

## Perceptions of Forensic Accounting Related to the Investigation of Corporate Criminal Offences

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When accounting is involved in corporate fraud or when criminal activity is hidden (or used) within accounting and/or financial reports, corporate fraud investigation faces several challenges in Slovenia. The potential difficulties, detected in theory, include: criminal investigators and/or state prosecutors do not have adequate knowledge concerning accounting and its use and misuse; (external) auditors do not have an obligation to discover and investigate corporate crime; (court) accounting experts often prepare reports and deliver opinions that cannot be verified; and, the investigative process and the subsequent procedure involved in a court trial are too lengthy because of these issues. To address these problems, forensic accounting is used to investigate corporate crime in many countries (e.g., the U.S.A. and the U.K.). In this study, the perceptions of criminal investigators and state prosecutors with respect to the investigation of corporate fraud and forensic accounting are examined.

The study interviews were conducted using a non-standardised interview method in the January, 2013. Results revealed that the criminal investigators and state prosecutors interviewed do not feel that they possess sufficient accounting knowledge to effectively investigate accounting records during corporate fraud investigation involving accounting and financial reports. Furthermore, criminal investigators and state prosecutors revealed that they do not independently perform any accounting-related tasks during corporate fraud investigations. Additionally, criminal investigators have stated that when collecting evidence or analysing evidence (related to accounting and financial reporting) during the investigation of a corporate crime, they receive unofficial support (advice and opinions) from acquaintances within their personal network. The results also show that criminal investigators and state prosecutors are aware of forensic accounting and believe that forensic accounting knowledge would benefit corporate fraud investigations, especially in pre-trial procedures. As a result of this study, the possibility of incorporating knowledge from the field of forensic accounting into corporate fraud investigations should be considered.

Keywords: interview, perceptions, investigation, corporate crimes (fraud), accounting, forensic accounting, criminal police, (state) prosecutor's office

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