

Personal Skills and Educational Qualifications for Practicing Forensic Accountants in Saudi Courts: Exploratory and Qualitative Semi-Structured Interviews

*Mohammed Alzahrane**

Introduction and Literature Review

Recently, there has been a lot of interest in forensic accounting, due to the rapid increase in the number of large-scale frauds (Alabdullah et al., 2014; Carpenter et al., 2011). Forensic accounting refers to the application of specialized knowledge and investigative skills possessed by CPAs to collect, analyze, and evaluate evidential matter and to interpret and communicate findings in courtroom, boardroom, or other legal or administrative (AICPA, 2018, para 1). The definition of FA varies from author to author; however, all the definitions contain similar core ideas and can be summarized as accounting techniques intended for a court (Huber, 2012). The forensic accountant (FA) provides three different, but interrelated services: provision of expert witnesses, fraud investigation, and consultation for litigation support (Imoniana et al., 2013; Renzhou, 2011).

Forensic Accounting as Expert Witness

An FA can be hired to interpret financial data in a court case, but this step is not enough, especially in complicated cases that require the FA to explain those financial data during case proceedings (Bhasin, 2015). Thus FA, as an expert witness, testify and clarify the complex financial data based on professional opinion, as opposed to any other regular witness (Williams, 2014). To become an expert witness, one requires unique skills other than those required for normal accounting work (McMullen and Sanchez, n.d.). For presentation as an expert witness in court, the FA is required to follow the appropriate court etiquettes, comply with all legal aspects of the evidence, and present well-prepared material. Expert witnesses also are required to simplify complex financial jargons and concepts to people lacking any financial background (Kranacher and Riley, 2019). This need shows that accounting education is not enough to prepare accountants for courtroom procedures.

Forensic Accounting in Litigation Support

Litigation support requires critical analysis of financial information for legal action against possible misconduct and malpractice (Kranacher and Riley, 2019). Litigation support includes the investigation and evaluation of financial information for presentation in court cases. Examples include: damage estimates, divorce settlements, economic offences, and financial claims (Cali, 2013). For litigation support, the FA do not necessarily appear in court, by submitting a report describing the findings (Ramadhan, 2015).

Forensic Accounting in Fraud Examination

The application of forensic accounting for the identification of fraud has rapidly grown, especially since the 1990s, and is considered one of the contemporary yet essential aspects of forensic accounting (Modugu and Anyaduba, 2013). Traditionally, accounting education cannot qualify one to become a forensic accountant (FA). Hence, the practicing FA deemed as 'experienced' obtained the required qualification either accidentally or have learned through the process (Mitrić et al., 2012). Modugu and Anyaduba (2013) argued that an accountant's interaction with fraud does not automatically qualify him as an FA or fraud investigator (Modugu and Anyaduba, 2013).

Currently, in most countries, the demand for FAs with the right experience in examining fraud outweighs the supply (Fiia and Others, 2013). This imbalance is due to the requirement for additional skill set, training, and qualification by an accountant to investigate fraud cases. Forensic accounting education has been insufficient for both business and accounting students. Most graduate accountants cannot recognize fraud if directly presented. Insufficiency arises because the accountant does not have a decent understanding of the elements of fraud, opportunities, or even financially dishonest behaviour (Dada et al., 2013). It is only recently that educational institutions have developed and implemented forensic accounting programs.

Therefore, current expansions in forensic accounting education are crucial for the development of this field; however, further expansion is necessary to meet global demand (Al-Balqa' et al., 2021; Singleton, 2010).

In KSA, forensic accounting faces several challenges, especially in forensic accounting, education and practices (Ramadhan, 2015). These include the lack of forensic accounting standards that accountants can use or refer to when acting as expert witnesses for litigation consultants, a significant dearth of experienced FAs, coupled with a limited social awareness about the need for forensic accounting within the Saudi society and academic sector, and lack of national-level training opportunities to advance the analytical and communication skills deemed crucial for FAs.

Therefore, there is a need to enhance forensic accounting education in KSA, and this need should include introducing special courses and training programs to accounting students at Saudi universities (Özkul and Pamukçu, 2012; Rezaee, Lo, Ha, and Suen, 2016). This process also requires the introduction of new financial regulations, fulfilling the social needs of the experienced and qualified FAs and attracting young accounting graduates to pursue forensic accounting as a career (Seda and Kramer, 2014). Therefore, this study explores forensic accounting education and practice and the future career path for FAs in KSA.

Role of the Forensic Accountant in Legal Disputes in Saudi Courts

Ramadhan (2015) consulted a variety of auditors and forensic accountants and showed that business and research specialists see specific subject fields in forensic accounting as including digital forensics, interview and assessment expertise and cybercrime and security (Kramer, Seda and Bobashev, 2017). This study examined the amount and existence of forensic surveillance systems in the United States of America. The framework prerequisite to the teaching of forensic accounting in the United States provides main accounting principles, such as financial statements, key factors, business ethics, business law, contract times, computer skills, communication (both written and oral) and professional cynicism criteria (Seda and Kramer, 2014).

With the exponential growth of the business of KSA, the need for forensic accounting arises. Because of a growing need to identify the scourge of corruption, the government entrusted the Saudi Organization for Certified Public Accountants (SOCPA) under the Royal Decree numbered M/12 with promoting accounting and auditing as a profession. The SOCPA operated under the umbrella of the Ministry of Commerce in Saudi (SOCPA, 2021).

There is a clear dearth of literature on forensic accounting in KSA. A 2017 survey in the Asir region of the kingdom showed that respondents believe that the introduction of forensic accounting reduced the incidence of financial corruption in the region. Majority of the respondents consider forensic accounting a useful tool in pointing out corruption and unmasking misappropriated funds (Alhassan, 2017). Thus, with an increase in business, size, the advent of large corporations, and economic growth, SOCPA should be at the forefront to cater and pronounce the necessity for forensic accounting training in the Kingdom. The situation translates into a greater need for accountability and transparency to reduce the risk of fraud and corruption. In litigation matters, FAs are asked to quantify the damage to be awarded to the plaintiff. When the issue escalates, the court requires sufficient evidence to reach the decision, the FA may recruit a witness in the matter. In criminal proceedings, the FA is tasked with determining the criminal intent and determining if a crime has occurred.

Qualifications and Demand for Forensic Accountants

The minimum entry-level requirement to qualify is a bachelor degree in accounting specializing in forensic accounting or a bachelor degree in forensic accounting. A certification offered by the Association of Certified Fraud Examiners provides further leverage to the existing skill sets of an FA.

Recently, there has been an increase in the demand for FAs. Shahid et al. (2018) reported that the demand outweighs the current. The FAs mostly analyze financial documents to uncover cases such as fraud, embezzlement, and theft. The profession also may require them to testify in court as expert witnesses. In addition to CPA certification and a degree in forensic accounting, FAs also should have strong analytical, investigation, audit, and communication skills. Furthermore, FAs also need to be proficient in data analysis and technical arena, as law enforcement is highly dependent on the evidence produced by FAs during investigations (Shahid et al., 2018).

An FA is required to evaluate financial files to determine and verify the dynamic financial position of a specific body or institution and to identify errors. Therefore, it is crucial to have thorough auditing skills in this profession. The profession requires strong communication, organizational, and technological skills, as FAs are required to question

witnesses, compile evidence and reports, work with multiple documents, and implement data analysis software to conduct cyber-forensic investigations.

Methodology

The present study is exploratory, based on qualitative semi-structured interviews. A total of seven male judges who participated in the commercial court of appeals and commercial courts, with an average of 15 years of experience, were interviewed from April to May 2020. Researchers currently view FA competency as an important focus area because forensic accounting requires a variety of skills, knowledge, and qualifications to be effective (Davis et al., 2010). Forensic accountants engage in two types of tasks: (a) investigating financial crimes and (b) testifying as expert witnesses (Crumbley et al., 2007).

The study aims to evaluate different aspects of the role of a professional in forensic accounting services, including the types of services provided by forensic accounting firms in Saudi Arabia and the skills and expertise required by practicing forensic professionals to provide forensic accounting services in Saudi courts.

Data Collection Procedures

Potential interviewees were allowed to choose a convenient time and place for their interview, most of the judges preferred to be interviewed online via Zoom and Skype, due to the COVID-19 pandemic. Two participants withdrew their consent to participate in the study before the beginning of the interview. One of the interviewees preferred not to be recorded and thus notes were taken instead, but the interviews with the other six participants were recorded. Table S1 provides a tabulated summary of the interviewees and the associated interview plans.

Data Analyses

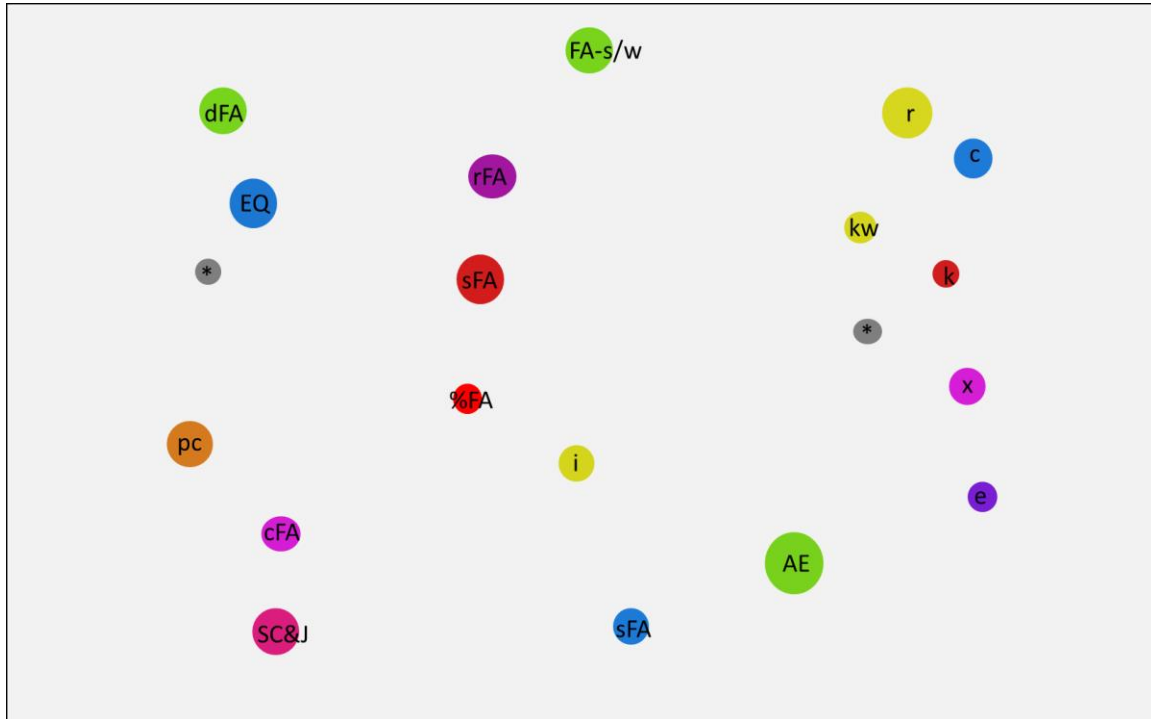
Data from seven semi-structured interviews were analyzed using the Quirkos 2.4.2 (Weller et al., 2019). Quirkos is a computer-assisted qualitative data analysis software that assists with different areas of qualitative research, including transcription analysis, coding and text interpretation, recursive abstraction, content analysis, discourse analysis (Paulus and Lester, 2016). Quirkos provides a visual and intuitive way to manage, analyze, and explore qualitative research by presenting themes as colorful bubbles of different sizes corresponding to the repetition of the theme. The interviews were recorded verbatim and transcribed in Arabic- the native language of the interviewees. Quirkos was selected considering the ability of the software to handle the Arabic language (Yousef, 2016).

Findings and Summary

The study presents findings from the thematic analysis of the interviews with Saudi judges (n =7), who are routinely involved in forensic accounting cases requiring expert testimony, that is, in cases involving (but not limited to) fraud, insurance claims, contract disputes and business loss estimation. Thematic analysis is a widely used method in quantitative data analysis that provides an accessible, comprehensive, and flexible approach for transcript analysis (Braun and Clarke, 2006; Nowell et al., 2017). Attard and Coulson reported that thematic analysis can effectively categorize data into themes and enable researchers to compare and efficiently analyze the data (Attard and Coulson, 2012).

A total of nineteen codes were identified after thematic analysis. The emerging key themes were found to be in line with the research questions, stating the role of forensic accountants; emphasizing the types of services provided, the work-based and personal skills required, and the future demand for forensic accountants in Saudi Arabia. A visual summary of the selected theme is presented in Figure 1.

Figure 1: Emerged Themes from the Interviews of the Judges



dFA: demand for forensic accountants; EQ: educational qualification; rFA: role of forensic accountant services; sFA: skills required for forensic accountant services; %FA: percentage of work related to forensic accounting; pc: personal characteristics; cFA: certification of personal accountants; SCandJ: support services for court and judges; sFA: selection of forensic accounting expert; ae: accounting experience; e: experience; kw: knowledge; FA-s/w: forensic accountant strength and weakness; r: report; x: expert; eL: experience; i: independent

Support Services to Court and Judge

Participants highlighted the important role played by the FA in Saudi courts, especially as an expert who analyzes the data and examines the technical aspects of the cases. For example, one of the participants mentioned that:

Of course, there is a part of these issues and disputes that can be resolved by the judiciary without resorting to accounting expertise, so an accountant is used not as a witness but as an expert that means revealing the truth because he will study the papers and documents by both parties and show the final result to the judge so that he can seek help (Ent03).

Saudi FAs working in the industry define their roles and describe the types of services they perform within these roles. An understanding of the nature of the role played by FAs is imperative, since the available literature offers a limited description of the specialized skills required for the FA beyond traditional accounting.

The FAs present a unique set of skills that differentiates them from regular accountants (Crumbley et al., 2007), and they employ their business acumen to contemplate beyond numbers and figures and navigate through different business realities to resolve allegations of fraud. The view of one of the participants (Ent03)-FAs reveal the truth by analyzing the provided documentation perfectly aligns with the reported connotation of FA.

FAs are sought after to scrutinize, examine, and succinct various issues relating to financial crimes. According to Stanbury and Paley-Menzies (2010), “forensic accounting is an act of gathering, interpreting, summarizing, and presenting complex financial issues in a clear, succinct, and factual manner, often in a court of law” (Stanbury and Paley-Menzies, 2010). FA services are designed to enable the CPA to resolve disputes and communicate financial information clearly and concisely in the courtroom. The FAs evaluate, summarize facts and present complicated and gnomonic financial and business information in a manner that is both understood and well supported by the court. Similar thoughts were presented by Ent005 who mentions:

[...] this is an accounting field, the judge does not have experience in accurate accounting matters. This requires an accountant who handles it, especially considering the large number of papers, documents, and financial statements. I mean, it is very difficult for the judge to examine and analyze it and know its content (Interview Ent05).

Major accounting firms such as Deloitte, KPMG and PwC have established practices in Middle East countries such as Saudi Arabia, where, in addition to business, these firms offer forensic accounting services, including arbitration, financial, commercial, inheritance, and contractual agreement disputes, misrepresentation of the financial statement, liquidation and bankruptcy, and data mining and reporting.

Role of Forensic Accounting Services in KSA Courts

The KSA, as part of the Saudi Vision 2030, aims to attract high-quality investors from major international companies in the next few years (Altawyan, 2020). The Kingdom paid great attention to the development of the judicial environment, as it is one of the pillars of “Vision 2030”. Since legislation and the judiciary are among the most important pillars on which the development process and the realization of the vision are based, the state pursues the development of the judiciary and complete restructuring of its apparatus, issuing many regulations and amending many others. Several courts have renewed judicial specializations related to commercial circuits and courts. Therefore, it was evident and imperative to develop a new system for commercial courts that keeps pace with global trade developments, and the state of prosperity and economic openness being targeted by the Kingdom by the creation of a fertile and attractive investment environment for both national and foreign investors.

The Ministry of Justice in KSA enjoys an administrative role in the judiciary. The institution has formally adopted the Law of Criminal Procedure, which states that the court may assign one or more experts to counsel the court on technical matters within a prescribed period.

The role of forensic accounting in solving and helping judges in Saudi courts was summarized by the judges interviewed. With the exponential growth of Saudi business, commercial courts flocked with the complex business disputes, which put forth the need for FAs. In such cases, the judiciary requires the assistance of many forensic accounting expert bodies to pronounce equitable decisions and remedial actions. According to Ent03:

The practical reality in the Kingdom is that it has a special system related to legal accountants that followed the Saudi Accounting Authority, and it has a follow-up of them, but the reality of the accountants is there is a part of them that does not have sufficient capacity or the practical ability to achieve the facts or see the evidence and this is a subject of follow-up from the authority (Interview Ent03).

The role of FA involves identification of the primary documents that can be produced as valid evidence and provision of preliminary advice to the judges and the court as an initial evaluation of pleadings at the beginning of the proceedings. As mentioned by one of the participants:

When assigning an accountant, we either assign him to confirm the validity of the existing evidence or to collect evidence, but the accountant sometimes cannot collect that evidence, or they take a long time (Interview Ent01).

One of the primary assignments of a forensic accountant is preparing a comprehensive and balanced quantitative, legible, and unbiased report addressing all concerned issues. During the interview, the participants were asked, 'Do forensic accountants in the Kingdom of Saudi Arabia who work with the court have sufficient professional experience as expert witnesses to collect evidence?' A participating judge who worked in a commercial court for almost 14 years narrated an incident that supports the notion that judges in commercial courts in the KSA require the assistance of more than one national expert body specialized in the area of forensic accounting with a sound understanding of the Saudi culture, language, and the commercial judiciary system, to provide a fair opinion to judges in KSA.

“It is one of the biggest conflicts cases we examined during these years in the Kingdom, as these are group companies with multiple business and one of the major suppliers have many fields of business in the country and one of big real estate trading. They are considered not only major companies but also, they are agents of international companies, in which we resorted to a big forensic accounting company from outside Saudi Arabia. We asked them to evaluate the fair value of each company since we could

not find a national company to handle the case. Names of individuals involved were well known—the family and their parents are merchants from the major merchants in the country. There was a dispute between the heirs, I mean, they are brothers and this family has about 40 companies and all of them are major companies in the country, so we used the help of a very large experienced forensic accounting office known outside the country (Interview Ent04)”.

Review of expert accounting reports submitted by the other party may impact and influence the quantity of proof and advice for such reports to the judges. This review includes advising legal counsel during the pre-trial planning of the case on the financial and accounting aspects. Sometimes a consulting accountant is appointed to assist in offering alternative dispute resolution avenues by proposing an agreement that permits individuals or companies to settle the dispute with minimum delay (Siegel and Shim, 2010). According to one of the judges:

“A forensic accountant is appointed to help the judge in reaching the right decision, so he must show us the correct result not only from a technical [but also the] accounting point of view. Since sometimes there are cases where there is a problem with amounts in millions, then we find that the evidence presented to the judiciary is merely papers without documents or references, and worse than that, sometimes there are copies of papers only or lists that the defendant provides without any context (paraphrased Interview Ent06)

Giving Opinion in Cases

Almost all respondents indicated a gap between the requirements of the court from the FAs and those described or supposedly imposed by the SOCPA.

“Some accountants say that their job is only to count and not to give their opinion. Some of them apologize, saying that the Saudi Commission has big punishments for the accountants, and they cannot express an opinion on anything, but others give their opinion (Interview Ent04)”.

To date, no formal forensic accounting standards have been issued by the Saudi Arabian Organization for CPAs (SAOCPA) or the Saudi government. However, the SAOCPA has a certificate that qualifies the accountant (a CPA) to be an external auditor of a public company.

Some accountants work for their company as a CPA, Zakat accountant (Islamic Tax) or tax accountant for many years. They do not know the nature of the work in the courts. The court wants to decide certain points which are in dispute and does not need a complete inventory of accounts, matters and financial sums, which is what these accountants tend to provide (Interview Ent04).

They are supposed to be independent, but sometimes the pressure is exerted on them by the Saudi Organization for Accountants, so they apologize for many things and say that the authority prevents them from expressing an opinion sometimes (Interview Ent01).

Since SAOCPA as a regulatory body restrains CPAs to express their opinion in legal matters-imposing punishments, the judiciary solely relies on FAs to evaluate the provided financial documents to ascertain and verify the dynamic financial position of the specific body or institution and to check for errors. However, in addition to accounting skills, auditing skills are also critical for an FA. Aderibigbe (2000) indicated that an FA also should demonstrate a high degree of competence, integrity, and honesty, apart from professional qualification.

Types of Courts Cases, Percentage of Work-Related to Forensic Accounting

There are several types of courts within the country’s judicial system in KSA. According to the Ministry of Justice’s website, there are three types of courts. At the highest level is the supreme court, followed by courts of appeal, then the courts of the first instance at the lowest level of the judicial hierarchy.

The first-instance courts, located in all KSA provinces and regions, are entrusted with all claims that fall within their respective jurisdiction. Verdicts issued by courts of the first instance are subject to appeal except those issued in simple claims identified by the Higher Judicial Council. Courts of first instance deal with a variety of claims, broadly classified into five sub-groups: general, criminal, matrimonial, labor, and business or commercial courts. Among these courts, the business or commercial courts deal with all principal and sequential business disputes.

By virtue of the nature of our work in commercial courts, all cases are against merchants. Most of these cases are financial cases, part of which may involve accounting managers, companies, and agencies, or they may be related to other matters. I mean, most cases in commercial courts (about 70%) are money-related cases [financial cases] (Interview Ent03).

One example is a contractor who has problems with the employer on the executed works, so a judicial accountant is assigned to inventory the bills, works, and expenses involved in the project. Another example is a dispute between partners in the event of death, in the inheritance of family, of the father, and they disagree on the shares and the proportions of the company, so [a] judicial accountant is assigned to inventory and also inventory them too (Interview Ent01).

The commercial court system in Saudi Arabia specializes in financial cases litigated by merchants. The nature of the merchant varies from case to case and could be a company or an individual, however, the standard stipulates that the accused (who is the person on which the cases are based) is a merchant. Regardless of the nature of the defendant, whether it is a company or a natural person trader, most of these cases focus on financial matters (financial claims).

As a commercial appellate judge, for me, financial cases are almost all our work except for some cases. But financial claims are considered. All my work considered a financial dispute and financial issues. I mean, the most percentage, I can tell you 98%–99%. Such as proof of partnership and partner disputes, family company disputes, corruption with international companies. Likewise, conflicts between partners or between companies, or financial contributions they call speculative contracts between joint stock companies (Interview Ent01).

As for foreign companies and their dealings with the Saudi, the Saudi merchant or Saudi companies are governed by the contract between the two parties, meaning some foreign companies resort to the requirement of arbitration in this case what is subject to the Saudi system if they stipulated arbitration in a specific country, for example in France, in Britain (Interview Ent03).

The process in most commercial courts in the KSA is as follows. Initially, the court issues a reassignment decision, which is communicated to all parties. The judge then sends a letter of assignment to an FA (an independent letter). The FA then communicates with the parties, writes a report on his decision, and submits it to the court. As the accounting experts are entirely independent, they do not have direct contact with the court.

However, some abuses may occur in certain cases. For example, if the accounting expert is assigned to perform accounting for a certain period or a specific date (for example, the date the partnership begins until the date of liquidation), but the accounting expert may exceed this date and start accounting on a period or date other than the one that was delegated or assigned for it, in this case, he moved beyond his work as an accountant and interfered with the work of the judiciary (Interview Ent04).

Report Writing Challenge

Report writing is one of the significant challenges encountered by the judges in Saudi commercial courts. In KSA, drafting of the final report is perceived to be either difficult or outside the skills of FA. Many of the judges participating in the study mentioned this challenge:

The problem we have in the courts is that some accountants do not have the Information delivery skill, since they provide purely technical reports that contain accounting details, as we find the report is made up of many pages (maybe reach 100 pages), but the judiciary need only the summary in five or six pages, which leads the judiciary to the right decision or the truth (Interview Ent04).

Documenting the findings is a particularly important aspect of the forensic accounting profession. The submitted report, in many cases, is the only proof of the completed work, which, if not properly documented, could alter the decision of the case. The report generated by the FA provides the judges with a thesis comprising all the evidence, which are later analyzed and recruited for decision.

I mean, there are specialized skills for the forensic accounting profession to deal in financial conflict with the court, and the most important of which is writing the final report (Interview Ent03).

So, an accountant is used not as a witness but as an expert. That means revealing the truth because he will study the papers and documents by both parties and show the final result (Interview Ent04).

Most judges participating in the study identified the same problem that some, not all FAs find it difficult to appropriately document and deliver a clear and readable report, aimed at judges and not accountants. An explicit report that comprehensively covers the court requirements plays an important role in the swift and just processing of the case (Chukwu et al., 2019; Wells, 2009). Also, an important point in Saudi Arabian commercial courts is that the accountant's report will be an official record for the court and will exist for many years to come. However, a clearer objective in the engagement letter.

The problems that may arise are not in accurate financial matters, but in reality, sometimes, in adapting the expert in his understanding of forensic accounting work and working with the requirements of the court. For example, in the approach he took, it means in preparing and presenting the report and the final analysis presented to the judge, which makes the case more clear, understandable and simple (Interview Ent01).

It differs from office to office. Some offices provide a report that is clear and easy, meaning that anyone can read the report, understand it, and reach the result. There are some accounting office's whose style of writing is not clear. Perhaps someone who has experience in accounting will understand it as if he is writing for people in his field, so we find it difficult in terms that only accountants can understand (Interview Ent06).

The skill of drafting and preparing contracts and reports is important as well because it is possible that the Governing Council may ask about a specific thing from a case. It must be well prepared and arranged. Writing or drafting of contracts and reports is one of the weak skills of accountants because accountants always study and deal with numbers (Interview Ent04).

When writing the report, the FA evaluates the available evidence and information collected during the investigation and organizes it objectively and explicitly explaining the process, the discovery of evidence of any and the contribution of the evidence to reach the conclusion drafted. A good report omits irrelevant information, thus making it possible to draw attention to relevant facts.

The expert often says that he reveals things to you for what they are, or at least what appears from the papers he examines. It may not reveal the whole truth, but what appears to him in the case documents at least (Interview Ent07).

Sometimes a lack of experience, for example, or the way he took it in discussing the dispute or in writing the report does not correspond, for example, to the contract or dealings between the two parties (Interview Ent05).

When inquired about the reason for lack of experience, some judges commented as follows:

I do not know whether the reason is a material issue, or they are satisfied with work from other places other than the judiciary (Interview Ent01).

Regarding some cases involving investigation by accountants, the expert gives an opinion in just two or three sentences. Sometimes the expert gives two opinions for one case, which makes the matter very confusing for judges. This confusion is considered to be really poor reporting (Interview Ent03).

The AICPA suggests that all forensic accountants and CPA practitioners should prepare a report that is comprehensible for the reader, written in a clear language without interruptions, contain all the relevant data in necessary details, and efficiently transmits the proof. Thus, strong written communication is compulsory for the FAs to document their findings in a professional manner (Cali, 2013). Chukwu et al. (2019) argued that strong communication skills increase the credibility of forensic accounting firms and individuals (Chukwu et al., 2019). Therefore, deliberate efforts should be taken by regulatory authorities in KSA to develop these skills in the FAs, while ensuring compliance of the Sharia and equivalent law implemented in the country.

The above discussion makes it clear using the comments of multiple judges involved in the study that forensic accounting reports provide various alternatives for evaluating contested accounts in conjunction with a variety of financial

disputes. Therefore, forensic accountants must be able to provide the necessary evidence that allows the judicial authorities to issue appropriate judgments for each disputable event or case in the commercial courts of KSA.

Skills Needed to Practice Forensic Accounting

Personal Skills and Educational Qualifications

In terms of the legal system, the skills needed also can be defined as applying both monetary and analytical skills to an unresolved matter in the legal context (Ozili, 2015). Thus, the empirical skills required by FA include business knowledge, fraud investigation knowledge, and explicit knowledge and familiarity with the legal proceedings (Enofe et al., 2013). Nonetheless, strong investigative skills are essential because one is required to inspect financial crimes such as theft, embezzlement, and fraud.

It is true that there is an educational gap between the judicial authorities and universities. It seems there is no room in the curriculum for accounting students at Saudi universities to receive instruction in forensic accounting and how to investigate cases of financial corruption. As a result, students graduate without any knowledge in this field (Interview Ent02).

The reality is that most accountants do not have sufficient capacity or practical ability to verify the facts or assess the evidence and this requires follow-up from the authorities (Interview Ent05).

A qualified FA is required to possess a particular skill set different from other CPAs, since they spend the majority of their time analyzing financial documents to uncover cases involving fraud, embezzlement, and theft, amongst others. In certain cases, FAs can be required to testify in court as expert witnesses, thus a high level of personal integrity and ethics, and morality (Curtis, 2008). They also need to have skills in investigation and auditing, as this need gives them an edge. For one to qualify to become a forensic accountant, one needs to pursue a degree in forensic accounting and earn the CPA certification. As a student pursuing this course, one acquires analytical skills and spends a great deal of time analyzing financial documents. One also needs to be proficient in data analysis and critical thinking to be effective. Having excellent investigative skills is also a plus, as the job relies heavily on the investigation.

Mostly, yes, they have this accounting experience because this is their primary specialization. In my understanding, the problems that may arise are not in the accuracy of financial matters, but in adapting to the unique nature of forensic accounting work and working with the requirements of the court (Interview Ent04).

To qualify as an expert witness in KSA, one needs to meet individual requirements such as a bachelor's degree in accounting, a valid registration with the SOCPA, and a valid certificate of ethical conduct. However, there are no specific requirements related to FA. In addition, accounting graduates often lack the skills needed to match the requirements of the job market in forensic accounting (Prabowo, 2013).

“Also, there is another matter; there is no continuing education requirement at all for the judges from the judicial or the accounting authority, such as the Saudi Organization for Certified Public Accountants. Rather, it is a personal effort by the accountant to develop himself to reach his eligibility to enter the courts. (Interview Ent05)”

As discussed earlier, strong communication skills are a vital part of financial accounting. An FA is required to present evidence in court as an expert witness. Strong communication skills are essential because witnesses are required to question witnesses and compile evidence and reports, among other things. Moreover, an FA also should have decent organizational skills, as they are required to deal with extensive paperwork, with sensitive information, which should be managed properly in an orderly manner. Furthermore, considering the boom in online transactions, technical proficiency is vital for a practicing FA (Özkul and Pamukçu, 2012).

“There are some accounting officials whose style of writing the report is not clear, perhaps someone who has experience in accounting will understand it as if he is writing for people in his field, so we face difficulty sometimes because the report is written in terms that only accountants can understand (Ent02)”.

Personal Characteristics/Soft Skills

A recent report suggested that lacking soft skills will hold back over half a million employees affecting all major industries (Clarke, 2016). Ironically, employers in the U.S., Europe, and Morocco do not consider communication skills an important trait in young graduates (Mansour and Dean, 2016). However, communication, both written and verbal, teamwork, a desire to learn, professionalism, an exhibition of work ethic, leadership, motivation, flexibility, creativity, problem solving, and an overall positive attitude are among the most common soft skills (Andrews and Higson, 2008; Finch et al., 2016; Jordan and Bak, 2016; McMurray et al., 2016; Radermacher and Walia, 2013). There has been a significant interest in the development and advancement of these skills recently (Clarke, 2016).

When questioned about the soft skills required for an FA, no consensus was found among the participants, regarding the specific skills that need to be developed to deliver forensic accounting services. The most common soft skills mentioned include written communication, verbal communication, negotiation, teamwork, desire to learn, teachable, creativity, work ethic, leadership, motivation, flexibility/adaptability, positive attitude, and problem-solving.

Written and Verbal Communication, Analytical Skills

Participants showed a difference in perception of the importance of analytical skills, cooperation, dealing with case parties, negotiation, and communication. The survey suggests that the ability of the FA to effectively communicate with the judge and convey conclusions or judgments in a court of law is essential.

“As forensic accountants works with several parties, I see personal characteristics are very important (such as tact, intuitive speed, communication and negotiation skills, and analytical skills) that the forensic accountants should have, in my opinion (Interview Ent01)”.

The same applies to other fields, like Information technology, where soft skills like proficiency in written and verbal communication are considered important (Radermacher and Walia, 2013).

I can say only 20% of the accountants have good communication and analytical skills inside of the courtroom. That is, only about 20% of them properly prepare and arrange the final report and present it in the case in a clearly meaningful way (Interview Ent05).

It may be the initial and most important overall characterization to be analytical in a forensic accounting dedication without which other characteristics and skills could not be established (Davis et al., 2010). The importance of analytical characteristics and capability for an FA is well established (DiGabriele, 2008; Messmer, 2004). In summary, the majority of the judges mentioned the essentiality of the analytical skills for FA to deliver value-added services to commitments beyond classical auditing and accounting skills.

Cooperation: Teamwork, Flexibility, and Adaptability

The judges involved in the study focused on the speed of completing the case and cooperating with the court and judges. In a previous study, participants regarded flexibility and adaptability, after communication skills, as the most desirable traits (Vendolská et al., 2016).

In my opinion, the most important personal characteristics is cooperation, because we suffer greatly from lack of cooperation in the judiciary, because there are some forensic accountants who issue a report to be discussed in the session, but they may be absent from the session more than once (uncooperative), and in return there are some accountants cooperating with the court (Interview Ent07).

Communication skills do exist, but cooperation is one of the most important personal characteristics that they must have; cooperation matters to you because it helps in speeding up the case (Interview Ent03).

Do you think it is a “lack of cooperation” or due to scheduling conflicts?

Dealing with Case Parties: Leadership

Leadership skills, personal integrity, and honesty are important and desirable traits of an FA, which helps in the smooth processing of the court. As mentioned by the judges:

Among the strong personal characteristics of the forensic accountant is dealing with the case parties because some parties sometimes get them to try to procrastinate, or delay in the delivery of documents

or such. If the accountant has a strong charismatic means that he has the ability to manage the case process correctly. This aspect also serves us in the judiciary in processing the case faster (Interview Ent02).

If disputing parties delegate the matter to accountants, the accountants are able to resolve the disagreement and bring the two parties together. It is important for forensic accountants to stay within the limits of the dispute between the two parties and not deviate too much or take on a role that none of the parties intended (Interview Ent05).

In terms of looking at the cases that we have, many cases are referred to experts and few experts accept these cases. I do not know if it's a material issue, or that they have enough work outside the judiciary. Sometimes judges refer some cases to accountants, but we know that the quality of their reports is not of the high quality that brings justice, but that's what exists (Interview Ent03).

Demand of Forensic Accounting in Saudi Arabia and the Certification Required.

Shortage of Forensic Accountants

Recently, the demand for forensic accountants has increased rapidly, resulting in demand outweighing the supply (Shahid et al., 2018). According to the study participants, the reported shortage of FAs causes unnecessary delays in the proceedings and excessive load.

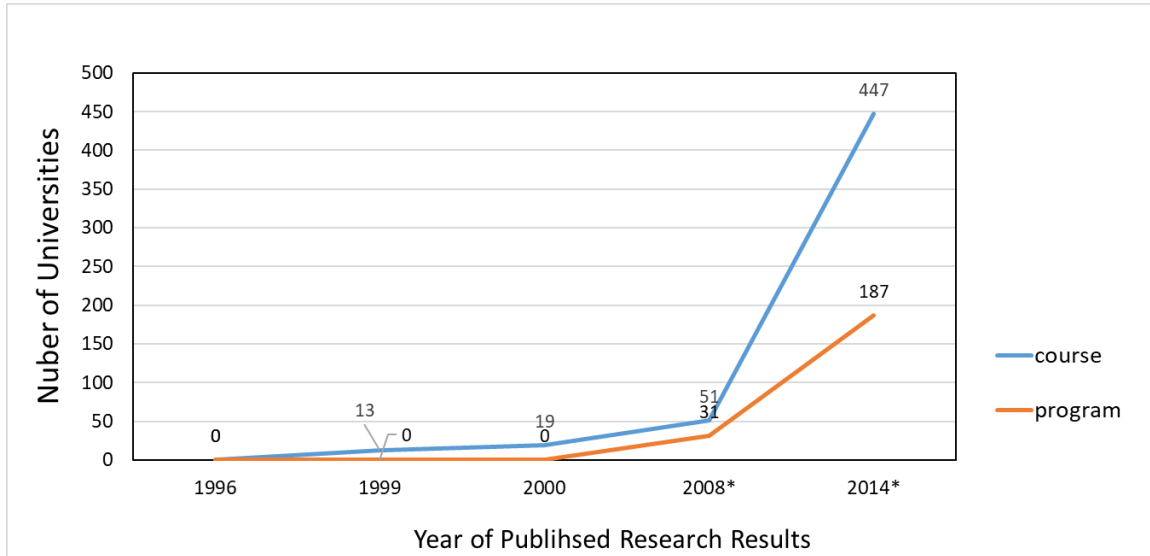
Unfortunately, in the western region of the Kingdom of Saudi Arabia, the number of accountants trusted by the judiciary is very small. Besides working with the courts, the accountants work in foreign companies and in contracts or on some old cases that persist for years. Such service increases the pressure on accountants (Interview Ent05).

I will say it very clearly, we are facing a torrent of cases that need an accounting expert considering many financial issues between partners at the present time, especially in family and individual companies, that we need many companies specialized in forensic accounting services in order to complete transactions in the court. But there are few on the market (Interview Ent02).

Several institutions have developed forensic accounting programs in addition to specific programs, including undergraduate, diploma, certificates, minors, and specialization programs. It also covers colleges outside the United States, although many of these institutions are located within the United States. Figure 2 shows that universities worldwide have responded to the demand to offer forensic accounting education.

“Sometimes accounting office's receive many cases from the courts with a lack of staff with experience in the field of forensic accounting in their office, so they have pressure in completing the cases for you in a timely and appropriate time, which causes us a lot of disruption in the scheduling of cases” (Interviews Ent03).

Figure 2. Numbers of Universities Offering Courses and Programs Related to Forensic Accounting from 1996 to 2014



Year of Published Research Results. Adapted from Kramer et al. (2018).

Certification

Many accounting firms—especially the large ones—are reluctant to enter as expert witnesses in commercial cases. We anticipate the reason is that entering into these disputes may affect contractual relations with the clients of these companies, in addition to the fact that the financial fees may be relatively low and do not constitute profitable returns for them. This led to the entry of a few small companies in this region that dominated the poor forensic accounting services in this field. Thus, the reports of these companies result in damage to one of the parties to the conflict, the inability to detect fraud and identify evidence, or the loss of customer rights.

There are few Saudis that really have knowledge of accounting work and knowledge of litigation procedures. Such characteristics matter to the judiciary. (Interview Ent01)

I asked, 'What is the reason?'

Therefore, we, the judiciary sometimes have to refer cases to individuals or accountants who we know will respond, even though we know that the quality of their reports provided to justices is not very high. (Interview Ent01)

All judges who participated in the study agreed that CPAs should have specialized certification. I asked them: 'Do you think that CPAs must have specialized certificates and be officially certified in the area of forensic accounting by local and international organizations?' According to a survey conducted by KMPG (2016), a small number of companies in Saudi Arabia use data analytics for fraud detection (Hakami and Rahmat, 2019).

I think that it is better that accounting has one or more specializations, such as a judicial specialization or another specialization. As for certificates, I see that it is necessary to be able to do the professional work. (Interview Ent06)

In addition to the previous obstacles and difficulties, the big problem is that there is no control over the market for forensic accounting services. However, the forensic investigation report issued by accounting firms is one of the assignments that the CPA performs to testify as an expert witness in the fields of accounting and auditing. His responsibility is to adhere to professional standards, the requirements of the rules of ethics, and the standards for professional behaviour according to the Law of Legal Accountants and its implementing regulations in the Kingdom of Saudi Arabia. Article 10 of the law stipulates that "the certified accountant must adhere to the conduct and ethics of the profession, as well as to the accounting and auditing standards and technical standards issued by the Saudi Organization for Certified Public Accountants."

However, the work of the accountant (CPA) in the field of forensic accounting is not subject to the supervision of the Saudi Organization for Certified Public Accountants.

Conclusion

To conclude, the nine semi-structured interviews with Saudi judges allowed me to obtain a deeper and better understanding of the state of the field of forensic accounting services in the Kingdom of Saudi Arabia. Qualitative data analysis revealed several important topics and themes related to the role of a professional forensic accounting services, including evaluating the extent to which forensic accountants in Saudi Arabia meet the needs of the judicial system and their clients and the future demand for forensic accountants in Saudi Arabia.

The interviewees discussed a general overview of the primary support services to courts and judges. They then discussed the role of forensic accounting services in KSA courts, followed by types of court cases, percentage of work related to forensic accounting in KSA courts, and if forensic accountants, when hired as experts, are considered independent of the Saudi court system. Furthermore, they discussed forensic accountants giving opinions in cases.

The judges who participated in the interviews also were questioned about forensic accountants' reporting skills in Saudi Arabia. This process included the discussion of the personal characteristics (soft skills) and the most prominent skills. Finally, we discussed the shortage of forensic accountants, forensic accounting demand in Saudi Arabia, and the certification required.

All the key themes that emerged from the interviews were related to my three research questions, starting with the role of forensic accountants and the types of services they provide, the work-based and personal skills required, and finally, the future demand for forensic accountants in Saudi Arabia.

References

- Aderibigbe, P. (2000). The role of the forensic chartered accountant in Nigeria. *The Nigerian Accountant*, July.
- Alabdullah, T. T. Y., Alfadhl, M. M. A., Yahya, S., and Rabi, A. M. A. (2014). The role of forensic accounting in reducing financial corruption: A study in Iraq. *International Journal of Indian Culture and Business Management*, 9(1), 26.
- Al-Balqa', H. M. A. A., Alrawashdeh, B., Dabaghia, M. N., and Darwazeh, R. N. (2021). The role of courts and universities in activating the forensic accounting to discover financial fraud. *Academy of Accounting and Financial Studies Journal*, 25(2), 1–9.
- Alhassan, A. F. M. (2017). Forensic accounting and financial fraud: evidence from Saudi Arabia *Al-Manahil*. <https://platform.almanhal.com/Files/Articles/115210>.
- Altawyan, A. (2020). The significance of establishing pre-trial procedures in Saudi civil judicial proceedings, using U.S. federal law as an example. *Journal of Human and Administrative*, Majmaah University, 2020.
- AICPA, Forensic Accounting. (2021). Retrieved August 23, 2021, from <https://www.aicpa.org/content/aicpa/interestareas/forensicandvaluation/resources/forensic-accounting.html>
- Andrews, J., and Higson, H. (2008). Graduate employability, “soft skills” versus “hard” business knowledge: A European study. *Higher Education in Europe*, 33(4), 411–422.
- Attard, A., and Coulson, N. S. (2012). A thematic analysis of patient communication in Parkinson’s disease online support group discussion forums. *Computers in Human Behavior*, 28(2), 500–506.
- Bhasin, M. L. (2015). Contribution of forensic accounting to corporate governance: an exploratory study of an Asian country. *International Business Management*, 10 (4), 2016.
- Braun, V., and Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77–101.
- Cali, J. (2013). Forensic accounting. In *Encyclopedia of Forensic Sciences: Second Edition* (pp. 423–431). Elsevier.
- Carpenter, T. D., Durtschi, C., and Gaynor, L. M. (2011). The Incremental Benefits of a Forensic Accounting Course on Skepticism and Fraud-Related Judgments. *Issues in Accounting Education*, 26(1), 1–21.
- Chukwu, N., Asaolu, T. O., Uwuigbe, O. R., Uwuigbe, U., Umukoro, O. E., Nassar, L., and Alabi, O. (2019). The impact of basic forensic accounting skills on financial reporting credibility among listed firms in Nigeria. *IOP Conference Series: Earth and Environmental Science*, 331(1), 012041.
- Clarke, M. (2016). Addressing the soft skills crisis. *Strategic HR Review*, 15(3), 137–139.
- Crumbley, D. L., Heitger, L. E., and Smith, G. S. (2007). *Forensic and investigative accounting*. Chicago, CCH Incorporation.
- Curtis, G. E. (2008). Legal and regulatory environments and ethics: essential components of a fraud and forensic accounting curriculum. *Issues in Accounting Education*, 23(4), 535–543.
- Dada, S. O., Owolabi, S. A., and Okwu, A. T. (2013). Forensic accounting a panacea to alleviation of fraudulent practices in Nigeria. *Int. J. Buss. Mgt. Eco. Res*, 4(5), 787–792.
- Davis, C., Farrell, R., and Ogilby, S. (2010). Characteristics and skills of the forensic accountant. *American Institute of Certified Public Accountants*, 11–26.
- DiGabriele, J. A. (2008). An empirical investigation of the relevant skills of forensic accountants. *Journal of Education for Business*, 83(6), 331–338.
- Fiia, F., and Others. (2013). Forensic accounting: a tool for fraud detection and prevention in the public sector.(a study of selected ministries in Kogi State). *International Journal of Academic Research in Business and Social Sciences*, 3(3), 1.
- Finch, D. J., Peacock, M., Levallet, N., and Foster, W. (2016). A dynamic capabilities view of employability: Exploring

- the drivers of competitive advantage for university graduates. *Education and Training*, 58(1), 61–81.
- Hakami, T. A., and Rahmat, M. M. (2019). Fraud prevention strategies: the perception of Saudi Arabian banks employees. *Asian Journal of Accounting and Governance*, 11, 71–83.
- Huber, W. D. (2012). Is Forensic accounting in the United States becoming a profession? *Journal of Forensic and Investigative Accounting*, 4(1), 225–284.
- Imoniana, J. O., Antunes, M. T. P., and Formigoni, H. (2013). The forensic accounting and corporate fraud. *Journal of Information Systems and Technology Management*, 10(1), 119–144.
- Jordan, C., and Bak, O. (2016). The growing scale and scope of the supply chain: a reflection on supply chain graduate skills. *Supply Chain Management: An International Journal*, 21(5), 610–626.
- Kramer, B. K. P., Seda, M., and Bobashev, G. (2018). Divergent views among practitioners and educators on forensic accounting education. *Management Accounting Quarterly*, 19(3), 11–19.
- Kranacher, M.J., and Riley, R. (2019). *Forensic Accounting and Fraud Examination*. John Wiley and Sons.
- Mansour, B. E., and Dean, J. C. (2016). Employability skills as perceived by employers and university faculty in the fields of human resource development (HRD) for entry level graduate jobs. *Journal of Human Resource and Sustainability Studies*, 04(01), 39–49.
- McMullen, D. A., and Sanchez, M. H. (2010). A Preliminary investigation of the necessary skills, education requirements, and training requirements for forensic accountants. *Journal of Forensic and Investigative Accounting*, 2(2), 20–38.
- McMurray, S., Dutton, M., McQuaid, R., and Richard, A. (2016). Employer demands from business graduates. *Education + Training*, 58(1), 112–132.
- Messmer, M. (2004). Exploring options in forensic accounting. *National Public Accountant*, 5(3), 19–20.
- Mitrić, M., Stanković, A., and Lakićević, A. (2012). Forensic accounting—the missing link in education and practice. *Management* 17(65), 41–50.
- Modugu, K. P., and Anyaduba, J. O. (2013). Forensic accounting and financial fraud in Nigeria: an empirical approach. *International Journal of Business and Social* 4(7), 281–287.
- Nowell, L. S., Norris, J. M., White, D. E., and Moules, N. J. (2017). Thematic analysis: striving to meet the trustworthiness criteria. *International Journal of Qualitative Methods*, 16(1).
- Enofe, A.O., Atube, E.N., and Atube, E. N. (2013). The impact of forensic accounting on fraud detection. *European Journal of Business and Management*, 5(26), 61–70.
- Ozili, P. K. (2015). Forensic Accounting and Fraud: A Review of Literature and Policy Implications, *International Journal of Accounting and Economics Studies* 3(1): 63–68.
- Özkul, F. U., and Pamukçu, A. (2012). Fraud Detection and Forensic Accounting. In K. Çaliyurt and S. O. Idowu (Eds.), *Emerging Fraud: Fraud Cases from Emerging Economies* (pp. 19–41). Springer Berlin Heidelberg.
- Paulus, T. M., and Lester, J. N. (2016). ATLAS.ti for conversation and discourse analysis studies. *International Journal of Social Research Methodology*, 19(4), 405–428.
- Prabowo, H. Y. (2013). Better, faster, smarter: developing a blueprint for creating forensic accountants. *Journal of Money Laundering Control*, 16(4), 353–378.
- Radermacher, A., and Walia, G. (2013). Gaps between industry expectations and the abilities of graduates. *Proceeding of the 44th ACM Technical Symposium on Computer Science Education - SIGCSE '13*. Proceeding of the 44th ACM technical symposium, Denver, Colorado, USA. <https://doi.org/10.1145/2445196.2445351>
- Ramadhan, S. (2015). Certified accountants' perceptions of forensic accounting education: The case of Bahrain. *International Journal of Finance and Accounting*, 4(2), 109–118.
- Renzhou, D. (2011). Research on legal procedural functions of forensic accounting. *Energy Procedia*, 5, 2147–2151.

- Seda, M., and Kramer, B. K. P. (2014). An examination of the availability and composition of forensic accounting education in the United States and other countries. *Journal of Forensic and Investigative Accounting*, 6 (1).
- Shahid, H., Alexander, D. A., and Abdalla, T. A. M. (2018). An exploratory study for opening accounting undergraduate program in Saudi Arabia: the stakeholders' perception and need analysis. *Advances in Social Sciences Research Journal*, 5 (4), 1317–1331.
- Siegel, J. G., and Shim, J. K. (2010). *Accounting Handbook*. Hauppauge, N.Y: Barron's Educational Series.
- Singleton, T. W. (2010). *Fraud Auditing and Forensic Accounting*. John Wiley and Sons.
- SOCPA - About us. (2021). Retrieved August 23, 2021, from <https://old.socpa.org.sa/Socpa/About-Socpa/About-us.aspx?lang=en-us>
- Stanbury, J., and Paley-Menzies, C. (2010). Forensic futurama: Why forensic accounting is evolving. *AICPA Store*, 28.
- Vendolská, I., Tomas Bata University in Zlín, Kacerova, E., and Tomas Bata University in Zlín. (2016). Flexible graduate is successful graduate. Key factors of successful job interview, results of a comparative analysis. *Journal of Competitiveness*, 8 (2), 87–102.
- Weller, S., Edwards, R., Jamieson, L., and Davidson, E. (2019). *Analysing large volumes of complex qualitative data - Reflections from a group of international experts*. <http://eprints.ncrm.ac.uk/4266>
- Wells, J. T. (2009). Practical and ethical considerations in fraud examination. *New York*, 79(6), 56–58.
- Williams, J. W. (2014). The private eyes of corporate culture: the forensic accounting and corporate investigation industry and the production of corporate financial security. In K. Walby and R. K. Lippert (Eds.), *Corporate Security in the 21st Century: Theory and Practice in International Perspective* (pp. 56–77). Palgrave Macmillan UK.
- Yousef, A. (2016). *Exploring Family Language Policies: A study of Australian families of Arabic-speaking background*. https://www.academia.edu/download/50941677/EPS_Master_s_Thesis-Areej_Yousef-s2829645.pdf