

## **Forensic Accounting Education and Practice: Insights From China**

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### **Introduction**

The past three decades have witnessed many high-profile financial reporting fraud (FRF) cases (e.g., Enron, WorldCom, Parmalat, Satyam, sub-prime mortgages, Olympus). Particularly during the 2007-2009 global financial crises, the focus on FRF prevention and detection became more important as policymakers, regulators, investors, and businesses worldwide became concerned about the existence and growth of FRF, as well as corporate malfeasance and misconduct. The 2014 global fraud study conducted by the Association of Certified Fraud Examiners (ACFE) reveals that organizations worldwide lose about five percent of their annual revenue to fraud, with a total cost of about \$3.7 trillion and a median cost of over \$140, while more than one-fifth of frauds caused \$1 million or more in losses (ACFE, 2014). China, as the fastest emerging market in the world is no exception and not immune from FRF. While on the one hand, Chinese companies that use large audit firms generally present lower incidence of FRF (Lisic et al., 2013), the recent case of Longtop Financial proves that even large audit firms are not efficient in discovering fraud. During its audit of the company, Deloitte discovered that Chinese banks were involved in the FRF and that the revenue reported was erroneous (Blodget 2011).

As a rapidly growing area within the accounting profession, forensic accounting has emerged to investigate incidents of FRF. In this paper, the definition of forensic accounting is adapted from Rezaee (1992) as the practice of rigorous data collection and analysis in the areas of litigation support consulting, expert witnessing, and fraud investigation. The extant literature in the United States (Rezaee et al., 2004) provides evidence of the importance of forensic accounting education and practice and its integration into the business curriculum. However, the evidence of forensic accounting practice and education in other countries, particularly China, is rare. Thus, the primary purposes of this paper are to: (1) describe the forensic accounting environment in China; (2) examine the demand for and interest in forensic accounting practices and education in China; and (3) present the most relevant forensic accounting topics to be integrated into the global business curriculum.

Our analysis is conducted in two stages. In the first stage, we examine the forensic accounting environment in China and find that not only is there great interest in forensic accounting, but also a great need for it. Chinese students indicate that forensic accounting education is needed at both undergraduate and graduate levels. In the second stage, we conduct a survey to bring insight for both Chinese and international business students on the demand for and the relevance, benefits, coverage and delivery of forensic accounting education in China. We collect data from 167 Chinese undergraduate seniors in Financial Mathematics at Xian-Jiaotong Liverpool University in Suzhou, China and 123 graduate students

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at SKEMA Business School, a French business school on its Chinese campus. Among these 123 students, 19 were Chinese students and 114 were international students spending at least one semester in China.<sup>1</sup> Thus, we collect survey data from 186 Chinese students and 114 international students. Results reveal that: (1) the majority of both Chinese and international students expect that future demand for and interest in all three areas of forensic accounting will increase alongside more demand for litigation support; (2) forensic accounting education should be integrated into both undergraduate and graduate accounting programs, with more preference for graduate-level forensic accounting courses; (3) corporate governance plays an important role in preventing and detecting FRF; (4) anti-fraud deterrence, prevention and detection education and practice should be integrated into the business curriculum; and (5) the majority of the 21 suggested forensic accounting topics (over seventy percent) are considered important by both Chinese and international students for integration into accounting and business curricula. The insights from participants in China can be of benefit to business colleges and accounting schools in Asia and other emerging markets in promoting forensic accounting practice and education, as China is the fastest-growing emerging market in the world.

### **Areas of Forensic Accounting Practices**

This section describes forensic accounting practices in the United States and other western countries and their comparison with such practices in China.

#### *Forensic Accounting in Anglo-Saxon countries*

Forensic accounting is viewed as a practice of using technology and science to investigate and expose fraudulent activities and illegal practices involved in the areas of accounting, finance, management and criminology where fraud and illegal acts might take place, as well as valuation, risk assessment and dispute resolution. Three common areas of forensic accounting practices in Anglo-Saxon countries are litigation consulting, expert witnessing, and fraud examination (Rezaee et al., 2004). Litigation consultants assist lawyers in pre-trial activities, disposition and discovery, and dispute resolution. Forensic accountants apply their skills, accounting and financial knowledge, experience and training to educate lawyers in the interpretation and understanding of financial information. Litigation consulting services are in demand to determine liability and assess damages in business valuations, insurance claims, malpractice, divorce settlements, and embezzlements and theft in the workplace.

Forensic accountants also serve as expert witnesses to educate jurors about technicalities in accounting and financial reporting. Although litigation consulting and expert witnessing services are similar in the sense that they both apply accounting education and practice to assist the characters of the court (e.g., lawyers, jurors, judges) to better understand, interpret and use financial data, they have their differences. Forensic accountants serving as expert witnesses must maintain professional skepticism and remain objective and neutral to establish credibility with the opposing cross-examiner. The primary objective of the cross-examiner throughout the court deliberation process is to deter credibility by proving that the forensic accountant has given contradictory statements. Litigation consultants, on the other hand, often work under the supervision of a lawyer, and as such have special privileges regarding which specific details and evidence presented do not necessarily have to be revealed.

Forensic accountants normally serve as fraud investigators when there is an allegation of fraud. Fraud investigators examine financial data and other evidence to detect and report fraudulent activities. The primary purpose of typical financial statement auditing and fraud investigation is to gather competent and sufficient evidence to substantiate the reliability, completeness, transparency and accuracy of financial reports. While auditors provide reasonable assurance that financial statements are free from material

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<sup>1</sup> These international students are from several countries including France, Japan, Indonesia and Singapore as exchange students in China. The majority of these international students received their undergraduate education in France. There was a French student who earned her Bachelor's degree in Japan and an Indonesian student who studied in Singapore.

misstatements, whether caused by errors or fraud, fraud investigators' keen focus is to discover and deter fraud by searching for at least one event or transaction that could signal the possibility of fraud. Furthermore, fraud investigators can be hired to examine family law (net worth valuation, divorce), economic damages (civil litigations), fraud prevention and detection (antifraud policies, procedures and practices), risk assessment (bankruptcy risk), asset valuations (bankruptcy, mergers and acquisitions), misappropriations of assets (thefts, embezzlements), fraudulent financial reporting (financial statement fraud) and white-collar crimes (larceny, defalcation, illegal acts, bribery, money laundering, corruption).

These three areas of forensic accounting education and practice are well-established in the United States. Rezaee, Crumbley, and Elmore (2004) conducted a survey of both academics and practitioners in the United States and found that both groups of respondents considered forensic accounting education relevant and useful to accounting students and suggested that forensic accounting topics be integrated into the accounting curriculum. Rezaee and Riley (2009) report that since the passage of the Sarbanes-Oxley Act of July 2002 (SOX), which was intended primarily to combat FRF and scandals, the Department of Justice has obtained nearly 1,300 fraud convictions. The 2010 COSO report concludes that FRF has persisted in the past two decades with 347 incidents having incurred between 1998-2007, compared to 294 cases from 1987-1997. Forensic accountants need to acquire specialized skills, education and experience to see the entire threatening iceberg (fraud). The required education and experience of forensic accountants are examined by seeking insights from experts in the following section. Davis, Farrell and Ogilby (2009) conducted a survey of professionals (126 attorneys, 603 practicing CPAs and 50 accounting/auditing professors) in the United States to gather insights regarding the characteristics and skills of forensic accountants and what it means to be an effective forensic accountant. The survey results suggest that three essential traits and characteristics of forensic accountants are being analytical, detailed-oriented and ethical.

### *Forensic Accounting in China*

This section examines: (1) the development of corporate governance in China that influences its forensic accounting practice and education; and (2) the forensic accounting environment in China by describing the evolution of forensic accounting practices in China.

Many factors affect the development of corporate governance and its influence on forensic accounting practice and education in emerging markets such as China. Chinese financial markets are comprised of State-Owned Enterprises (SOEs) and Private Sector companies (PSCs), which play an important role in the Chinese economy and its financial market, corporate governance and financial reporting process. The effectiveness of corporate governance in preventing and detecting financial fraud is influenced by many factors and is typically measured in terms of creating shareholder value and protecting interests of other stakeholders. Different types of corporate governance structure are exposed to different financial misconduct and scandals. For example, the dispersed ownership system of governance common in the United States is prone to earnings management schemes (e.g., Enron, WorldCom), whereas concentrated ownership systems are more vulnerable to the appropriation of private benefits of control (e.g., Parmalat) in Europe and improper related parties transactions in China. Corporate ownership in countries other than the United States tends to be much more highly concentrated through large banking institutions by family ownership. The concentration of corporate ownership and control and government ownership of large portions of corporate shares can significantly influence corporate governance and thus the quality of financial reports in China. Concentrated ownership primarily in the hands of families, as experienced in China, can result in the agency cost of potential conflict between controlling owners and minority shareholders and thus affect the quality of financial reports. The country's legal system can also play a role in determining corporate responsibility, authority and the structure and fiduciary duties of its directors and officers and their commitment to the integrity of the financial reporting process.

Traditionally, the majority of Chinese enterprises have been state-owned with administration-driven, unified, and collective governance. In the past two decades, the *Company Law* and the *Securities Law*

were enacted to provide the foundation for developing a corporate governance framework in China (OECD, 2011). In 2002, the China Securities Regulatory Commission (CSRC) issued a Code of Corporate Governance that established governance principles and mechanisms to improve the quality of financial reports of listed companies (Gao and Zhang, 2013). Other corporate governance regulatory bodies, including the National People's Congress, the State Council and the Ministry of Finance also participate in establishing corporate governance guidelines in China that are intended to improve the soundness of its financial markets and quality of its financial reporting processes. Corporate governance and the legal system in China enable the Chinese government and regulators to play an important role in detecting, preventing and enforcing financial fraud.

Forensic accounting education and practice research in other countries, including China, is rare despite the fact that China is the fastest emerging growth market in the world and Chinese firms are being scrutinized by global regulators for financial reporting transparency and quality. For example, on December 3, 2012, the SEC initiated fraud investigation against China-based companies and their auditors by formally accusing the Big Four-affiliated auditing firms in China of withholding important documents from U.S regulators (SEC, 2012). The SEC fraud enforcement action puts Chinese auditors on the spotlight for violating their objectivity and independence rules. The SEC formally charged the Chinese affiliates of the Big Four accounting firms with violating SEC rules by withholding documents pertaining to China-based companies listed on U.S. exchanges (both Chinese IPOs and CRM) subject to the SEC investigations for potential fraud against U.S. investors. U.S. regulators (SEC and PCAOB) have also struggled to obtain sufficient documents because auditors of these firms have declined to cooperate, citing protection via China's laws (SEC, 2012).

Forensic accounting first appeared in the United States in the late 1870s and early 1880s due to stock fraud cases and scandals involving the securities market and the credit industry. The rapid growth of forensic accounting in China did not take place until the end of the twentieth century, spurred by the rise in international forensic accounting (Sui, 2013). The term "forensic accounting" is still unfamiliar to many in China, but many know what "judicial accounting" means (Gao et al., 2005). In 1954, some higher education institutions offered "accounting and judicial account verification" classes as an elective for law students. Later, the Chinese Justice Department renamed the course to "Judicial Accounting" (Gao et al., 2005). In recent years, Chinese government agencies and regulators such as the CSRC and the Ministry of Finance have been monitoring and sanctioning accountants and audit firms that fail to discover and report financial fraud in their clients' financial statements (Firth et al., 2005).

The Chinese government agencies and regulators have recently taken initiatives to improve the efficiency of China's financial markets and the quality of its financial reporting process in order to attract foreign investment. However, China's current forensic accounting practices cannot meet the needs of the justice system in protecting the rights and interests of investors and maintaining a healthy development of the securities market. A survey of Chinese professionals conducted in 2005-2006 finds that the promotional strength of forensic accounting in China is insufficient, with low social awareness (Zhang and Zhang, 2010; Zhang and Bohai, 2010). Some industries such as energy, oil refinery, iron and steel, communications and petrochemicals are heavily monitored and regulated by the Chinese government and thus forensic accounting is more practiced in these industries (Wei et al., 2005; Tian and Estrin, 2008). Regarding the supply of forensic accountants in China, there is no specific organization which could provide the forensic accounting service. The Shanghai Forensic Accounting Identification Committee has been concerned about public interest in addressing the accounting materials in the cases, including economic crime, economic dissension and civil disputes (Hao 2010). However, the organization still provides basically the same services as prior to the surge in forensic accounting.

The value of forensic accounting is that it can provide accounting evidence and facts in monetary units in order to meet the needs of the justice system. Unlike judicial accounting, forensic accounting focuses more on actions that support criminal procedures. The present litigation system in China should be

improved through stronger integration between law and accounting (Zhang and Bohai, 2010). Litigation support is one of the core functions of forensic accounting. From the view of building standards of operation, Hao (2010) provides insights on how to improve litigation support services and forensic accounting institutions in China. Outside of the lawyer/accountant markets, forensic accounting professors, particularly those well-versed in law, have become more marketable, as argued by Hu (2011) and Zhang and Bohai (2010). The review of the forensic accounting literature in China suggests there is a need for exploring forensic accounting and practices in China, which is addressed in this study.

### **Methods and Procedures**

Financial reporting fraud (FRF) has dominated the news over the past decade and its persistence has undermined the integrity of financial reporting. Two methods were used to gather data on supply and demand for forensic accounting education in China. First, we performed a content analysis of several course syllabi to determine the current supply of forensic accounting education in Chinese universities. Second, we conducted a survey to gather insights on demand for forensic accounting in China.

#### *Questionnaire*

A two-page, four-section questionnaire was prepared, pre-tested, revised and then sent to the participants. The three main sections of the survey asked respondents for their perceptions of the future demand for and interest in all three areas of forensic accounting practices, and ways that forensic accounting education can be integrated into the accounting curriculum and educational content of forensic accounting education. The last section sought comments on forensic accounting education and practice and financial reporting fraud. To improve the response rate, we included with each questionnaire a cover letter stating the survey objectives, defining forensic accounting and financial statement fraud, assuring the confidentiality of the responses, agreeing to share the summary of findings and giving respondents the appropriate amount of time needed to complete the questionnaire. The original draft of the questionnaire was pre-tested by asking several colleagues to review it for content, format, completeness and accuracy. Corrections were made in the final draft submitted to participants. The Appendix shows a copy of the surveyed questionnaire.

#### *Sample*

A survey was conducted at two different universities located in Suzhou, China. The first group consisted of 167 Chinese undergraduate seniors in Financial Mathematics at Xian-Jiaotong Liverpool University, and the second group consisted of 123 graduate school students at SKEMA Business School on its China campus located in Suzhou. The survey was conducted primarily because of students' education and work experience in business, financial reporting knowledge and familiarity with areas of forensic accounting practices. Chinese senior undergraduates and graduate students and international graduate students from these universities were selected because: (1) Xian-Jiaotong Liverpool University is a Sino-British university offering 24 degree programs in the fields of Mathematics, Science, Engineering, Business, Management and Culture; (2) the instruction language is English; (3) two of the authors are instructors at Xian-Jiaotong Liverpool University; (4) one of the authors was the instructor of a senior-level Financial Risk Management class offered in the Fall semester of 2013 when the survey was conducted; and (5) one of the authors was the instructor of Corporate Finance at SKEMA Business School. The questionnaire was administered by the authors in two classes with a combination of 186 Chinese students and 114 international students.

The survey was conducted as an in-class activity in the Financial Risk Management and Corporate Finance courses. The questionnaire was made available to all students, and their feedback was recorded on multiple choice cards. Participation in this survey was voluntary, and respondents were assured that no identifying information would be stored or reported and only summary information would be made public. No respondents were compensated for their participation. Table 1 shows that we conducted our survey in two classes with total of 300 participants and that we received usable responses from 147

Chinese students and seventy-five international students. We received responses from 222 students, for an overall response rate of seventy-four percent. Chinese and international students have response rates of seventy-nine percent and sixty-six percent, respectively. Omitted answers were excluded from the calculation of statistics and no adjustment was made for the preparation of the questionnaire's overall summary. [see Table 1, pg 115]

We applied the t-test to test for differences in responses between subject analysis and the differences in responses in the ranked data. We took the strength of response metric approach to determine the strength of response for each of the groups (i.e., Chinese students and international students) on each of the selected 21 topics ranked in a five-point Likert scale.

### **Results and Discussions**

Results are presented in the following three categories: (1) the international horizon for forensic accounting practice; (2) method of integrating forensic accounting education into the business and accounting curricula worldwide; and (3) topical content and coverage of forensic accounting education.

#### ***International Horizon for Forensic Accounting Practice and Education***

Table 2 summarizes responses to a question regarding future demand for and interest in three areas of forensic accounting practices. The majority of both groups of respondents (Chinese and international students) reported that they expect future demand for and interest in fraud examination, expert witnessing and litigation support services, with the highest interest being in litigation support. However, differences in responses on the future demand for and interest in litigation support, expert witnessing, and fraud examination between the two groups of respondents are statistically significant (at the 0.01, 0.05, and 0.10 levels of significance, respectively) in the sense that Chinese students expect higher growth in these three areas of forensic accounting practices (litigation support, expert witnessing and fraud examination) than do international students. In fact, the majority of Chinese students (more than sixty percent) believe that demand for and interest in litigation support and expert witnessing will increase, while only about fifty percent expect that the demand for and interest in fraud examination will increase. Slightly more than half of the international students who responded felt that there would be an increase in demand for and interest in litigation support and expert witnessing (fifty-five percent and fifty-one percent, respectively). More than forty percent of both groups of respondents felt that demand for and interest in fraud examination would remain the same or decrease. Of the three forensic accounting practices, Chinese students felt there would be more demand for and interest in litigation support rather than expert witnessing and fraud examination (sixty-nine percent, sixty-one percent, and forty-nine percent, respectively). Less than half of both groups of respondents, forty-nine percent for Chinese students and forty-five percent for international students, expect future demand for and interest in fraud examination to increase. More than forty percent of both groups felt that demand for and interest in fraud examination would either remain the same or decrease. A comparison of these results with those of Rezaee et al., (2004) indicates that Chinese respondents felt that the demand for the litigation support practice of forensic accounting is much higher than that in the United States, whereas such demand is less for fraud examination. [see Table 2, pg 115]

Table 3 shows that a majority of both groups of respondents believe that forensic accounting courses should be offered at graduate, undergraduate and/or both graduate and undergraduate levels. The majority of Chinese students (fifty-eight percent) believe that forensic accounting education should be provided at both undergraduate and graduate levels, whereas only thirty percent of international students feel that forensic accounting course be offered at both graduate and undergraduate levels. The responses between the two groups are statistically significant at the 0.05 level. [see Table 3, pg 116]

*Perception toward Forensic Accounting Education and Practice*

Respondents were asked to express their opinion regarding the importance and relevance of forensic accounting practice and education. We ranked responses on a five-point Likert scale, with “5” indicating “strongly agree” and “1” representing “strongly disagree.” Results presented in Table 4 indicate that both groups of respondents agreed that Corporate governance plays an important role in preventing and detecting fraud (mean response of 3.78 and 3.33 for Chinese and international students, respectively), forensic accounting education and antifraud policies and procedures should be integrated into the accounting curriculum (3.67 and 3.42, respectively). Chinese students are in further agreement with statements that forensic investigative fieldwork auditing should be integrated into auditing textbooks and audit engagements (3.73), that current high-profile financial statement fraud cases, including the 2007-2009 global economic meltdown and financial crisis, galvanize more interest in and demand for forensic accounting, including fraud examination (3.62), and that the business curriculum should provide forensic accounting coverage as well as inform business students about career opportunities in forensic accounting (3.59, 3.58). However, international students are basically neutral regarding the above statements with mean responses of 3.00 or slightly below 3.00. The responses on statements presented in Table 4 between the two groups are statistically significant at the 0.05 and 0.01 levels, suggesting that Chinese students’ overall perception toward forensic accounting practice and education is much higher than that of international students. [see Table 4, pg 117]

*Curriculum Content of Forensic Accounting Education*

Given the overwhelming interest in forensic accounting practices and demand for forensic accounting education, what should the curriculum content of courses in forensic accounting be? We asked both groups of respondents to indicate the importance of twenty-one suggested forensic accounting topics by using a Likert scale of one to five, with five being the “most important” and one being the “least important.” The results were tested for differences in the responses between Chinese students and international students using the parametric t-test. Results presented in Table 5 reveal that Chinese students rank the importance of these twenty-one topics for integration into the accounting curriculum much higher than the international students did, and the differences in many responses (nineteen out of twenty-one) are statistically significant. Results show that both Chinese and international students ranked the topics “Financial statement fraud,” “legal elements of fraud,” and “antifraud education and practice” at the top of their list. The main disparity between the two groups involved the topics of “types of fraud” and “cyber and computer fraud,” which were ranked as numbers one and six, respectively, by international students and as low as fourteen and twenty, respectively, by Chinese students. Chinese students tend to rank fraud-type and cyber and computer fraud lower than international students do. Chinese students show more interest than international students do in the coverage of fraud examination, including topics such as financial statement fraud, legal elements of fraud, environment and business red flags, anti-fraud criteria and professional standards pertaining to forensic accounting. While international students consider fraud examination important, they placed more importance on topics pertaining to types of fraud, antifraud education and the practice of corporate governance and the principles of ethics and corporate codes of conduct.

Our results indicate that the suggested twenty-one topics fall into three categories in terms of their importance by both groups. The highly recommended and ranked topics are: (1) financial statement fraud; (2) legal elements of fraud; and (3) antifraud education and the practice of corporate governance. The second category of important topics consists of professional standards pertaining to forensic accounting, compliance with applicable laws and regulations, types of fraud, cooking the books and problems in accounting, elements of fraud: pressure, opportunity and rationalization, cyber and computer fraud, internal control assessment and reporting and the principles of ethics and corporate code of conduct. The last category of forensic accounting topical content includes careers in forensic accounting, topics of expert testimony and expert witness techniques, earnings management, occupational fraud and

intellectual property fraud, environmental and business red flags, and the resolution of allegations of misconduct. [see Table 5, pg 118]

### **Curriculum Design of Forensic Accounting Education**

The coverage of forensic accounting topics in a separate course, or the integration of them into business courses, requires the classification of related topics into teaching modules. The use of the module approach to forensic accounting education enables instructors to customize their syllabus by promoting critical thinking and the flexibility to cover all or selected modules in their forensic accounting courses. The results of this survey, along with the authors' teaching and research experience in forensic accounting, suggest that universities that either offer or plan to offer a stand-alone forensic accounting course or infuse forensic accounting-related topics into the business curriculum consider a module approach in designing their courses in covering all three areas of fraud investigation, litigation consulting and expert witnessing. All twenty-one forensic accounting topics presented in Table 5 can be classified into three modules according to all three areas of forensic accounting practices based on the ranking of these topics. The module approach should be useful to business schools worldwide in designing a stand-alone course in forensic accounting or integration into a variety of business and accounting courses.

### **Conclusion**

The existence and persistence of financial scandals, fraud, and related financial crises have galvanized more interest in and demand for forensic accounting practices, including fraud examination. Business schools and accounting programs worldwide contribute in preparing the most ethical and competent future business leaders, and accountants should pay attention to forensic accounting and integrate forensic accounting education into the accounting curriculum. Results show that the demand for and interest in forensic accounting practice is expected to continue to increase. Business schools and accounting programs throughout the world should respond to such demand by offering forensic accounting courses at either undergraduate and/or graduate levels. Furthermore, the majority of the twenty-one suggested forensic accounting topics are considered important by both groups of Chinese and international students for integration into the accounting curriculum. The results provide support for forensic accounting practices and education in China as the fastest-growing emerging market. The suggested forensic accounting topics can help business schools and accounting programs to customize their forensic accounting courses at universities in Asia and throughout the world.

This study is subject to the typical limitations of any survey research. First, the apparently homogeneous respondents (Chinese and international business students) may have systematic biases in their perceptions as to the relevance and coverage of forensic accounting in the business curriculum. While this possibility should not negate interest in the results pertaining to forensic accounting education, the generalizability of findings beyond that population of business students may be limited. Second, the twenty-one forensic accounting topics reported in Table 5 come from the extensive review of related literature (Rezaee et al., 2004). It is possible that these topics do not represent all of the topics that should be covered in forensic accounting education. The list of the suggested twenty-one topics is by no means all-inclusive and may overlap in some cases. Finally, the reader should interpret the results with care because of the small sample size (147 Chinese and seventy-five international students) that may not represent the population of Chinese universities.



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**Table 1: Sample and Responses**

	<u>Chinese</u> <u>Students</u>	<u>International</u> <u>Students</u>	<u>Total</u>
Conducted	186	114	300
Missing Data	39	39	78
Usable Responses	147	75	222
Response Rate	79%	66%	74%

**Table 2: Forensic Accounting Education**

**Demand and Interest in Forensic Accounting Education (FAE) % for both groups.**

**Do you expect future demand and interest in the following three areas of forensic accounting to:**

	Percentage					
	Litigation Support (LS)		Expert Witnessing (EW)		Fraud Examination (FE)	
	Chinese Students	International Students	Chinese Students	International Students	Chinese Students	International Students
<b>Increase?</b>	69%	55%	61%	51%	49%	45%
<b>Remain the same?</b>	20%	20%	25%	31%	27%	30%
<b>Decrease?</b>	5%	7%	7%	7%	17%	12%
<b>Unsure?</b>	5%	18%	7%	12%	7%	12%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Table 3: At what level do you think a forensic accounting course should be offered?**

<b>Level</b>	<b>Students</b>	
	<b>Chinese</b>	<b>International</b>
Graduate	20%	35%
Undergraduate	18%	16%
Both graduate and undergraduate	58%	30%
None	4%	19%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Table 4: Opinion on Forensic Accounting**

Chinese Students			Curriculum Content	Significantly Different		International Students		
Rank	Mean Response	Standard Deviation		5%	1%	Rank	Mean Response	Standard Deviation
1	3.78	1.21	Corporate governance plays an important role in preventing and detecting fraud.	Yes	No	2	3.33	1.28
2	3.73	1.15	Forensic investigative fieldwork auditing should be integrated into auditing textbooks and audit engagements.	Yes	Yes	3	3.00	1.31
3	3.67	1.31	Antifraud education and practice should be integrated into the business curriculum.	No	No	1	3.42	1.44
4	3.62	1.26	Current high-profile financial statement fraud cases, including global economic meltdown and the financial crisis, galvanize more interest in and demand for forensic accounting, including fraud examination.	Yes	Yes	4	2.96	1.31
5	3.59	1.25	The business curriculum should provide forensic accounting coverage.	Yes	Yes	5	2.78	1.38
6	3.58	1.31	Colleges and universities should encourage and advise students on career opportunities in forensic accounting.	Yes	Yes	6	2.71	1.41

**Table 5: Curriculum Content**

Chinese Students			Curriculum Content	Significantly Different		International Students		
Rank	Mean Response	Standard Deviation		5%	1%	Rank	Mean Response	Standard Deviation
2	3.98	1.05	Legal elements of fraud	Yes	Yes	9	3.21	1.23
3	3.93	1.10	Antifraud education and practice	Yes	Yes	2	3.36	1.21
4	3.88	1.06	Professional standards pertaining to forensic accounting	Yes	Yes	15	3.01	1.18
5	3.86	1.13	Compliance with applicable laws and regulations	Yes	Yes	10	3.19	1.38
6	3.81	1.05	Corporate governance	Yes	Yes	4	3.32	1.37
7	3.78	0.99	Elements of fraud: pressure, opportunity, and rationalization	Yes	Yes	16	2.99	1.44
8	3.77	1.12	Cooking the books and problems in accounting	Yes	Yes	8	3.22	1.37
9	3.76	1.08	Internal control assessment and reporting	Yes	Yes	7	3.23	1.30
10	3.75	1.07	Expert testimony and expert witness techniques	Yes	Yes	13	3.14	1.26
11	3.73	1.07	Principles of ethics and corporate code of conduct	Yes	No	3	3.35	1.35
12	3.72	0.98	Intellectual property fraud	Yes	Yes	11	3.18	1.43

13	3.70	1.07	Occupational fraud	Yes	Yes	21	2.64	1.15
14	3.68	1.03	Types of fraud (e.g., employees, management)	No	No	1	3.48	1.25
15	3.68	1.14	Earnings management	Yes	Yes	19	2.84	1.28
16	3.66	1.11	Ethical misconduct	Yes	Yes	17	2.92	1.43
17	3.65	1.06	Fraud detection and deterrence programs	Yes	Yes	14	3.13	1.27
18	3.64	1.03	Resolution of allegations of misconduct	Yes	Yes	20	2.81	1.23
19	3.55	1.04	Environmental and business red flags	Yes	No	12	3.17	1.27
20	3.53	1.09	Cyber and computer fraud	No	No	6	3.25	1.37
21	3.50	1.14	Careers in forensic accounting	Yes	Yes	18	2.86	1.27