



ISCA Financial Forensic Accounting Qualification

Financial Crime

Sample Questions and Answers

ISCA Financial Forensic Accounting Qualification – Financial Crime

Questions	Answer	Explanation
<p>1. There was an allegation that one of the traders in a Financial Institution was using off-market trades to artificially inflate revenue. Which of the below procedures can best substantiate this?</p> <ul style="list-style-type: none"> a. Review of cancel and amends reports b. Review of trader’s profit-and-loss reports c. Review independent price verification checks that have been performed d. Enquire with the supervisor on his knowledge of such behaviour 	c	Independent price verification checks when performed can reflect off-market trades.
<p>2. Raven is the Relationship Manager of Mr Xavier, a high net worth individual. Raven is able to fully manage Xavier’s accounts, such as trusts and investment accounts. Raven also has access to Mr Xavier’s personal information, including his account passwords and specimen signature. What are the potential risks associated with this arrangement?</p> <p>There may be more than one answer for this question. Select all that apply.</p> <ul style="list-style-type: none"> a. Raven is able to perform unauthorised funds withdrawals b. Raven is able to commit forgery of customer instructions c. Raven is able to unilaterally alter Mr Xaiver’s account profile 	a,b,c	Access to accounts and confidential information allows Raven to perform all the above actions.

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<p>3. Which of the below is an example of a non-documentary record?</p> <ul style="list-style-type: none"> a. Chat logs b. Interviews with suspects c. Emails d. Bank reconciliation 	<p>b</p>	<p>An interview with suspects is an example of a non-documentary record.</p>
<p>4. Tim, an investigator, is reviewing call backs of a Financial Institution. Which of the following scenarios is a red flag Tim has to take note of?</p> <p>There may be more than one answer for this question. Select all that apply.</p> <ul style="list-style-type: none"> a. The customer is referred to by his nickname during the call back b. The Relationship Manager confirmed with the customer a trade is to be executed, without any details of the trade c. The call back is performed using the contact number from the Relationship Manager's personal records 	<p>a,b,c</p>	<p>During call backs, customers should not be referred to by their nicknames and details of the trade to be executed should be explicitly confirmed with the client. Contact numbers used in the call backs should be based on the official records and contacts maintained by the Financial Institution.</p>

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<p>5. A letter from a whistleblower alleges that the Financial Institution's procurement officer is favouring certain suppliers who are immediate family members of the said procurement officer. The names of the suppliers have been identified in the whistleblower letter. What could be the possible steps an investigator can take?</p> <ul style="list-style-type: none">a. Interview the procurement officerb. Interview the procurement officer's superiorc. Conduct background searches on the suppliers identified in the whistleblower letter and interview the procurement officerd. File a report with the Corrupt Practices Investigation Bureau	c	Background searches should be conducted first to establish the link between suppliers and the procurement officer, if any. An interview can thereafter be conducted to confirm the relationship between the suppliers and procurement officer.