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COURSE BROCHURE

Advanced Forensic Accounting and Earnings Manipulation Detection Course

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Registered in the United Kingdom and Saudi Arabia

Advanced Forensic Accounting and Earnings Manipulation Detection Course

Forensic Accounting and Earnings Manipulation Detection is a 2-week advanced training course for internal auditors, fraud examiners, audit committee members and due diligence teams, and each participant prepares a forensic red-flag dossier that scores one set of reported accounts for manipulation risk and sets out the evidence trail. Aggressive earnings targets and complex revenue arrangements keep tempting management to bend reported results. Jupiter Prime Training built it around the questions a forensic reviewer must answer.

Why Forensic Accounting and Earnings Manipulation Detection Matters Now

Three pressures shape this subject today: performance-linked pay and lender covenants that reward hitting reported targets, revenue and lease arrangements whose judgements leave room for bias, and audit committees and investors who expect early warning rather than late restatements. An organisation that detects manipulation early protects its capital, its lenders' trust and its directors; one that misses it faces restatements, write-downs and litigation. The course rests on International Financial Reporting Standards IFRS, especially IFRS 15 on revenue and IFRS 16 on leases, together with accrual-quality testing, probability scoring models and forensic interview and evidence techniques.

Who Gains Most from Forensic Accounting and Earnings Manipulation Detection

- Internal auditors who plan fraud-risk reviews of revenue, inventory and related-party balances
- Fraud examiners who trace manipulated entries back to source records and people
- Audit committee members who challenge management on judgements behind reported earnings
- Investment and lending due diligence teams who test the quality of a target's reported accounts
- Group controllers who oversee subsidiaries where pressure to hit targets is high

An audit committee that attends with its head of internal audit gains most, because detecting manipulation needs both board challenge and field evidence.

Forensic Accounting and Earnings Manipulation Detection Capabilities

Participants learn to read reported accounts as a forensic reviewer does: looking for the gap between economic reality and the numbers presented.

- Assess accrual quality and cash conversion gaps that signal earnings management — audit committee challenge
- Calculate manipulation probability scores across several periods — due diligence go or no-go decisions
- Test revenue recognition judgements under IFRS 15 for premature or fictitious sales — external auditor liaison
- Trace related-party transactions, round-tripping and off-balance arrangements — board and shareholder protection
- Design data analytics tests on journals, cut-off and reserves — internal audit planning
- Communicate forensic findings with evidence chains and confidence levels — audit committees and legal counsel

Key Forensic Accounting and Earnings Manipulation Detection Terms

- Earnings Management — the use of accounting judgement or real transactions to steer reported profit towards a target.
- Accrual Quality — the degree to which accounting accruals turn into cash, used to judge how reliable reported earnings are.
- Manipulation Probability Score — a ratio-based model that combines several indicators to estimate the likelihood that reported earnings were manipulated.
- Channel Stuffing — pushing excess goods onto distributors before period end to inflate sales, often reversed later through returns.
- Round-Tripping — circular transactions with related or friendly parties that create revenue or cash without economic substance.
- Cookie-Jar Reserve — an excess provision built in good periods and released later to smooth reported profit.

Forensic Accounting and Earnings Manipulation Detection Day by Day

Day 1: The Anatomy of Reporting Manipulation

- Fraud Triangle of Pressure, Opportunity and Rationalisation — Root Causes
- Earnings Targets, Bonuses and Covenants — Incentives to Misstate
- Spectrum From Aggressive Judgement to Fraud — Escalation Thresholds
- Restatement Patterns Across Sectors — Lessons From Past Collapses
- Cases From Construction Contractors and Retail Chains — Recurring Schemes

Day 2: Red-Flag Analytics on Reported Accounts

- Horizontal and Vertical Trend Screens — Unexplained Shifts
- Cash Flow Versus Profit Divergence — Earnings Credibility
- Days Sales, Inventory and Payables Movements — Working Capital Distortion
- Peer Benchmark Outliers — Results Too Good to Be True
- Red-Flag Scorecard Construction — Prioritising Review Areas

Day 3: Scoring Models and Accrual Quality

- Accrual Ratio Calculation — Persistence of Reported Earnings
- Manipulation Probability Scoring Models — Multi-Period Risk Ranking
- Distress and Bankruptcy Prediction Ratios — Survival Pressure Signals
- Benford Distribution Tests on Ledgers — Anomalous Digit Patterns
- Combining Scores With Qualitative Evidence — Balanced Judgement

Day 4: Revenue Manipulation Schemes

- IFRS 15 Performance Obligation Judgements — Premature Recognition Risk
- Bill-and-Hold and Channel Stuffing — Sales Pulled Forward
- Fictitious Customers and Side Letters — Revenue Without Substance
- Contract Modifications and Variable Consideration — Estimate Bias
- Long-Term Contract Percentage of Completion — Margin Inflation

Day 5: Expense, Asset and Liability Manipulation

- Capitalising Operating Costs — Inflated Assets and Profit
- Depreciation Lives and Residual Values — Hidden Earnings Levers
- Inventory Valuation and Obsolescence — Overstated Stock
- Provision Releases and Cookie-Jar Reserves — Profit Smoothing
- Lease Structuring Under IFRS 16 — Concealed Obligations

Day 6: Related Parties and Off-Balance Arrangements

- Related-Party Mapping and Ownership Tracing — Hidden Connections
- Round-Tripping and Circular Transactions — Fabricated Revenue and Cash
- Special Purpose Entities and Support Arrangements — Unrecorded Exposures
- Factoring and Supply Chain Finance — Disguised Borrowing
- Disclosure Gaps in Related-Party Notes — Transparency Tests

Day 7: Cash Flow and Balance Sheet Forensics

- Cash Flow Classification Shifts — Operating Cash Inflation
- Receivables Ageing and Credit Note Patterns — Reversal Signals
- Goodwill and Intangible Impairment Avoidance — Delayed Write-Downs
- Debt Covenant Proximity Analysis — Motives Near Breach
- Quarter-End Journal Concentration — Cut-Off Manipulation

Day 8: Data Analytics and Evidence Gathering

- Journal Entry Testing With Analytics Software — Override Detection
- Document Examination and Source Tracing — Evidence Integrity
- Forensic Interviews With Finance Staff — Corroborating Explanations
- Chain of Custody for Digital Evidence — Admissible Findings
- Whistleblower Information Handling — Protecting Sources

Day 9: Forensic Reporting and Governance Response

- Forensic Report Structure and Evidence Grading — Defensible Conclusions
- Audit Committee Briefings — Escalation and Response Choices
- Working With External Auditors and Counsel — Coordinated Action
- Restatement and Remediation Planning — Restoring Report Credibility
- Preventive Controls and Tone at the Top — Deterring Repeat Schemes

Day 10: Practising the Forensic Red-Flag Dossier

- Red-Flag Screen of a Sample Company — Applying Trend and Ratio Analytics
- Scoring and Accrual Quality Assessment — Applying Probability Models
- Revenue and Related-Party Testing — Applying Scheme Recognition
- Evidence Chain and Interview Plan — Applying Investigation Methods
- Forensic Red-Flag Dossier Completion — Briefing to a Mock Audit Committee

Applying Forensic Accounting and Earnings Manipulation Detection After the Course

- Run a red-flag screen and manipulation probability score on the latest three years of one business unit or investee and agree follow-up areas with the head of internal audit.
- Design and run a journal entry analytics test on quarter-end postings, then report unusual entries and their explanations to the audit committee.

Forensic Accounting and Earnings Manipulation Detection Questions FAQ

What is forensic accounting and earnings manipulation detection and why does it matter now?

Forensic accounting and earnings manipulation detection is the evidence-based review of reported accounts for bias, misstatement and fraud. It matters now because target-driven pay, covenants and judgement-heavy revenue and lease rules create room to bend reported profit.

Which roles gain most from forensic accounting and earnings manipulation detection?

Internal auditors, fraud examiners, audit committee members, due diligence teams and group controllers gain most. You benefit most if you must judge whether reported earnings can be trusted before acting on them.

How does forensic accounting and earnings manipulation detection differ from a financial statement analysis course?

It assumes the numbers may be wrong. Statement analysis courses interpret accounts for performance and valuation; this course hunts for manipulation through scoring models, scheme recognition, related-party tracing, journal analytics and evidence gathering.

What will I bring back from forensic accounting and earnings manipulation detection?

You bring back a forensic red-flag dossier: a red-flag screen, manipulation probability scores, revenue and related-party test results, an evidence chain and a briefing ready for an audit committee.

Forensic Accounting and Earnings Manipulation Detection: The Way Forward

The forensic red-flag dossier first informs the next audit committee agenda, where directors decide which reported areas need deeper testing. Internal auditors use its analytics to plan fieldwork, and due diligence teams adapt its scoring to targets. After the first review, revisit the red-flag thresholds, because management incentives and accounting judgements shift with each reporting cycle.