The Accounting Research Institute (ARI) congratulates Prof. Dr. Normah Omar for successfully delivering her Professorial Lecture entitled "Financial Criminology: Stolen Fruit is the Sweetest...? or the Bitterest...?". The event was jointly organized by the Faculty of Accountancy and the Institute of Leadership and Quality Management (IIQAM), UiTM on 1st November 2012 and was held at Dewan Sri Budiman, UiTM Shah Alam.

SYNOPSIS OF "FINANCIAL CRIMINOLOGY: STOLEN FRUIT IS THE SWEETEST...? OR THE BITTEREST...?" MONOGRAPH

The ACFE 2012's Global Fraud Study 2012 reveals that financial statement fraud represents one of the most costly forms of occupational fraud in the new millennium. It is also one of the most difficult to trace. Although the final responsibility for ensuring the integrity of the financial statements of an organization lies with the board of directors, financial auditors have a very important role to play in mitigating and detecting financial statement fraud. At the professional level, various standards have been formulated and issue by accounting professional bodies to assist auditors. Two important standards that are used by auditors globally (when auditing financial statements) are the Statement on Auditing Standards No 99 (SAS 99) and the International Standards on Auditing 240 (ISA 240). The “rule-based” SAS 99 was issued by the Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA) in October 2002 and the “principle-based” ISA 240 was issued by the International Federation of Accountants (IFAC) in 2009. Basically, these standards were issued partly in response to various infamous accounting scandals involving Enron, WorldCom, Adelphia, and Tyco. This monograph is presented in five segments. First, an explanation of the basic definitions and concepts underlying financial statement fraud is given. Second, the monograph discusses two financial audit guidelines, SAS 99 & ISA 240 and their implications for auditors and management. In the third segment, relevant fraud theories are discussed to facilitate the development of fraud risk indicators. The fourth segment is premised on the framework underpinning the Fraud Diamond Theory and presents the empirical findings of a Malaysian study involving three groups of auditors, external, internal and government, and how they perceive the importance and usage of fraud risk indicators when auditing financial statements. While the results concerning the importance of risk indicators are fairly positive, there is a gap concerning their usage. Respondents emphasized their need for specialized training in financial fraud detection techniques. The final segment elaborates on the managerial and professional implications of the financial statement fraud on Corporate Malaysia.