



Forensic Accounting Using Fraud Management Model: A Systematic Literature Review

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Abstract: The significance of critical thinking and awareness of the factors that lead to fraudulent behaviour and financial fraud are interpreted in this study. The study's goal is further developed by elucidating how fraud management can be applied as corporate governance to stop fraud and why forensic accounting techniques are required. In order to find and create a fraud management and forensic accounting model, this study conducted a systematic literature review (SLR) using a portion of the Preferred Reporting Items for Systematic Reviews and Meta-Analysis (PRISMA) approach. According to the research, dishonest behaviour happens when a trigger exists and someone finds it impossible to ignore. It has become ingrained psychologically and has rationalised the reality of fraud on the basis of opportunity and pressure backed by capability, such as the fraud triangle and diamond models' triggers for fraudulent behaviour. Synthesis of findings: In the financial data-based justice system, financial fraud must be resolved through litigation, accounting fraud investigation, and the application of internal control in fraud management for early detection and investigation. Forensic accounting techniques are also required. The research's originality provides a forensic accounting and fraud management approach to guard against fraud and improve the company's financial standing.

Index Terms - Forensic Accounting, Fraud Triangle model, Fraud Diamond Model, Financial Crime

I. INTRODUCTION

The current business climate is characterized by deceit; financial and other fraud forms appear commonplace. Even among individuals who have experienced financial scandals from century to century throughout their civilisation, dating back to the industrial revolution (Pearson & Singleton, 2008). Financial scandals and scams sometimes begin with small-scale issues, but greed can cause a trend towards greater theft and fraud in larger amounts over time, especially when the offender is not apprehended and feels comfortable (Özkul & Pamukçu, 2012). This unlawful act, which is committed by using deception and fraud to commit crime, demonstrates a strategy to make quick money at the expense of other people. Violations, including those financial violations, will harm one's person and financial situation (Honigsberg, 2020).

In business, fraud is typically motivated by the desire to use company resources to satisfy personal goals, and fraud frequently results in the preparation of false financial statements (Bozkurt, 2003; Özkul & Pamukçu, 2012). Nonetheless, external and internal parties' actions, management's fraud, or even their cooperation can result in fraudulent acts and financial corruption (Modugu & Anyaduba, 2013). While efforts to halt this trend are undoubtedly necessary (Modugu & Anyaduba, 2013; Koh et al., 2009), early detection and prevention of violations are required to prevent financial disruption in a sustainable way (e.g., Honigsberg, 2020; Pearson & Singleton, 2008; Ozili, 2023; Okpako & Atube, 2013; Ozkul & Pamukçu, 2012; Liodorova & Fursova, 2018). It's interesting to note that the term "forensic accounting" has a financial equivalent in terms of efforts made to locate, analyse, and trace evidence at the crime scene (Honigsberg, 2020). For instance, Kaur et al.'s (2023) research indicated that forensic accounting is connected to fraud detection and prevention. According to Koh et al. (2009), these initiatives are crucial to preserving the stability and expansion of businesses. The field of forensic accounting is crucial in the fight against fraud because competent accountants who work in

this field can gain the trust of investors, capital owners, and company founders, among other stakeholders involved in this economic activity (Rezaee et al., 2004).

However, proficient comprehension of fraud is necessary for forensic accounting methods, and the implementation of fraud management is vital for preventing, diminishing, and managing fraudulent activities (Ehioghiren & Atu, 2016). Adopted and evolved as fraud management applied to forensic accounting procedures, the management process plays a significant role. While forensic accounting's ability to identify financial infractions primarily depends on analytical methodological elements derived from comprehensive data found in financial statements (e.g., Honigsberg, 2020; Pearson & Singleton, 2008; Özkul & Pamukçu, 2012; Liodorova & Fursova, 2018; Modugu & Anyaduba, 2013; Albashraw et al., 2014; Ramaswamy, 2007). It is not, however, overstated if, as members of the public and employees of corporate organisations, fraudulent acts and violations come to our attention. This is without going beyond the purview of auditors, financial auditors, and fraud examiners to disciplines that have developed forensic accounting in the curriculum. Due to this condition, scientists and a wealth of previous literature have been inspired to produce the most recent works that have contributed to the development and popularisation of forensic accounting approaches in the areas of financial fraud, violations in reporting fraud, and theme facts and interpretation of dispute settlement.

In this review of the literature, I discuss the significance of critical thinking skills and awareness of the factors that can lead to fraudulent behaviour and financial fraud, the pressing need to put fraud management in place as a good internal control to identify and stop financial violations and fraud early on, and how the effectiveness of forensic accounting procedures depends on the smooth operation of the interactions between the various components of fraud management. Therefore, using the fraud triangle model and the diamond fraud model as references, the goal of this study is to attempt to present an overview of fraud from a worldwide viewpoint, as well as the elements that drive fraudulent behaviour, such as financial misconduct and crime, financial fraud, and its effects. This study aims to provide readers with a thorough grasp of the important context of forensics from the perspective of financial fraud and fraud in connection to legal concerns affecting the justice system. Definitions of fraud and forensic accounting from many pieces of literature using diverse words will be given.

The study aims to enhance detection, accounting, and litigation investigations to dispute resolution or financial reporting violations. It explains how applying fraud management processes as good corporate governance to prevent fraud and why forensic accounting practices are required when fraud and indications of fraud have occurred based on findings from fraud management performance. This research concludes with synthesis of findings from multiple literatures, providing forensic accounting and fraud management models to help stop fraud in businesses.

For this study secondary data has been collected. From the website of KSE the monthly stock prices for the sample firms are obtained from Jan 2010 to Dec 2014. And from the website of SBP the data for the macroeconomic variables are collected for the period of five years. The time series monthly data is collected on stock prices for sample firms and relative macroeconomic variables for the period of 5 years. The data collection period is ranging from January 2010 to Dec 2014. Monthly prices of KSE -100 Index is taken from yahoo finance.

2. METHOD

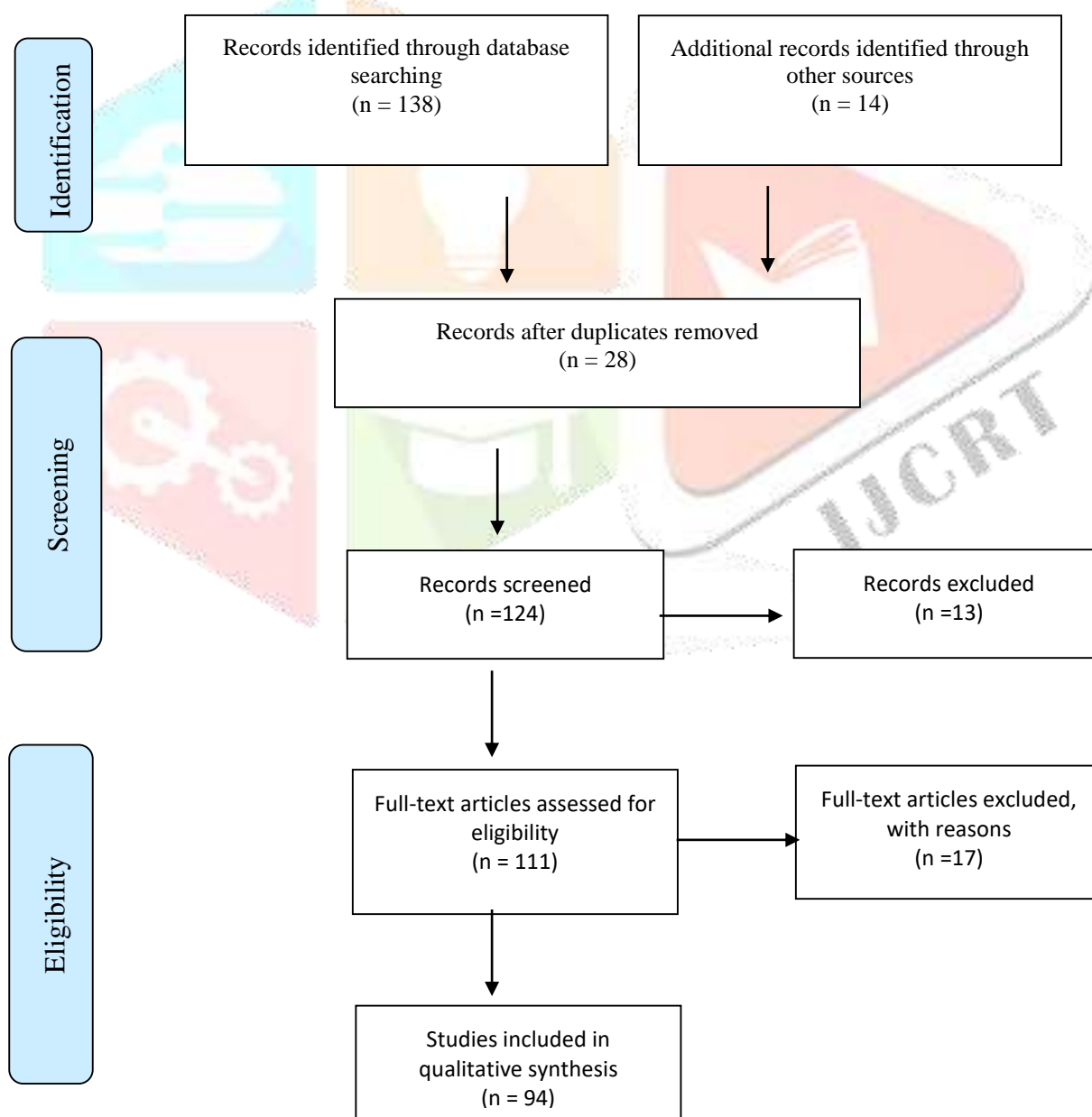
Using a portion of the Preferred Reporting Items for Systematic Reviews and Meta-Analysis (PRISMA) approach, this study is a systematic literature review (SLR) to locate, evaluate, and compile the body of research on forensic accounting and fraud management. The type of literature research used in qualitative research is chosen by consulting pertinent literature that serves as a reference to meet the research's requirements for adequacy and enrichment. This includes the function of the foundation for forensic accounting theory and fraud management theory, as well as the creation of models for forensic accounting and fraud management that can be used to stop financial crimes and fraud.

Together with Mendeley, which acts as a reference manager, I conduct a preliminary Google Scholar search, focusing on Scopus and Web of Science (WoS) databases. Articles on fraud, financial misbehaviour and crime, financial reporting fraud and violations, the fraud triangle model, and the diamond fraud model comprise the literature that was used in the study. However, papers that address the topics of fraud management and forensic accounting make up the majority of the review. After a preliminary screening, 28 studies were rejected due to duplication (Figure 1). The effectiveness of the studies that were picked for review was assessed. I first read articles by their title and abstract before reading them in full using snowball searches of important publications. Finally, I eliminated duplicate articles and articles that didn't match the search

parameters. This review covered a total of 94 studies. The 94 articles are from reliable international journals and is gathered and added as study materials in the first phase. The journal log list is put together as a working draft of the selection criteria and relevance scale for the literature that will be examined.

Three primary aspects comprise the methodology of this literature review: operationalisation, data analysis, and interpretation techniques. First, identification and a review of the literature are done with a focus on the problems that lead to fraud and forensic accounting to determine the key elements of fraud management and forensic accounting models. Second, describe the elements of the fraud model that lead to financial fraud, criminal activity, and financial reporting violations. Also discuss the effects of these factors on people, communities, and businesses, as well as the elements of fraud management and efficient forensic accounting procedures that stop fraud. Based on an amalgamation of information from numerous relevant publications. Third, the discussion of the literature review's results, conclusions, consequences, and recommendations were provided, culminating in the providing of fraud management and forensic accounting models to stop fraud and corporate financial fraud. To make up for the paucity of article data from other publications that contain the necessary relevant topics, the snowball approach was chosen and used in an advanced data search meta-analysis (Firmansyah & Saepuloh, 2022).

Figure 1: PRISMA flowchart depicting selection of articles for review



Source From: Moher D, Liberati A, Tetzlaff J, Altman DG, The PRISMA Group (2009). Preferred Reporting Items for Systematic Reviews and Meta-Analyses: The PRISMA Statement. PLoS Med 6(6): e1000097. doi:10.1371/journal.pmed1000097

For more information, visit www.prisma-statement.org.

1. RESULTS AND DISCUSSION

3.1 Fraud

Özkul & Pamukçu (2012) describe fraud as attempts to earn profits by dishonesty and illegal acts, as well as modelling and imitating behaviour with the purpose to deceive or mislead others. According to Arzova (2003), fraud is defined as an error committed by one party and used by that party to induce the other party to sign a contract. The definition of fraud contains the term "error" or "mistake". Errors can occur accidentally and unintentionally, and inadequacies are the cause of errors. Human error or environmental influences can cause these errors (Özkul & Pamukçu, 2012). To differentiate and assess deception from error, intention, purpose, and physiological factors are essential (Özkul & Pamukçu, 2012; Ehioghiren & Atu, 2016).

Although there is ongoing discussion on the definition of fraud in general, it is evident that dishonesty, mistakes, violations, cunning, unfairness, and the use of dishonest methods to earn money have all begun to resemble fraudulent behaviour. However, deceit is a misleading depiction spurred by human inventiveness, and there are various ways to get an advantage over others who are not authorised (Okafor, 2004; Nwaze, 2012; Ehioghiren & Atu, 2016). The complexity, variety, and adaptations of these methods show how loosely the definition of "fraud" is enforced (Bello, 2001; Chi-Chi & Ebimobewe, 2012).

According to the Government, any nonviolent acts committed by people or organisations in concert with the goal of amassing wealth in defiance of the law and the relevant regulations in their economic and administrative activities (Ehioghiren & Atu, 2016). According to Nwaze (2012) and Ehioghiren & Atu (2016), fraud is defined as a sequence of deliberate acts carried out by lone individuals or by a large group of people with the aim of obtaining illegal profits or the purpose of misleading an individual or organisation by using fraud procedures as a means to obtain them. Ramamoorti (2008) defined fraud as an intentional human act that is carried out with the purpose of purposefully satisfying a specific intensity of want. Ramamoorti (2008) defines fraud as an intentional human act carried out with the purpose of purposefully satisfying a specific intensity of want. The risk involved in committing fraud is the possibility of being discovered, having one's trust betrayed, and having to provide an explanation for one's actions.

It's interesting to note that individuals who commit fraud may find it difficult to break the habit; deception can also arise as a result of cleverness, unfair reasoning, and inventiveness, all of which increase losses for a person, company, or country. The surge in cases involving financial crimes, fraud, and violations can be prevented and stopped in large part by financial auditors, forensic accountants, and auditors certified as professional accountants under the applicable legislation. Community members and employees of unaffiliated groups continue to be concerned and pay attention to it in the interim.

3.2 The Fraud Triangle and the Diamond Fraud Model

Before it gets refined into a diamond fraud model, the triangle of fraud is a motif that keeps coming up in various literary works. Since they shed light on the theoretical and empirical underpinnings that permit an individual or organisation to engage in fraudulent activity, both models are quite intriguing. The phrase "fraud triangle" frequently describes the strategies, opportunities, and incentives used to address fraud occurrence (Arzova, 2003; in Özkul & Pamukçu, 2012) and is linked to investigative and police work (Ramamoorti, 2008). The three elements of the fraud triangle are the perceived opportunity, the supposed pressure or purpose, and the justification for the fraudulent activity (see figure 1). The Association of Certified Fraud Examiners (ACFE) has disseminated the fraud triangle, which is focused to support corporate accountants and other stakeholders (Albrecht, 2014; Homer, 2020).

Figure 2: The Fraud Triangle



Source: AGA Website.

It's interesting to note how the psychology of dishonest activity affects the fraud triangle. Perceived pressures, motivation, and personal incentives all influence human action. The psychological urge to rationalise or justify deceit or inaccuracy as something that can be sustained is the foundation for the idea of cognitive dissonance (Ramamoorti, 2008; Arzova, 2003; Özkul & Pamukçu, 2012). Eventually, even opportunity assessment becomes revealing and capturing extremely implausible scenarios; this depends on the offender's unique behaviour (Ramamoorti, 2008). Ultimately, understanding the underlying causes of deception necessitates a psychological explanation, and applying logic alone won't solve the problem. But aside from the triangle of deceit, it is commonly used as an effective conceptual framework. Although some scholars have constructed models of diamond fraud in the literature, it is possible that other factors could lead to fraudulent activity. It would still be a worthwhile study, though, because it is hard to fit within the fraud triangle.

For instance, Wolfe & Hermanson (2004) created the diamond fraud model by incorporating a capability component into it. Regardless of the existence of capabilities, fraud is, of course, meticulously, neatly, and maybe in complex ways planned and executed. The intricacy of the resources supporting them is one of their capabilities, yet they also serve as a catalyst for dishonest behaviour. Figure 2 displays an example of the diamond fraud model. The diamond fraud model's conceptual framework takes into account four factors that might lead to fraudulent behaviour: pressure, opportunity, fraud justification or rationalisation, and capability. The detective approach, which begins with pressure and ends with an incentive when pressure has fostered fraudulent behaviour, is still defined by the diamond fraud model. Referring to the fraud triangle's conceptual framework, it is highly likely that financial crime, fraud, and fraud will all occur under pressure. Pressures from the outside world, the workplace, and personal relationships can also be the drivers (Ehioghiren & Atu, 2016; Dimmock & Gerken, 2012). They may even be combined in a way that is well-organised and integrated. According to Adebisi (2013) and Peprah (2018), both monetary and non-monetary factors have the potential to incite deceitful conduct on an individual basis. Financial pressure is influenced by lifestyle choices and the need to increase performance in particular classes; nonfinancial pressure is brought on by gluttony, greed, and a lack of financial discipline. The management of the company, whether they are strategic employees or subordinates or collaborators, has the ability to manipulate financial reporting through the use of purely manipulated figures. They can also abuse policies, circumventing guidelines to mask subpar performance through the manipulation of financial data-based achievements or other specific objectives, which could lead to fraudulent behaviour at the company level.

Figure 3: The Fraud Diamond Model



Source: Wolfe & Hermanson (2004)

The possibility of fraud suggests that internal controls, even those within the organisation, are not being implemented effectively. Weak internal control creates chances and gaps in the manner that financial fraud and other essential mechanisms are designed (Ruankaew, 2016). Opportunities and perceived pressure are similar, though not always in the same way, especially when the opportunity is thought to be a fraud opportunity (Albrecht et al., 2006; Zikmund, 2008; Ruankaew, 2016). Consequently, the company's lax internal control makes it possible to enhance the use and growth of fraud management in order to stop fraudulent activity. The motivation behind an individual's willingness to be affiliated with and desire to work for a company is determined by recruitment mechanisms, which also take into account the clarity of the organisational structure, standard operating procedures, and the periodic execution of the internal control and evaluation management process. These measures are likely to be an alternative way to fortify the internal control mechanism and lower the likelihood of fraud (Holtfreter, 2004; Ramaswamy, 2007).

A psychological condition known as rationalisation is based on concepts and ways of thinking, where opportunity and pressure have shaped behaviour to make mistakes and frauds acceptable. The so-called "getting everything in various ways" that results from rationalisation has encouraged the acceptability and spread of dishonest behaviour, from money fraud to other forms of fraudulent activity. According to their justification, fraudsters' unlawful acts are viewed as appropriate (Ruankaew, 2016). Criminal activity is not seen by fraudsters as immoral, and conduct that is justified prior to the commission of fraud is considered to be moral (Dorminey et al., 2010). For instance, auditors have seen that at the corporate level, accrual accounting uses a rationalisation foundation to justify or explain to the extent that it could permit false actions (Skousen & Wright, 2006; Ruankaew, 2016). To reduce the rationalisations that lead to the justification of fraudulent acts and financial fraud, ethical behaviours, attitudes, and justifications for behaviours must be morally acceptable, in accordance with regulations and policies, and accounting reporting must adhere to generally applicable accounting standards and principles.

Actions that maximise goal achievement are strengthened by capabilities. This makes it possible for activities to be supported by sufficient resources, including the seamless execution of fraudulent activities. However, this cannot be separated from the incentives, chances, and justifications that encourage unethical behaviour. Possessing a range of resources and personal qualities at one's disposal, capability demonstrates the ability to choose and act. According to Wolfe & Hermanson (2004), a person's ability to perpetrate fraud is determined by their set of abilities, knowledge, attitudes, circumstances, and circumstances. Owing to their complexity, intelligence, placement, ego, coercion, stress management, and deceitfulness, these traits can be reinforced by their capacities (Shelton, 2014). The degree to which cheating can or cannot be committed can depend on an individual's skills and personality (Ocansey & Ganu, 2017; Peprah, 2018). Therefore, skills can be employed as a key component in the identification of gaps, the detection and litigation of fraud and financial fraud in the implementation of fraud management and forensic accounting techniques.

In order to avoid and lessen the pressures, opportunities, and behaviours of fraud and financial fraud for people and businesses, each component of the fraud triangle and the diamond fraud model contributes to corporate governance. The model's conceptual framework has been criticised, but despite this, it is still widely used, and other models of diamond fraud may develop in the future. Profitability considerations in a broad sense (financial and non-financial, such as life/business stability, position, performance, and economic competitiveness) have the potential to be used as the foundation of the purpose of the fraudulent act, regardless of the aim and purpose of the fraud. Nonetheless, it is acknowledged that the fraud diamond and triangle

models have a significant informational value for initiatives aimed at preventing fraud and financial fraud. In fact, forensic accounting practice requires consideration of all elements or factors in the conceptual framework of the two models in order to understand why fraud occurs, detection and litigation to dispute resolution or financial fraud in the information-based justice system. These motives and various pieces of information can be used as a basis for consideration in the application of fraud management to prevent and detect financial fraud perpetrators early. financial information and the strength of the proof.

3.3 Forensic Accounting

Siegel & Shim (2010) define forensic accounting as a scientific discipline concerned with using accounting data gathered through audit techniques and protocols to address legal issues. However, forensic accounting is defined by Rezaee et al. (2004) as a meticulous process of gathering and analysing data for use in expert witness, litigation assistance, consultancy, and fraud examinations. In courtrooms, meeting rooms, and other legal or administrative settings, forensic accounting is defined by the American Institute of Certified Public Accountants (AICPA) (2011) as a service that involves the application of specialised knowledge and investigative skills held by public accountants to gather, analyse, and evaluate evidence as well as to interpret and communicate findings (Botes & Saadeh, 2018).

Forensic accounting students need special skills and knowledge to excel in their field (AlShbeil et al., 2023; Alshurafat et al., 2023). The use of skills in potential or actual civil or criminal disputes, including generally accepted accounting and auditing principles; calculating losses or profits, income, property or damages, estimating internal controls, fraud, and other situations involving the inclusion of accounting expertise into the legal system, is what the Association of Certified Fraud Examiners (ACFE) (2006) defines as forensic accounting (Ehioghien & Atu, 2016). The scientific discipline of forensic accounting uses accounting as a tool to locate, look into, and create proof of financial misconduct (Ehioghien & Atu, 2016). The science of forensic accounting involves applying accounting principles and methods to legal issues (Zysman, 2004).

3.4 Relationship between Auditing and Forensic Accounting

Although they operate differently, forensic accounting and auditing are related fields that enhance and support one another's effectiveness in practice. Accounting and forensic auditing both work in the same industry, but they do so using different methods and approaches (Liodorova & Fursova, 2018). According to Howewer, Ramaswamy (2007), forensic accounting and auditing are very different from one another. Materials are involved in audits. However, minor, dubious-looking transactions can often serve as the common thread in investigative accounting, leading to the discovery of big accounting frauds. According to Liodorova and Fursova (2018), an audit is an investigation of a topic, with finance serving as the subject in forensic accounting. Generally, an audit is conducted to see whether the company's bookkeeping complies with audit standards, and company policies is examined by auditors (Bhasin, 2016).

Forensic accounting, on the other hand, is a financial analysis that integrates and advances the legal system. It solves legal issues by matching data, facts, or sets of documents with further supporting evidence. The act of identifying, recording, settling, extracting, classifying, reporting, and verifying past financial data or other economic events to resolve current legal disputes or predict their possibilities, or to use past financial data as a database to resolve disputes and project financial data future, is the subject of forensic accounting, according to Crumbley et al. (2005). According to Howewer, Koh et al. (2009), the forensic accounting process is essentially an auditing method that places an emphasis on investigative abilities together with the necessary training and expertise. Expert witnesses include those in forensic accounting (e.g., Dykeman, 1982; in Botes & Saadeh, 2018).

2. Fraud Management Model and Forensic Accounting to Prevent Fraud

Planning, organising, actuating, and controlling (POAC) is of course inseparable from the management process in a company, even in the broad framework of activities and goal achievement, so that it is possible to evaluate failures or successes (Firmansyah, 2023). This demonstrates how the management process's cycle theory interacts with various activities. The art and manner of managing one's resources to achieve objectives effectively and efficiently is referred to as management. The evaluation and correction of performance, whether it be excellent or bad, indicates which level of activity is incorrect or which task is not in compliance with the set standard operating procedures. Similarly, financial infractions and fraud detection can be carried out by the application of the management life cycle theory, namely fraud management. As an illustration,

consider the fraud management lifecycle hypothesis put forward by Wilhelm (2004) in Arzova & Shah's (2018) study.

Wilhelm (2004) put out eight factors—prevention, deterrent, detection, mitigation, analysis, policy, investigation, and prosecution—that can influence a knowledge management project's success or failure. However, the success of integrating information technology can facilitate the interaction and mutual relationship between each component, in addition to the right resources having to be taken into consideration for the balance of the framework's components in order to ensure that the fraud response can be coordinated effectively (Wilhelm, 2004; Amasiatu & Shah, 2018). Technological advancements in the disruptive period, coupled with the era of transformation and digitisation techniques, can have an impact on fraud management methods. These practices are dynamic and are still being adjusted today in response to increasingly complex fraud challenges and developments.

The prevention stage, which tries to stop fraudulent attempts and safeguard the organisation from fraudulent practices, can be where the eight parts of fraud management framework begins. The deterrence step involves strengthening internal controls within the organisation to stop fraud by putting in place systems, procedures, and processes that might make it more difficult for fraudulent activities to occur. Finding evidence of fraud is the main objective of the detection stage. A plan to minimise possible losses in order to lower the number of associated frauds is referred to as the mitigation step. In the meantime, two processes serve as the foundation for the analysis stage: first, the process of recognising and comprehending the incidence of fraudulent losses; second, the monitoring of each stage's performance. The evaluation stage, also known as the policy stage, is an activity that attempts to lower the incidence of fraud by developing, revamping, and altering fraud regulations. One of the elements to effective fraud management is policy. The step of investigation is obtaining enough proof to halt fraud and support legal proceedings.

Forensic accounting is typically already active in this field during the prosecution phase, sometimes even starting early in the fraud management procedure. The presence of frequent audits by external and internal auditors may not be enough to prevent financial and other forms of fraud. The main responsibility of the auditor is to provide an opinion on the financial accounts based on a reasonable belief regarding the risk of serious misrepresentation brought about by fraud, hoarding, or inadvertent error. Forensic accounting is still necessary in order to find fraud in the company's records. Forensic accountants should maintain a high ethical standard, adhere to legal and regulatory frameworks, and remain unbiased and objective in their investigation and reporting (Cooper & Kawada, 2022; Van Akkeren & Tarr, Citation2021).

In order to prevent fraud, an organisation must: 1) establish a positive work environment through proper recruitment practices; 2) implement a code of ethics and organisational commitments that are clearly understood and put into practice; and 3) choose and implement the best internal control system for asset control, with a focus on physical controls, appropriate authorisation, clear job descriptions, and an appropriate documentation recognition system (Ramaswamy, 2007). Alarm information is used to start a fraud investigation and identify potential problems. There are essentially two methods for identifying fraud: 1) spotting clues by accident; and 2) actively conducting research and promoting the early detection of fraud symptoms (Özkul & Pamukçu, 2012). Organisations may be able to identify warning signs and catch fraud events early with the use of proactive and interactive fraud management. Forensic accounting should be consulted to combat fraud, regardless of the motivation behind it—even if it stems from well-meaning efforts to promote it (Ramaswamy, 2007).

Financial examinations for legal purposes are typically carried out by forensic accounting, which uses the abilities and methods included in the applied forensic accounting model. The focus of the accounting approach that specifically aims to gengineize corporate financial violations is the prediction of violations in forensic accounting practices based on financial data. This is carried out by analysing financial statements, with two main methods used (theoretically cited from Honigsberg, 2020): 1) studying statistical anomalies, and 2) accounting-based predictors.

First, by examining the data and looking for numerical patterns, statistical irregularities are investigated. If the data has a normal distribution, then statistical irregularities may be present in some of the values. The evaluation's foundation is meeting the target, which is the lower of the company's reported earnings or losses within the question's defined criteria. Public enterprises may exhibit non-smoothness at the profit level (Burgstahler & Dichev, 1997). The annual net profit of a business is compared to its market value at the start of the year to determine its profit rate (Honigsberg, 2020). The explanation of this procedure means that deviations from the smooth distribution of the analysis results could be the consequence of human interference

in the process of identifying kinks in the zero number data. According to Honigsberg (2020), many businesses may experience minor profits that dip below zero if there is no profit management (using other theories he proposes). Regarding the intuition that a corporation can manipulate revenue or commit financial reporting violations, Burgstahler & Dichev (1997), who documented the context of this kink, another element influencing a company's profitability, to achieve or surpass targets, appear to be valid (Honigsberg, 2020). Second, accounting-based predictors refer to the use of conventional accounting-based techniques in forensic accounting procedures. Furthermore, on the basis of data from financial statements, generally accepted accounting principles and audits to identify financial reporting violations are produced in the disclosure of financial information to the public for each public company. Finding anomalous accruals and audit-based predictors is how accounting-based predictors are implemented (Honigsberg, 2020).

The analysis, synthesis, and presentation of intricate financial and corporate matters are under the purview of forensic accounting (Bhasin, 2007). Accordingly, forensic accounting activities comprise the following: 1) gathering and evaluating financial data; 2) adopting and creating computer programs to assist with data analysis and presentation; 3) interpreting and disseminating the results through reports, evidence, and document gathering; and 4) supporting legal proceedings by offering expert witness testimony and creating visual aids to supplement trial testimony (Bhasin, 2007; Ehioghiren & Atu, 2016). By offering numerical support from accounting variables that are entangled in financial criminal problems and economic problems due to including current cases or outstanding cases, forensic accounting fulfils its vital profession (Damilola & Olofinsola, 2007).

By putting effective fraud management into practice, corporate governance and internal control can be strengthened to the point where they can close gaps in the third and fourth elements of the fraud model, which function as catalysts for dishonest behaviour and corporate financial fraud. The management proactively requests and urgently requires forensic accounting services if there are indications of fraud or financial negligence in the organisation and if the findings of fraud management operations indicate that the fraud has actually occurred. In forensic accounting practice, every element in the conceptual framework of the two fraud models is taken into account to comprehend why fraud happens, as well as accounting, litigation, and detection investigations to dispute resolution or financial fraud in the legal system based on information and financial data.

3. Implications of Fraud Management Tool

5.1 Corporates

By the use of a fraud management tool, the organizations can safeguard the assets and revenue streams, which aid in the prevention of monetary losses. Consumers are more inclined to remain faithful to businesses that safeguard their financial interests and personal data. This increases customer's loyalty towards the business. Fraud management can assist in guaranteeing adherence to industry best practices and anti-fraud laws. An efficient fraud management program can help protect an organization's credibility and image from fraudulent activity. Building risk awareness, responsibility, and openness can be facilitated by an efficient fraud risk management. Organisations may identify fraud early on and take appropriate action with the aid of a fraud management tool. Lastly, the integration of human intervention along with technology helps to create an effective system in the organization.

5.2 Government

By lowering the possibility of fraud and improving the organization's integrity, a fraud management strategy can aid in the protection of public resources. A fraud management strategy can also support the advancement of accountability and transparency. Existing digital systems can be enhanced by governments to increase their efficacy in identifying fraud. Algorithms for detecting fraud should be customised to the local environment, taking into account local schemes and warning signs. In huge data sets, artificial intelligence systems can be helpful in identifying distinct fraud trends and signs. Reducing human labour and concentrating on the most significant situations can be achieved through automation. Fraud detection and interpretation of the results can be facilitated by visualisation tools.

4. CONCLUSION

The act of fraud has the capacity to turn into a pattern of financial crimes, fraud, and violations. The triggering elements are inextricably linked to fraudulent behaviour. In fact, it will be challenging for someone to reject it because, within the conceptual framework of the fraud triangle model and the diamond fraud model, psychological pressure, needs, and opportunities—as well as the existence of fraudsters—have taken hold and rationalised the reality of fraud. It is highly conceivable that in the future, new diamond fraud models that are continuously being produced and updated will be found. Broadly speaking, profitability factors are also important to take into account because they can deter dishonest intentions. However, the incidence of fraud and financial violations at the level of publicly traded companies can harm stakeholder relationships, disrupt the financial system, and cause the company's reputation to deteriorate to the point where public trust is lost. These indirect effects will then make investors, the public, and individual capital owners less likely to participate in the financial market. Based on its inherent characteristics, fraud can be classified into three categories: internal fraud, external fraud, and fraud committed in concert with both external and internal parties.

In order to prevent fraud, violations, and financial crimes, it is crucial to employ early detection and investigation using forensic accounting procedures for internal control and evaluation in fraud management. Financial infractions and fraud detection can be accomplished by the application of the management life cycle theory, or fraud management. Eight elements make up the structure of the fraud management model: analysis, policy, investigation, prosecution, detection, mitigation, deterrent, and prevention. Adopting and developing the fraud management component framework as an internal control of the business is still crucial for fostering good governance and serving as a method to identify potential financial reporting violations and fraud early on. Whereas the effectiveness of more successful forensic accounting procedures can be aided by the performance of the interactions between the fraud management components. A fraud management and forensic accounting methodology is provided by the study's unique results and synthesis to stop corporate financial fraud.

No matter how many synthetics of results and models are provided, the operationalisation and structural approach in this systematic literature review, as well as the methodological aspects of the research, are acknowledged as still having many weaknesses and subjecting us to limitations. Furthermore, it is probable that the most pertinent and current databases, material, and literature will be overlooked in our meta-analysis, rather than the most up-to-date fraud management and forensic accounting model. In order to gain a clearer understanding of the definition, operationalisation, observation of fraudulent and financial fraud behaviour, financial violations and crimes, as well as their triggering factors and their impact on victims, differences between forensic accounting and auditing, and the construction of fraud management and forensic accounting models to prevent fraud and corporate financial crimes, it is imperative that future research adhere strictly to this important lesson.

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