99%</td>
<td>10.00%</td>
</tr>
</tbody>
</table>
Appendix 2 – Schedule / Questionnaire used for the Survey

A. You are a
   ☐ Chartered Accountant
   ☐ Cost & Management Accountant
   ☐ Company Secretary
   ☐ Person with Accounting and/or auditing experience

B. You are
   ☐ In Practice or deemed to be in practice

   Working as an employed professional (not in practice)
      ☐ In the Internal Audit Department
      ☐ In the Accounting, Finance, Marketing or other Domain areas
      ☐ In a Research Capacity
      ☐ As a Business Analyst
      ☐ In other capacities

C. You are located in the
   ☐ Tamilnadu Area
   ☐ Karnataka Area
   ☐ Other Area (Please Specify) ____________________________________
D. You have a total work experience of
☐ Less than 3 years
☐ Between 3 and 7 years
☐ More than 7 years

E. The Net Worth of your company (including that of the parent or subsidiary entities) OR the net worth for the companies you normally audit is approximately
☐ Above ₹ 100 crores
☐ Between ₹ 75 and ₹ 100 crores
☐ Less than ₹ 75 crores

Please indicate the importance of the following modules in your practice / career

<p>| 1.1 | Methodology for Fraud Examination. | ☐ ☐ ☐ ☐ ☐ ☐ ☐ |
| 1.2 | Usage of High Level Forensic Detection Techniques – Beneish Algorithm. | ☐ ☐ ☐ ☐ ☐ ☐ ☐ |
| 1.3 | Usage of High Level Tools – Benford’s Law | ☐ |
| 1.4 | Usage of High Level Tools – Ratio Analysis. | ☐ |
| 1.5 | Discovering trends and patterns. | ☐ ☐ ☐ ☐ ☐ ☐ ☐ |
| 1.6 | Comparison of trends and patterns with prior years. | ☐ ☐ ☐ ☐ ☐ ☐ ☐ |
| 1.7 | Comparison of trends and patterns with other firms in the industry. | ☐ ☐ ☐ ☐ ☐ ☐ ☐ |
| 1.8 | Anti-Fraud Controls. | ☐ ☐ ☐ ☐ ☐ ☐ ☐ |
| 1.9 | Continuous Anti- Fraud Training | ☐ ☐ ☐ ☐ ☐ ☐ ☐ |
| 1.10 | Anti-Fraud Standards | ☐ ☐ ☐ ☐ ☐ ☐ ☐ |
| 1.11 | Professional pronouncements on forensic accounting | ☐ ☐ ☐ ☐ ☐ ☐ ☐ |</p>
<table>
<thead>
<tr>
<th></th>
<th>Skills for interviewing employees suspected of fraud</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.12</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
</tr>
<tr>
<td>1.13</td>
<td>Mathematical modelling</td>
</tr>
<tr>
<td>1.14</td>
<td>Questioning Strategies</td>
</tr>
<tr>
<td>1.15</td>
<td>Techniques to discover conflict of interest</td>
</tr>
<tr>
<td>1.16</td>
<td>Techniques to review defective controls</td>
</tr>
<tr>
<td>1.17</td>
<td>Techniques to discover hidden assets</td>
</tr>
<tr>
<td>1.18</td>
<td>Litigation Consultation Techniques</td>
</tr>
<tr>
<td>1.19</td>
<td>Relative Size Factor Analysis</td>
</tr>
<tr>
<td>1.20</td>
<td>Red Flags</td>
</tr>
<tr>
<td>1.21</td>
<td>Green Flags or Too Good To Be True Items</td>
</tr>
<tr>
<td>1.22</td>
<td>Missing Serial Numbers</td>
</tr>
<tr>
<td>1.23</td>
<td>Duplicate Receipt &amp; Payments</td>
</tr>
<tr>
<td>1.24</td>
<td>Repetitive and Unusual Transactions</td>
</tr>
<tr>
<td>1.25</td>
<td>Classification of Transactions</td>
</tr>
<tr>
<td>1.26</td>
<td>Stratification of Transactions</td>
</tr>
<tr>
<td>1.27</td>
<td>Single Transaction Vendor</td>
</tr>
<tr>
<td>1.28</td>
<td>Isolated Outliners</td>
</tr>
</tbody>
</table>

Please indicate your deployment of forensic accounting and fraud detection techniques in your area of work.

<table>
<thead>
<tr>
<th></th>
<th>Use of Forensic Tools is a part of every the Audit Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
</tr>
<tr>
<td>2.2</td>
<td>The areas where the tools are used is decided only after consultation with the management.</td>
</tr>
<tr>
<td>2.3</td>
<td>Automated Forensic Tools cover at least 90% of transactions in value in all areas</td>
</tr>
<tr>
<td>2.4</td>
<td>Automated Forensic Tools cover at least 90% of transactions in volume in all areas</td>
</tr>
<tr>
<td>2.5</td>
<td>Broad tests like Benford’s Law are initially deployed to ascertain the existence of irregularity.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Least Important</th>
<th>More Important</th>
<th>Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

[Table continues with more rows and columns, but not shown here.]
2.6 If high level tests indicate likelihood of irregularity, a detailed check is conducted in the domain/area.

2.7 Computer Assisted Audit Techniques (CAAT) are used for all audits.

2.8 CAAT techniques are used only for all identified Risks

Please indicate the extent to which you concur with the following statements on Forensic Accounting and Fraud detection training

<table>
<thead>
<tr>
<th></th>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Employment opportunities in the Forensic Accounting and Fraud Detection areas will drastically increase in the next three years.</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
</tr>
<tr>
<td>3.2</td>
<td>The Accounting Training Curriculum should include topics related to forensic accounting and fraud detection.</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
</tr>
<tr>
<td>3.3</td>
<td>High Profile fraud cases like Satyam and Enron should be made part of the training curriculum.</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
</tr>
<tr>
<td>3.4</td>
<td>The current training available in the domain areas is not adequate for detecting major discrepancies.</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
</tr>
<tr>
<td>3.5</td>
<td>Use of Computer Aided Techniques must be made mandatory in the training curriculum.</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
</tr>
<tr>
<td>3.6</td>
<td>Post-Qualification continuous training should be mandatory.</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
<td>☐ ☐ ☐ ☐ ☐ ☐ ☐</td>
</tr>
</tbody>
</table>
Please rate the likely future scope of the following areas for a Forensic Accountant.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Less More</th>
<th>Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>2.1</td>
<td>As an Expert Witness in a Court of Law</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2</td>
<td>As an Arbitrator for Financial Litigation Support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3</td>
<td>To Detect Frauds and Irregularities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4</td>
<td>To Detect Weaknesses in the Internal Control Systems</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.5</td>
<td>To support Financial Claims during Marital Disputes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Please indicate usage of CAAT tools in your profession (Only for Practising Professionals and Internal Auditors)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Least More</th>
<th>Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>5.1</td>
<td>Will invest and use the tools only if it is cost beneficial vis-à-vis manual effort</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.2</td>
<td>Will invest and use the tools if other professionals also use such tools</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.3</td>
<td>Will invest and use the tools only if the clients insist on such usage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.4</td>
<td>Will invest and use the tools to minimize professional liability.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.5</td>
<td>Will invest and use the tools if there are prospects of future business.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.6</td>
<td>Will invest and use the tools only if it is mandated by the Audit Body.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.7</td>
<td>Will use the tools only if the client bears the cost of investment.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix 3 – Bibliography

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