

# The Role of Forensic Accounting in Fraud Investigations: A Survey Based Research from Kingdom of Bahrain

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**Abstract.** Forensic accounting is the practice of utilizing accounting, auditing and investigative skills to assist in legal matters. The increase in number of frauds and fraudulent activities around the world has emphasized the need for forensic accountants. This research aims at define forensic accounting and differentiates between forensic accounting and traditional accounting and auditing. The study then explores the role of forensic accountants in fraud investigation and the knowledge and skills forensic accountants are expected to possess. Finally, the study will explain the role of forensic accounting in fraud investigation in view of accounting professionals, financial analysts and auditors in Bahrain. The result showed that Forensic Accountant is important in fraud investigation and curb and resolve economic and financial crimes in Bahrain economy. We recommend among others that the government of Bahrain should enact an Act that will make forensic accounting a practice in Bahrain so that economic and financial crimes can become history.

**Keywords:** Forensic Accounting, Fraud, Fraud Detection & Investigation, Fraud Prevention, Internal Control

## 1 Introduction

Economic crimes and accounting scandals, such as Tesco of UK & Mobily of Saudi Arabia, have increased dramatically in recent years in various parts the world. The complexity of today's business transactions, information and systems provides widespread opportunities for more sophisticated perpetrators to engage in theft or fraud resulting in misstatement of financial statements.

As a result of increasing frauds in corporate world, the new professionals, forensic accountant are indeed needed. Forensic accountants have been described as experienced auditors, accountants and investigators of legal and financial documents that are hired to look into possible suspicions of fraudulent activity within a company; or are hired by a company who may just want to prevent or recurrence of fraudulent activities. These professionals also provide services in areas such as accounting, antitrust, damages, analysis, valuation, and general consulting. Many

forensic accountants work closely with law enforcement personnel and lawyers during investigations and often appear as expert witnesses during trials.

Forensic Accounting is an amalgam of forensic science and accounting. The integration of accounting, auditing and investigative skills results in the special field known as forensic accounting (Crumbley, 2006). Although the coining of the term Forensic Accounting is said to date back to 1946, the practice is relatively new in the world and this profession is in initial stage in Kingdom of Bahrain.

Forensic accounting can be defined as the application of specialized knowledge and specific skill to stumble up on the evidence of economic transactions. Coenen (2005) stated that “forensic accounting involves the application of accounting concepts and techniques to legal problem”. It demands reporting, where the accountability of the fraud is established and the report is considered as evidence in the court or in the administrative proceeding. It provides an accounting analysis that is suitable to the court, which will form the basis of discussion, debate and ultimately dispute resolution (Zysman, 2004). This means that forensic accounting is a field of specialization that has to do with information that is being used as evidence especially for legal purposes. Forensic accounting encompasses both litigation support and investigative accounting. Litigation support provides assistance of all nature in a matter involving existing or pending litigation. It deals primarily with issues related with the quantification of economic damages, while investigative accounting is associated to the investigation of criminal matters.

## **2. Significance of the Research**

Research is needed to investigate the extent of growth of forensic accounting services and the growth in demand for such services. It would also be interesting to investigate the provision of forensic accounting services provided by professional organizations other than CPA/Audit firms, like attorneys, investigators, and security firms. Additionally, research is needed regarding the types of forensic services being offered by CPAs, such as a study of what comprises the forensic accounting services offered by national public accounting firms. Finally, research is needed regarding the costs, benefits, and profits associated with offering forensic accounting services.

The forensic financial expert jobs are increasingly more complex, requiring skill sets beyond a typical understanding of financial records and Generally Accepted Accounting

Principles (GAAP). Knowledge of forensic accounting is only part of the equation. More often, a team of forensic financial specialists with a variety of skill sets is needed to address the many challenges posed by a case (Neumann, 2008).

## **2.1 The Importance of Forensic Accounting**

The forensic accountants investigate and document financial fraud and white-collar crimes such as embezzlement and investigate allegations of fraud, estimates losses of damages and analyses complex financial transactions. They provide those services for corporation, attorneys, criminal investigators and the Government (Coenen, 2005). In order for forensic accountants to be able to identify fraud indicators, they must be trained in the areas of investigation, detection, and various specialized auditing techniques. Many times the forensic investigator will be an experienced auditor or accountant. It has been suggested that: “A forensic accountant should be able to demonstrate specialized skills in rules of evidence and the law, analytical and investigative skills, identification of patterns of abuse, excellent interpersonal and communication skills, and outstanding organizational skills”.

Forensic Accountants are trained to look beyond the numbers and deal with business reality of the situation, require the application of professional accounting skills, investigative skills; and involve disputes concerns or allegations of fraud or other illegal or unethical conduct (Canadian Institute of Chartered Accountant, 2006). There are many roles the forensic accountant can do like : Obtaining document necessary to support or refute a claim, reviewing of the relevant documentation to form an initial assessment of the case in an identified area of loss, examination for discovering, including the formulation of the act regarding the financial residence, and attendance at the examination for discovery to review the testimony, assist with understanding the financial issues and to formulate additional questions to be asked. A forensic accountant may also be used to track the funds that were deposited into the bank accounts. The indictment alleges that the funds were sometimes transferred from one bank to the next before being withdrawn. The prosecutors will likely want to be able to “follow the money” (Sanchez, 2012).

The Institute of Certified Forensic Accountants, USA in 2009 indicated that: “An increasingly complex business environment and the growing tendency for people to take legal action has led to the demand for accountants who understand the legal process, and who can

conduct investigations, financial analysis and other accounting or audit procedures at a level acceptable to the courts”.

## **2.2 Forensic Accountant Knowledge and Skills**

Forensic accounting, also called investigative accounting or fraud audit, is a merger of forensic science and accounting. Forensic science according to Crumbley (2003) may be defined: “as application of the laws of nature to the laws of man”. He refers to forensic scientists as examiners and interpreters of evidence and facts in legal cases that also offers expert opinions regarding their findings in a court. The science here is accounting science, meaning that the examination and interpretation will be of economic information. Zysman (2004) put forensic accounting as the integration of accounting, auditing, and investigative skills. In other words, forensic accounting is “accounting that is suitable for legal review offering the highest level of assurance and including the current generally accepted connotation of having been arrived at in a science”.

Buckhoff and Schrader (2000) concluded in their study that the demand for forensic accounting services and education will continue to increase, and that practicing Certified Fraud Examiners (CFEs) favor offering a separate forensic accounting course, whereas academicians prefer integrating forensic accounting topics throughout existing accounting courses. Coenen (2005) acknowledged that forensic accounting is associated with the use of accounting concepts, techniques and procedures to solve related legal cases. It requires constant auditing and development of reports which are used and important evidence in the court of law or in the administrative proceeding. Also, it has the ability to provide accurate accounting analysis that is appropriate for the court of law which will result in forming the basis of the discussion taking place in the court (Zysman, 2004).

## **2.3 Classification of Frauds**

Coenen (2005) stated that “Employee fraud comes in many shapes and sizes. It goes by several different names, including internal fraud, occupational fraud, or employee dishonesty. There are three basic types of fraud: asset misappropriation, bribery and corruption, and financial statement fraud. In many fraud schemes perpetrated by employees, more than one type of fraud is present”. Coenen also mentioned that asset misappropriation is the most often, probably because they are the frauds that occur the most often and they're the easiest. An asset

misappropriation might include things like check forgery, theft of money, inventory theft, payroll fraud, or theft of services. Many researchers suggested that asset misappropriation happens in over 91% of fraud schemes. This easily makes it the most common fraud, but statistics show that it is the least expensive fraud on a per-fraud basis.

The financial statements fraud or fraudulent earnings management has become of increasing concern to accounting regulators in recent years, especially in the post-Enron era. Financial statement fraud typically takes the form of overstated assets or revenues or understated liabilities or expenses. Companies such as Enron, Worldcom, Cendant, Phar-Mor, Rent-Way, ZZZZ Best, Sunbeam, Equity Funding, Tesco, and Mobily to name just a few, have committed financial statement fraud. The responsibility for detecting financial statement fraud is widely attributed to a company's external auditors. However, the auditing profession has been very circumspect in defining its role in fraud detection (Crumbley, 2003).

Early warning signs or “red flags” are indicators of possible fraud. In the KPMG 2004 GCC fraud survey, 49% of respondents indicated that warning signs ignored by their organization would, had they been acted upon, have led to the earlier discovery of the largest single instance of fraud. The statistic has increased substantially from the 36% reported. The survey concluded that Business is booming and fraud is on the increase and the organizations in the region appear to have varying levels of understanding as regards the optimal framework for fraud management strategies. The increasing recognition that fraud and misconduct is a major problem in conducting business in the region may indicate the need for additional anti-fraud measures by organizations and Government.

## **2.4 Forensic Accounting Education**

Rezaee *et al.*, (1996) examine the coverage of forensic accounting in the accounting curriculum and find that only a handful of universities offer a fraud and/or forensic accounting course, and suggest that the accounting curriculum provide a knowledge acquisition base in forensic accounting as part of curriculum changes in response to the mandated American Institute of Certified Public Accountants (AICPA) 150-hour accounting program.

Peterson and Reider (2001) review forensic accounting course syllabi of universities and analyze the level of course offering, learning objectives, content of forensic accounting courses, and course requirements. Studies in this group provide information on a small sample of

universities that are already offering forensic accounting and/or fraud investigation courses. These studies address only the "supply side" of the equation in the sense that they provide information on what is being taught or what academicians feel are important forensic accounting topics. There is a review of sample of 21 universities that are currently offering forensic accounting related courses and have their syllabi available online. These syllabi and other related prior studies were reviewed in designing the survey instrument. The three most important course objectives specified in the reviewed syllabi are: (a) providing education on pervasiveness of and the cause of fraud and white-collar crime; (b) exploring methods of fraud detection, investigation and prevention; and (c) obtaining insight on fraud prevention and identifying weaknesses in internal control systems. The second group of prior research consists of survey studies of practitioners and/or academicians regarding fraud investigation and/or forensic accounting courses and topics.

Rezaee and Burton (1997) conclude that the demand for forensic accounting services and education will continue to increase, and that practicing CFEs favor offering a separate forensic accounting course, whereas academicians prefer integrating forensic accounting topics throughout existing accounting courses. Buckhoff and Schrader (2000) find that the majority of responding institutions indicated that offering a course in forensic accounting is only slightly important to their accounting program.

Rezaee (2002) conducts a survey of a small sample of undergraduate and graduate accounting students and finds that responding students believed forensic accounting offers rewarding career opportunities, yet forensic accounting education is not getting adequate attention in the accounting curriculum and should be further promoted in colleges and universities. Many of these studies provide information on the "demand side," the views of students and practitioners on the importance and delivery of forensic accounting. Thus, forensic accounting coverage in today's accounting curricula is not well defined.

### **3. RESEARCH QUESTIONS**

The problem discussed in this research study is exemplified through answering the following questions: to what extent the concept of forensic accounting is clear? Is there a relation between forensic accounting and fraud investigation? To what extent the forensic accounting is

implemented in Bahrain? Do we need forensic accounting as part of accounting curriculum in universities based in Bahrain?

### ***Null Research Hypothesis***

*H1: There is no awareness of forensic accounting in accounting practitioners and users in Bahrain. (Item 1-3)*

*H2: The demand of Forensic Accounting does not significantly increasing in Bahrain. (Item 4-6)*

*H3: There is no relationship between Forensic Accounting and need of specialized courses as part of accounting curriculum in universities in Bahrain. (Item 7-8)*

*H4: There is no relationship between profession of forensic accountants and the knowledge and skills forensic accountants are expected to possess in Bahrain. (Item 9-19)*

*H5: There is no relationship between forensic accounting and fraud investigation in Bahrain. (Item 20-29)*

### **3. REASARCH METHODOLOGY**

The study aims to examine the implication of each independent factor towards the role of Forensic Accounting in Bahrain. A total of 70 sets of questionnaires were forwarded via email to the randomly selected Auditor and Compliance Officer in different companies in Bahrain. Out of the 70 questionnaire distributed, 55 responses were obtained, which makes the response ratio equals to 75.8%. The turnout rate deemed sufficient for the study keeping in mind that Bahrain has only 48 listed companies. The questionnaire used was closed-ended questions form, and used the 5 Likert-type scales with the level of agreement. Scale 1 was strongly dis-agreed and scale 5 was strongly agreed.

The study variables have been measured through the questionnaire by dividing it into several items (questions) to measure each aspect of forensic accounting, like the concept of forensic accounting, benefits, parties and principles, and its role in fraud investigation. The questionnaire was divided into four sections (hypothesis) and consisted of 29 items (questions). The first section concerned testing the clarity of the concept and the importance of forensic accounting, and it included 6 items. The second section aimed at testing the need of forensic accounting course as part of accounting curriculum in universities, and it included 3 items. The third section tested the role of forensic accountants and the knowledge and skills forensic accountants are expected to possess, and it included 10 items. The fourth section concerned testing the role of forensic accounting in fraud investigation, and it included 10 items. Statistical

tools like mean, standard deviation, standard errors were used along with two tailed t test at 95% level of confidence to test the hypothesis. For this purpose IBM SPSS version 20 has been used.

#### 4. Findings and Analysis

**Table 1: Demographic of the Respondents**

Variables		Frequency	Percentage
Gender	Male	34	61.82
	Female	21	38.18
	Total	55	100
Educational Level	Diploma	4	7.27
	Bachelor	30	54.5
	Master	15	27.27
	PhD	6	10.91
	Total	55	100
Experience (in years)	Less than 1	2	3.64
	1 to 5	15	27.27
	5 to 10	13	23.64
	10 to 15	8	14.55
	More then 15	17	30.91
	Total	55	100
Nationality	Bahraini	37	67.27
	Non-bahraini	18	32.73
	Total	55	100

**Table 2: Results from Respondents**

#	Items (Questions)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
1	Do you think that the concept of Forensic accounting is understood by accounting practitioners?	0	5	21	26	3
		0%	9.09%	38.18%	47.27%	5.45%
2	Do you think that the concept of Forensic accounting is understood by users of financial statements?	1	20	15	18	1
		1.81%	36.36%	27.27%	32.73%	1.81%



3	Do you think that the Forensic accounting can be defined as the application of specialized knowledge and specific skill to stumble up on the evidence of economic transactions?	1	0	5	33	16
		1.81%	0%	9.09%	60%	29.09%
4	Do you think that the demand for Forensic accounting is increased in light of recent corporate accounting scandals?	0	3	5	30	17
		0%	5.45%	9.09%	54.54%	30.91%
5	Do you think forensic accounting is important to promote effective responsible corporate governance?	0	1	5	27	22
		0%	1.81%	9.09%	49.09%	40%
6	Do you think forensic accounting is important to strengthen the credibility of financial reporting?	0	1	1	18	35
		0%	1.81%	1.81%	32.72%	63.64%
7	Do you think that the accounting curriculum should provide forensic accounting coverage?	0	0	3	29	23
		0%	0%	5.45%	52.73%	41.82%
8	Do you believe that there are numerous employment opportunities in forensic accounting?	0	4	26	20	5
		0%	7.27%	47.27%	36.36%	9.09%
9	Do you think that colleges and universities should encourage and advise students on career opportunities in forensic accounting?	0	4	26	20	5
		0%	7.27%	47.27%	36.36%	9.09%
10	Do you believe that demand for individuals possessing forensic accounting education and skills are increasing?	0	10	24	16	5
		0%	18.18%	43.64%	29.09%	9.09%
11	Do you think that Auditors need to be trained in many aspects before qualified as forensic accountants?	0	1	4	40	10
		0%	1.81%	7.27%	72.72%	18.18%
12	Do you agree that forensic accountant has to be trained in the areas of investigation, detection, and various specialized auditing techniques?	0	2	4	26	23
		0%	3.64%	7.27%	47.27%	41.81
13	To what extent do you think that forensic accountants can prevent fraud?	0	2	5	31	17
		0%	3.64%	9.09%	56.36%	30.91%
14	Do you agree that internal auditor has to cooperate with forensic accountant?	0	2	0	40	13
		0%	3.64%	0%	72.72%	23.64%
15	Do you think that the forensic accountant has to develop and evaluate fraud prevention & detection programs?	0	1	5	35	14
		0%	1.81%	9.09%	63.64%	25.45%

16	Do you think that is the responsibility of the forensic accountant to discover fraud and to report it to the appropriate authorities?	0	0	16	22	17
		0%	0%	29.10%	40%	30.91%
17	Do you agree that the forensic accountant can be helpful in protection and recovery of assets?	0	3	4	33	15
		0%	5.45%	7.27%	60%	27.27%
18	Do you think that the forensic accountant can be of assistance in litigation support?	0	3	6	28	18
		0%	5.45%	10.90%	50.91%	32.72%
19	Do you agree that the forensic accountant can assist lawyers during trials?	0	4	12	22	17
		0%	7.27%	21.80%	40%	30.91%
20	Is the application of forensic accounting can prevent fraud and enhance the performance of the company in an efficient way?	0	1	7	30	17
		0%	1.81%	12.73%	54.54%	30.91%
21	Do you agree that accounting manipulation can be easily detected by internal auditors?	2	15	16	19	3
		3.63%	27.27%	29.09%	52.73%	5.45%
22	Do you think that the use of forensic accounting can detect financial fraud?	0	2	6	32	15
		0%	3.64%	10.90%	58.18%	27.27%
23	Do you think there is different between auditing and forensic accounting?	0	5	11	31	8
		0%	9.09%	20%	56.36%	14.55%
24	Do you think there is a relation between forensic accounting and fraud investigation?	0	3	1	33	18
		0%	5.45%	1.81%	60%	32.72%
25	Should the government force the companies to execute forensic accounting to encourage the investors to invest more funds in Bahraini companies?	0	2	14	23	16
		0%	3.64%	25.45%	41.81%	29.09%
26	Is there a positive relationship between forensic accounting and the quality of reporting?	0	2	11	31	11
		0%	3.64%	20%	56.36%	20%

27	Do you think forensic accounting is important to engage in litigation consulting?	0	0	13	25	17
		0%	0%	23.63%	45.45%	30.91%
28	Do you believe that there is relation between Forensic accounting litigations, and investigative accounting?	0	2	7	36	10
		0%	3.64%	12.73%	65.45%	18.18%
29	Do you think that fraud investigation is often associated with investigations of criminal matters?	0	4	4	40	7
		0%	7.27%	7.27%	72.72%	12.73%

### Test of Hypothesis one:

$H_{01}$ : There is no understanding of forensic accounting in accounting practitioners and users of financial statements.

$H_{11}$ : There is understanding of forensic accounting in accounting practitioners and users of financial statements.

	N	Mean	Std. Deviation	Std. Error Mean
Q1	55	3.49	.742	.100
Q2	55	2.96	.922	.124
Q3	55	4.15	.731	.099

### T- Test Analysis:

	Test Value = 3					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Q1	4.905	54	.000	.491	.29	.69
Q2	-.292	54	.771	-.036	-.29	.21
Q3	11.625	54	.000	1.145	.95	1.34

The alternative hypothesis is accepted and the null hypothesis is rejected for the first and third Questions but it the ( $H_{11}$ ) rejected and the ( $H_{01}$ ) is accepted in Question 2 Therefore we can

conclude that forensic accounting understood by practitioners and low understanding by the users which raise the need of awareness of forensic accounting to all users.

### Test of Hypothesis Two:

H<sub>02</sub>: The demand and use of Forensic Accounting does not significantly increasing in the Kingdom of Bahrain.

H<sub>12</sub>: The demand and use of Forensic Accounting does significantly increasing in the Kingdom of Bahrain.

	N	Mean	Std. Deviation	Std. Error Mean
Q4	55	4.11	.786	.106
Q5	55	4.27	.706	.095
Q6	55	4.58	.629	.085

### T- Test Analysis:

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Q4	10.467	54	.000	1.109	.90	1.32
Q5	13.371	54	.000	1.273	1.08	1.46
Q6	18.643	54	.000	1.582	1.41	1.75

The alternate hypothesis (H<sub>12</sub>) is accepted and the Null hypothesis (H<sub>02</sub>) is rejected. Therefore we can conclude that the use of Forensic Accounting do significantly reduces the occurrence of fraud cases in in the Kingdom of Bahrain.

### Test of Hypothesis Three:

H<sub>03</sub>: There is no relationship between Forensic Accounting and need of specialized courses as part of accounting curriculum in universities in Bahrain.

H<sub>13</sub>: There is relationship between Forensic Accounting and need of specialized courses as part of accounting curriculum in universities in Bahrain.

Table 1: One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Q7	55	4.36	.589	.079
Q8	55	4.00	.816	.110

Table 2: One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Q7	17.173	54	.000	1.364	1.20	1.52
Q8	4.575	54	.000	.473	.27	.68

We reject the null hypothesis ( $H_{03}$ ) and accept the alternate hypothesis ( $H_{13}$ ) which says there is relationship between Forensic Accounting and need of specialized courses as part of accounting curriculum in universities in Bahrain.

#### Test of Hypothesis Four:

$H_{04}$ : There is no relationship between profession of forensic accountants and the knowledge and skills forensic accountants are expected to possess in Bahrain.

$H_{14}$ : There is relationship between profession of forensic accountants and the knowledge and skills forensic accountants are expected to possess in Bahrain.

Table 3: One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Q9	55	3.47	.766	.103
Q10	55	3.29	.875	.118
Q11	55	4.07	.573	.077
Q12	55	4.27	.757	.102
Q13	55	4.15	.731	.099
Q14	55	4.16	.601	.081
Q15	55	4.13	.640	.086
Q16	55	4.02	.782	.105
Q17	55	4.09	.752	.101
Q18	55	4.11	.809	.109
Q19	55	3.95	.911	.123

<b>Table 10: One-Sample Test</b>						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Q9	9.083	54	.000	1.000	.78	1.22
Q10	2.466	54	.017	.291	.05	.53
Q11	13.892	54	.000	1.073	.92	1.23
Q12	12.476	54	.000	1.273	1.07	1.48
Q13	11.625	54	.000	1.145	.95	1.34
Q14	14.351	54	.000	1.164	1.00	1.33
Q15	13.065	54	.000	1.127	.95	1.30
Q16	9.662	54	.000	1.018	.81	1.23
Q17	10.757	54	.000	1.091	.89	1.29
Q18	10.167	54	.000	1.109	.89	1.33
Q19	7.695	54	.000	.945	.70	1.19

We reject the null hypothesis ( $H_{04}$ ) and accept the alternate hypothesis ( $H_{14}$ ) which says there is relationship between profession of forensic accountants and the knowledge and skills forensic accountants are expected to possess in Bahrain.

#### **Test of Hypothesis Five:**

$H_{05}$ : There is no relationship between forensic accounting and fraud investigation in Bahrain.

$H_{15}$ : There is relationship between forensic accounting and fraud investigation in Bahrain.

<b>Table 4: One-Sample Statistics</b>				
	N	Mean	Std. Deviation	Std. Error Mean
Q20	55	4.15	.705	.095
Q21	55	3.11	.994	.134
Q22	55	4.09	.727	.098
Q23	55	3.76	.816	.110
Q24	55	4.20	.730	.098
Q25	55	3.96	.838	.113
Q26	55	3.93	.742	.100
Q27	55	4.07	.742	.100
Q28	55	3.98	.680	.092
Q29	55	3.91	.701	.095

<b>Table 5 One-Sample Test</b>						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Q20	12.050	54	.000	1.145	.95	1.34
Q21	.814	54	.419	.109	-.16	.38
Q22	11.128	54	.000	1.091	.89	1.29
Q23	6.943	54	.000	.764	.54	.98
Q24	12.186	54	.000	1.200	1.00	1.40
Q25	8.527	54	.000	.964	.74	1.19
Q26	9.271	54	.000	.927	.73	1.13
Q27	10.726	54	.000	1.073	.87	1.27
Q28	10.705	54	.000	.982	.80	1.17
Q29	9.616	54	.000	.909	.72	1.10

We reject the null hypothesis ( $H_{05}$ ) and accept the alternate hypothesis ( $H_{15}$ ) which says there is relation between forensic accounting and fraud investigation in Bahrain.

## 5. Conclusion and Recommendations

From the analysis of findings from respondents, pertaining to Forensic accounting survey in Bahrain, following are the main conclusions:

- The concept of Forensic accounting is understood by accounting practitioners but not well understood by users of financial statements.
- Forensic accounting education has not received adequate coverage in the accounting curriculum as demanded by the marketplace.
- Government should force the companies to execute forensic accounting that help to strengthen the credibility of financial reporting to encourage the investors to invest more funds in Bahraini companies.
- Fraud investigation is often associated with investigations of criminal matters.
- Forensic accounting can prevent fraud and enhance the performance of the company in an efficient way.

Based on the findings and results of the study, there are some recommendations that can be utilized in reaching the ideal application of forensic accounting in Bahrain:

- There is a need for clarify of the concept and the importance of forensic accounting to accounting practitioners and the users of financial statements, by making workshops, lectures and seminars and the need for the inclusion of forensic accounting in the syllabus of accounting curriculum in Bahraini universities.
- That the government should develop interest in forensic accounting and accountants for monitoring and investigation of suspected and confirmed corruption cases.
- Tamkeen (earlier labor fund) should support professional accountancy bodies to include the course in their program this will help to create awareness of its importance.

## 6. Limitations and area of future research

The first limitation is the findings of study were survey was merely obtained for accounting and audit practitioners and professionals and do not covered academics. Therefore, more effort should be devoted to cover all relevant people who are familiar with forensic accounting.

The second limitation is that the study used four specific independent variables only. Future researchers can increase the independent variables or add moderating variables to the study in order to enhance the results in different relevant areas. Future researchers can expand their researches by expanding the sample size in study that could enhance the variety of perceptions. The field of Forensic Accounting is a wide and interesting one.

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