

External Integrated Summative Assessment
EXEMPLAR # 2 OF NON-E-ASSESSMENT PAPER

Student Full Name(s)		
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Student ID Number		
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Marker/Assessor:	Name & Surname	Signature
Moderator (If Applicable):	Name & Surname	Signature

EISA CANDIDATE INSTRUCTIONS

- EISA Candidates must complete all questions in this EISA.
- EISA Candidates must use only a black pen when completing this EISA.
- Should EISA Candidates require additional space to complete their answers, please request additional paper from an invigilator.
- EISA Candidates must ensure they indicate their name, surname and EISA registration number at the top of the additional paper. Also, ensure that the question number is marked on your additional paper.
- EISA Candidates must use the scenarios provided in the External Integrated Summative Assessment (Non-E-Assessment Scenarios) to answer the corresponding questions in the EISA.

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GENERAL EISA RULES

- EISA Candidates are only allowed to use the supplied EISA booklets and additional paper to answer the EISA questions.
- EISA Candidates can only use a black pen for their Non-E-Assessment answers.
- EISA Candidates to ensure that their name, surname and EISA registration number appears on the front of your EISA booklet.
- This is a close book examination.
- All EISA booklets must be handed back to the invigilator intact. No pages may be torn off from the EISA booklet. The removal of EISA booklets from the examination room is prohibited.
- EISA Candidates may use a calculator in this EISA.
- The use of any communication devices, including smart watches, cell phones, tablets, I-Pads, Headphones and Laptops, is prohibited.
- All cell phones are to be switched off for the duration of the EISA.
- Invigilators will not assist EISA Candidates with explaining questions related to the EISA.
- EISA Candidates are prohibited from conversing in any manner with each other.
- EISA Candidates may not leave the examination venue within one hour of the start of the examination and in the last 30 minutes of the allotted examination period.
- EISA Candidates found to be disruptive and unruly in the assessment centre will be requested to leave the centre by the invigilator.

I hereby confirm that I have read the above EISA rules and declare that I understand and accept them.

Signature of EISA candidate: _____

Date: _____

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1. PART 1: EXIT LEVEL OUTCOME 1-3

1.1. Question / Task 1.1

1.1.1. Outcome 1: Distinguish between the role of auditors and fraud examiners with reference to the specific theoretical principles underpinning the two occupations about fraud. (5 marks: 5 Minutes)

SCENARIO #1: MISAPPROPRIATION IN A RETAIL CHAIN

Sophia, an external auditor, is engaged to audit the financial statements of a nationwide retail chain. Her role involves assessing the accuracy of reported sales revenue and ensuring compliance with accounting standards. While testing revenue recognition policies, she identifies discrepancies in store-level sales reporting. The retail chain's management hires Liam, a certified fraud examiner, to investigate further. Liam conducts a targeted fraud examination, leveraging forensic accounting techniques to trace the discrepancies. His investigation uncovers that a store manager has been manipulating sales data and pocketing cash from unrecorded transactions. Liam prepares a detailed report, complete with evidence, for potential litigation.

1.1.1.1 What is Sophia's primary responsibility as an external auditor for the retail chain? (1 mark)

- ☐ a) Investigating fraud at the store level
- ☐ b) Ensuring compliance with accounting standards
- ☐ c) Preparing evidence for litigation
- ☐ d) Interviewing employees about sales discrepancy

1.1.1.2 What triggers Liam's involvement as a fraud examiner? (1 mark)

- ☐ a) An annual audit of the retail chain's accounts
- ☐ b) Revenue misstatements identified by Sophia
- ☐ c) A routine internal audit
- ☐ d) A request for a compliance review

1.1.1.3 Which principle primarily guides Sophia's audit work? (1 mark)

- ☐ a) Providing assurance about financial statement accuracy
- ☐ b) Investigating store-level sales fraud
- ☐ c) Preparing litigation-ready evidence
- ☐ d) Assessing internal fraud risks

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1.1.1.4 What is Liam's primary role as a fraud examiner? (1 mark)

- ☐ a) To test compliance with accounting standards
- ☐ b) To uncover fraudulent activities using forensic accounting
- ☐ c) To ensure sales revenue is accurately reported
- ☐ d) To prepare the company's financial statement

1.1.1.5 What key technique does Liam use in his investigation? (1 mark)

- ☐ a) Sampling financial transactions
- ☐ b) Conducting a forensic trace of cash transactions
- ☐ c) Reviewing internal controls at the corporate level
- ☐ d) Testing the completeness of financial disclosures



(Sub-Total: 5 Marks)

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1.1.2. Outcome 2: Understand the principles of Enterprise Risk Management (ERM) and the unique role Fraud Prevention strategies should play in an organisation's ERM Framework. (5 marks: 5 Minutes)

SCENARIO #2: ENVIRONMENTAL AND COMPLIANCE RISK MANAGEMENT IN SOUTH AFRICA'S MANUFACTURING SECTOR

A large South African manufacturing company faced growing environmental compliance risks due to stricter regulations under the National Environmental Management Act (NEMA). Non-compliance with waste disposal and emissions standards led to penalties and reputational damage. To address these challenges, the company implemented an Enterprise Risk Management (ERM) framework that integrated environmental risk assessments and compliance monitoring. A pivotal component was the inclusion of fraud prevention strategies to address risks of falsified environmental reports and data manipulation. Advanced monitoring systems, including Internet of Things (IoT) sensors, were installed to track emissions and waste management in real-time. Internal audits were strengthened to detect irregularities in compliance reporting, and employees were trained on ethical practices and whistleblowing protocols. The ERM framework not only improved compliance but also mitigated fraud risks, restoring trust among stakeholders. Additionally, the company leveraged its improved environmental performance to gain a competitive edge by marketing its commitment to sustainability..

1.1.2.1 Explain how the company's ERM framework addressed environmental compliance risks and restored stakeholder trust. (5 Marks)

Responses should include the following elements:

- 1) Identification of environmental compliance risks.**
- 2) Role of ERM in compliance monitoring.**
- 3) Outcome on stakeholder trust.**

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(Sub-Total: 5 Marks)

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**1.1.3. Outcome 3: Understand tax fraud offences and their elements. (5 marks:
5 Minutes)**

SCENARIO #3: VAT FRAUD THROUGH FICTITIOUS INVOICES

Lebo owns a mid-sized electronics company in Durban. To reduce her VAT liability, she collaborated with a supplier to create fictitious invoices for non-existent purchases. Over a year, Lebo claimed input VAT deductions totalling R500,000 based on these fraudulent invoices. During a SARS audit, the scheme was uncovered when cross-referencing supplier records revealed discrepancies. Lebo argued that she trusted her supplier and did not review the invoices in detail.

1.1.3.1 Identify and explain the elements of tax fraud present in Lebo's actions.

(5 Marks)

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(Sub-Total: 5 Marks)

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SCENARIO #4: A MEDICAL PRACTITIONER'S TESTIMONY IN A PERSONAL INJURY

CLAIM

(Use for Outcomes 4-6)

In Bloemfontein, a medical doctor acted as an expert witness in a personal injury lawsuit, where the plaintiff sought damages for long-term disability resulting from a workplace accident. The doctor provided testimony on the plaintiff's physical condition, supported by detailed medical reports, X-rays, and diagnostic findings. During direct examination, the plaintiff's attorney guided the expert to explain their qualifications, professional experience, and specific methodologies used in the assessment. The expert clearly differentiated between objective findings and professional opinions, ensuring compliance with evidentiary requirements. When cross-examined, the defence lawyer aimed to undermine the doctor's credibility by questioning their impartiality, suggesting they had a history of testifying predominantly for plaintiffs. The doctor countered by referencing prior cases where their testimony had been accepted by courts for both plaintiffs and defendants, underscoring their professional integrity. Additionally, the defence challenged the reliability of the medical conclusions by highlighting discrepancies in timelines between the accident and the symptoms. The expert acknowledged the timeline but provided an evidence-based explanation, connecting the injuries to the incident. The defence employed a restrictive questioning style to limit the doctor's ability to elaborate, but the expert remained composed, answering concisely and truthfully. In re-examination, the plaintiff's attorney emphasised the doctor's consistency and adherence to ethical medical practices, reaffirming the validity of their testimony. This testimony ultimately proved instrumental in the court's assessment of damages. This case underscores the importance of expert witnesses presenting clear, evidence-based findings while adhering to principles of impartiality and professionalism. It also highlights how effective direct examination and resilience under cross-examination can preserve an expert's credibility and the weight of their testimony in South African legal proceedings.

1.1.4. Outcome 4: Understand the different principles applicable to lay and expert witnesses with reference to criteria and requirements. (5 Marks: 10 Minutes)

1.1.4.1 Outline the criteria that determine the admissibility of a medical expert's testimony in personal injury cases. (5 Marks)

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(Sub-Total: 5 Marks)

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1.1.5. Outcome 5: Understand direct examination techniques of expert witnesses. (5 Marks: 5 Minutes)

1.1.5.1 How can attorneys guide the medical expert to present their findings effectively in court? (5 Marks)

[illegible]

(Sub-Total: 5 Marks)

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1.1.6. Outcome 6: Understand the strategies to discredit witnesses during cross-examination. (5 Marks: 5 Minutes)

1.1.6.1 What cross-examination strategies might the defence use to challenge a medical expert's testimony? (5 Marks)

[illegible]

(Sub-Total: 5 Marks)

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1.1.7. Outcome 7: Identify applicable theoretical principles and concepts in conducting interviews. (5 marks: 5 Minutes)

SCENARIO #5: FRAUDULENT INSURANCE CLAIMS

An insurance company suspects Mr. Mokoena of filing fraudulent claims after multiple high-value theft claims were approved under his policy. Investigators discovered inconsistencies in police reports and conflicting statements from witnesses. During the interview, Mr. Mokoena became defensive and refused to answer certain questions.

1.1.7.1 What steps would you take to address Mr. Mokoena's defensiveness during the interview? (5 Marks)

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(Sub-Total: 5 Marks)

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1.1.8. Outcome 8: Review and comment on the type of reports, the format usage and the content of specific reports by referencing their context and the characteristics of the specific reports.

(5 Marks: 5 Minutes)

SCENARIO #6: FINAL INVESTIGATION REPORT

A large construction firm faces allegations of procurement fraud after whistle-blower claims that senior procurement officers colluded with suppliers to inflate project costs. The company launches a forensic investigation spanning six months, during which investigators uncover fraudulent practices, including over-invoicing and ghost suppliers. With the investigation complete, the forensic team compiles a detailed report for submission to law enforcement and the company's legal team. The firm's management is eager to understand the full scope of the fraud, hold the perpetrators accountable, and develop robust preventive measures for future projects.

1.1.8.1 Analyse how the Final Investigation Report supports legal action and future prevention, referencing the construction firm in scenario #6. (5 Marks)

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(Sub-Total: 5 Marks)

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(Part 1: Question / Task 1.1 Total: 40 Marks)

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1.2. Question / Task 1.2

SCENARIO #7: FRAUD IN FINANCIAL REPORTING

(Use for Outcomes 1-7)

A logistics manager at a major retail chain accepted kickbacks from suppliers in exchange for preferential shelf space. These bribes totalled R 2 million over two years and disrupted fair competition among suppliers. It also led to substandard products being prioritised.

1.1.9. Outcome 1: Identify the causes of the crime using at least three theories of crime causation. (5 Marks: 5 Minutes)

1.1.9.1 Which theory explains the manager's acceptance of supplier kickbacks as a rational choice for financial gain? (1 mark)

- ☐ a) Routine Activities Theory
- ☐ b) Rational Choice Theory
- ☐ c) Strain Theory
- ☐ d) Social Labelling Theory

1.1.9.2 Differential Association Theory suggests the manager committed corruption because: (1 mark)

- ☐ a) They experienced financial strain
- ☐ b) They were influenced by a culture normalising unethical behaviour
- ☐ c) They lacked accountability
- ☐ d) They faced no external pressure

1.1.9.3 Strain Theory indicates the corruption arose from: (1 mark)

- ☐ a) A desire for ethical compliance
- ☐ b) The inability to meet financial goals through legitimate mean
- ☐ c) A lack of routine oversight
- ☐ d) A focus on organisational transparency

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1.1.9.4 Control Theory suggests corruption occurred due to: (1 mark)

- ☐ a) Weak internal controls and a lack of consequences for unethical behaviour
- ☐ b) Strict compliance policies
- ☐ c) Financial pressure from external sources
- ☐ d) An emphasis on ethical decision-making

1.1.9.5 Routine Activities Theory explains the corruption as: (1 mark)

- ☐ a) Strong monitoring mechanisms in place
- ☐ b) A motivated offender encountering inadequate oversight
- ☐ c) The presence of strict controls
- ☐ d) The absence of any opportunity

(Sub-Total: 5 Marks)

1.1.10. Outcome 2: Identify Prevention Strategies. (5 Marks: 5 Minutes)

1.1.10.1 Which prevention strategy would reduce supplier kickbacks? (1 mark)

- ☐ a) Simplifying supplier agreements
- ☐ b) Reducing transparency in procurement
- ☐ c) Implementing competitive bidding processes
- ☐ d) Allowing informal agreements

1.1.10.2 A key prevention mechanism is: (1 mark)

- ☐ a) Avoiding conflict of interest policies
- ☐ b) Requiring disclosure of relationships between employees and suppliers
- ☐ c) Simplifying compliance requirements
- ☐ d) Ignoring supplier complaints

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1.1.10.3 What strategy would help ensure fair supplier selection? (1 mark)

- ☐ a) Establishing clear evaluation criteria for suppliers
- ☐ b) Allowing personal discretion by managers
- ☐ c) Reducing audits on supplier relationships
- ☐ d) Encouraging exclusivity agreements

1.1.10.4 How can whistleblowing prevent corruption in supplier selection? (1 mark)

- ☐ a) By discouraging employee reporting
- ☐ b) By creating a safe platform for reporting unethical behaviour
- ☐ c) By ignoring whistleblower concerns
- ☐ d) By reducing compliance standards

1.1.10.5 To prevent supplier kickbacks, organisations should: (1 mark)

- ☐ a) Reduce audits on supplier agreements
- ☐ b) Allow exclusive contracts without review
- ☐ c) Perform regular audits of procurement and supplier relationships
- ☐ d) Simplify supplier evaluation processes

(Sub-Total: 5 Marks)

1.1.11. Outcome 3: Role of Corporate Governance. (5 Marks: 5 Minutes)

1.1.11.1 Corporate Governance can address supplier corruption by: (1 mark)

- ☐ a) Allowing unchecked supplier relationships
- ☐ b) Requiring transparency and accountability in supplier selection
- ☐ c) Delegating decisions entirely to manager
- ☐ d) Avoiding whistleblower protection policie

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1.1.11.2 What governance principle ensures fair supplier relationships?

(1 mark)

- ☐ a) Simplifying reporting requirements
- ☐ b) Promoting transparency and competitive bidding
- ☐ c) Allowing personal discretion in supplier evaluation
- ☐ d) Reducing conflict of interest policies

1.1.11.3 A critical Corporate Governance measure in preventing corruption is:

(1 mark)

- ☐ a) Enforcing strict conflict of interest disclosure policies
- ☐ b) Reducing transparency in procurement
- ☐ c) Avoiding supplier evaluations
- ☐ d) Ignoring whistleblower complaints

1.1.11.4 How can Corporate Governance support ethical procurement? *(1 mark)*

- ☐ a) Reducing supplier diversity
- ☐ b) Implementing codes of conduct for procurement processes
- ☐ c) Allowing verbal contracts with suppliers
- ☐ d) Delegating authority without oversight

1.1.11.5 Governance practices should focus on: *(1 mark)*

- ☐ a) Avoiding whistleblower reports
- ☐ b) Strengthening independent oversight of procurement activities
- ☐ c) Simplifying auditing processes
- ☐ d) Reducing reporting requirements

(Sub-Total: 5 Marks)

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1.1.12. Outcome 4: Outline the role of Management in addressing the white-collar crimes in the scenario. (5 Marks: 5 Minutes)

1.1.12.1 Management can prevent supplier corruption by: (1 mark)

- ☐ a) Ignoring supplier complaints
- ☐ b) Delegating authority without monitoring
- ☐ c) Conducting regular reviews of supplier relationships
- ☐ d) Simplifying conflict of interest policies

1.1.12.2 A key management responsibility is to: (1 mark)

- ☐ a) Allow exclusive supplier agreements without review
- ☐ b) Enforce compliance with procurement policies
- ☐ c) Ignore whistleblower complaints
- ☐ d) Simplify reporting standards

1.1.12.3 Management should encourage ethical behaviour by: (1 mark)

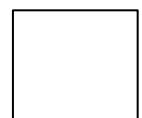
- ☐ a) Avoiding ethics training
- ☐ b) Providing ethics and compliance training for procurement teams
- ☐ c) Ignoring supplier concerns
- ☐ d) Reducing audits on supplier agreements

1.1.12.4 To reduce corruption risks, management should: (1 mark)

- ☐ a) Establish and monitor supplier evaluation criteria
- ☐ b) Avoid documenting supplier selection processes
- ☐ c) Delegate supplier decisions to a single individual
- ☐ d) Simplify supplier evaluation standard

1.1.12.5 Management should address corruption by: (1 mark)

- ☐ a) Ignoring whistleblower tips
- ☐ b) Allowing informal supplier agreement
- ☐ c) Acting promptly on reports of unethical behaviour
- ☐ d) Reducing oversight on procurement activities



(Sub-Total: 5 Marks)

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1.1.13. Outcome 5: Outline the role of Management in addressing the white-collar crimes in the scenario. (5 Marks: 5 Minutes)

1.1.13.1 How should management ensure fairness in supplier selection processes? (1 mark)

- ☐ a) Allowing verbal agreements with suppliers
- ☐ b) Standardising supplier evaluation criteria and enforcing compliance
- ☐ c) Ignoring complaints about supplier relationships
- ☐ d) Simplifying documentation requirements

1.1.13.2 To discourage supplier kickbacks, management must: (1 mark)

- ☐ a) Avoiding whistleblower reports
- ☐ b) Transparency in financial reporting processes
- ☐ c) Reducing accountability
- ☐ d) Reduce oversight of supplier contracts

1.1.13.3 What key role does management play in creating ethical supplier relationships? (1 mark)

- ☐ a) Allowing supplier exclusivity agreements
- ☐ b) Avoiding regular supplier evaluations
- ☐ c) Conducting routine checks and monitoring of procurement activities
- ☐ d) Simplifying compliance policies

1.1.13.4 To address supplier corruption, management should: (1 mark)

- ☐ a) Avoid whistleblower reports
- ☐ b) Delegate supplier relationships to a single person
- ☐ c) Provide regular training on ethical procurement practices
- ☐ d) Reduce the number of supplier evaluations

1.1.13.5 What action should management take upon discovering unethical supplier relationships? (1 mark)

- ☐ a) Ignore the issue to maintain relationships
- ☐ b) Simplify supplier agreements for efficiency
- ☐ c) Take immediate corrective actions, such as terminating unethical contracts
- ☐ d) Reduce the frequency of monitoring supplier activities

(Sub-Total: 5 Marks)

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1.1.14. Outcome 6: Specific Focus Areas for Fraud Prevention Programmes.
(5 Marks: 5 Minutes)

1.1.14.1 Fraud prevention programmes should focus on: (1 mark)

- ☐ a) Allowing informal supplier agreements
- ☐ b) Promoting transparency and competitive bidding in procurement
- ☐ c) Simplifying compliance standards
- ☐ d) Ignoring supplier concerns

1.1.14.2 A critical focus area in fraud prevention programmes is: (1 mark)

- ☐ a) Simplifying supplier contracts without review
- ☐ b) Implementing mandatory conflict of interest disclosures
- ☐ c) Reducing oversight mechanisms
- ☐ d) Allowing flexibility in compliance

1.1.14.3 Fraud prevention programmes should prioritise: (1 mark)

- ☐ a) Establishing whistleblower systems to report unethical behaviour
- ☐ b) Avoiding transparency in procurement
- ☐ c) Simplifying auditing standards
- ☐ d) Reducing supplier diversity

1.1.14.4 What impact do fraud prevention programmes have? (1 mark)

- ☐ a) Increased corruption risks
- ☐ b) Reduced financial and reputational risks
- ☐ c) Simplified reporting standards
- ☐ d) Limited accountability

1.1.14.5 Fraud prevention programmes should aim to: (1 mark)

- ☐ a) Simplify reporting requirements
- ☐ b) Reduce transparency
- ☐ c) Strengthen oversight of procurement and supplier activities
- ☐ d) Delegate full authority to procurement managers



(Sub-Total: 5 Marks)

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1.1.15. Outcomes 7: Fraud Risks and Prevention Mechanisms.

(5 Marks: 5 Minutes)

1.1.15.1 A key fraud risk in supplier kickbacks is: (1 mark)

- ☐ a) Transparent supplier evaluations
- ☐ b) Preferential treatment of suppliers in exchange for bribes
- ☐ c) Independent supplier audits
- ☐ d) Whistleblower protection system

1.1.15.2 What is a significant fraud risk in this scenario? (1 mark)

- ☐ a) Lack of oversight in supplier relationships
- ☐ b) Strong conflict of interest policies
- ☐ c) Transparent bidding processes
- ☐ d) Frequent supplier evaluations

1.1.15.3 To mitigate fraud risks, the organisation should: (1 mark)

- ☐ a) Simplify reporting requirements
- ☐ b) Allow verbal contracts with suppliers
- ☐ c) Implement competitive bidding and supplier evaluations
- ☐ d) Reduce conflict of interest disclosures

1.1.15.4 What prevention mechanism can mitigate supplier corruption? (1 mark)

- ☐ a) Delegating decisions without monitoring
- ☐ b) Requiring detailed documentation for all supplier agreements
- ☐ c) Reducing audits on procurement processes
- ☐ d) Allowing flexible procurement standards

1.1.15.5 To address fraud risks, organisations should: (1 mark)

- ☐ a) Reduce whistleblower channels
- ☐ b) Allow supplier discretion by managers
- ☐ c) Conduct regular audits of procurement activities
- ☐ d) Simplify reporting processes



(Sub-Total: 5 Marks)

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1.1.16. Outcome 8: Apply the ACFE Code of Professional Ethics to the conduct of the examiners. (5 Marks: 5 Minutes)

SCENARIO #8: REASONABLE BASIS FOR OPINIONS

Maria, a Johannesburg-based fraud examiner, investigates allegations of payroll fraud at a construction firm. After gathering evidence, she identifies discrepancies in employee records and payment systems but refrains from accusing any individual without irrefutable proof. Instead, she provides the client with evidence-based findings, highlighting areas requiring further scrutiny. Her commitment to forming opinions grounded in evidence helps the client take appropriate actions while minimising legal risks.

1.1.16.1 How does Maria demonstrate a reasonable basis for opinions? (1 mark)

- ☐ a) Accusing employees without substantial evidence
- ☐ b) Forming conclusions based on solid evidence
- ☐ c) Ignoring evidence of payroll discrepancies
- ☐ d) Offering opinions on employee guilt

1.1.16.2 What principle of the ACFE Code does Maria follow? (1 mark)

- ☐ a) Full disclosure of material matters
- ☐ b) Reasonable basis for opinions
- ☐ c) Confidentiality of information
- ☐ d) Avoidance of unethical conduct

1.1.16.3 What action would have violated the ACFE Code in this scenario? (1 mark)

- ☐ a) Gathering sufficient evidence
- ☐ b) Expressing opinions without adequate evidence
- ☐ c) Documenting payroll discrepancies
- ☐ d) Advising the client to review processes

1.1.16.4 Why is a reasonable basis for opinions important? (1 mark)


- ☐ a) It simplifies the investigation
- ☐ b) It eliminates the need for evidence
- ☐ c) It ensures findings are credible and defensible
- ☐ d) It accelerates decision-making

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1.1.16.5 How does Maria's adherence to this principle benefit the client? (1 mark)

- ☐ a) It creates a biased investigation
- ☐ b) It minimises legal risks and ensures appropriate actions
- ☐ c) It limits the scope of the investigation
- ☐ d) It undermines the examiner's credibility



(Sub-Total: 5 Marks)

**1.1.17. Outcome 9: Apply the ACFE Code of Professional Standards to the
conduct of the examiners. (5 Marks: 5 Minutes)**

SCENARIO #9: STANDARDS OF REPORTING

After concluding a fraud investigation, a CFE drafts a report highlighting the evidence pointing towards a senior employee's involvement in fraudulent activities. The client requests the inclusion of a statement that declares the senior employee guilty of fraud, citing a desire to strengthen their legal case.

1.1.17.1 What is the primary requirement for fraud examination reports? (1 mark)

- ☐ a) They must include the investigator's opinion on legal guilt or innocence
- ☐ b) They must be based on sufficient, reliable, and relevant evidence
- ☐ c) They must satisfy all of the client's specific request
- ☐ d) They must highlight the suspected guilt of individuals involved

**1.1.17.2 How should the CFE respond to the client's request to declare an individual
guilty of fraud? (1 mark)**

- ☐ a) Refuse the request, citing the Standards of Reporting
- ☐ b) Comply with the request to support the client's legal case
- ☐ c) Include the statement with a disclaimer about its accuracy
- ☐ d) Avoid mentioning the individual in the report altogether

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1.1.17.3 What is the risk of including a declaration of guilt in the report? (1 mark)

- ☐ a) It may lead to legal action against the client
- ☐ b) It could be considered outside the CFE's professional scope
- ☐ c) It would undermine the credibility of the investigation
- ☐ d) It could delay the release of the report

1.1.17.4 What content should the report focus on? (1 mark)

- ☐ a) Evidence that supports the client's goals
- ☐ b) Reliable evidence and professional methodologies
- ☐ c) Personal opinions about the individuals involved
- ☐ d) Speculations about the case's outcome

1.1.17.5 Which action aligns with the Standards of Reporting? (1 mark)

- ☐ a) Presenting a factual report based solely on reliable evidence
- ☐ b) Speculating on possible motivations for the fraud
- ☐ c) Including subjective opinions to strengthen the findings
- ☐ d) Rewriting the report based on the client's preferences



(Sub-Total: 5 Marks)

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SCENARIO #10: LAND ALLOCATION FAVOURITISM

(Use for Outcomes 10-14)

In Mpumalanga, a senior land affairs official accepts payment from a developer to expedite land rezoning applications. This falls under the general offence of corruption as outlined in Section 3 of the Prevention and Combating of Corrupt Activities Act, Act 12 of 2004, with potential civil actions for nullifying the rezoning decision. The investigation must respect the constitutional right to access information (Section 35 of the Constitution of the Republic of South Africa, Act 108 of 1996) and ensure transparency in compliance with the Promotion of Access to Information Act, Act 2 of 2000, as amended. Critical evidence includes rezoning application documents, bank records showing illicit payments, and internal communications highlighting procedural breaches. Documented irregularities in rezoning approvals strengthen the case, but proving a direct quid pro quo without admissions from the involved parties poses challenges. Evidence must meet the requirements for admissibility and relevance in South African law to support a legally robust investigation and prosecution.

1.1.18. Outcome 10: Identify the relevant legal cause of action (Civil or Criminal) and identify the specific elements that need to be proven. (5 Marks: 5 Minutes)

1.1.18.1 Analyse the scenario and identify the relevant legal cause of action (Civil or Criminal). Additionally, explain the elements required to prove corruption under Section 3 of the Prevention and Combating of Corrupt Activities Act, Act 12 of 2004. (5 marks)

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(Sub-Total: 5 Marks)

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1.1.19. Outcome 11: Verify that evidence meets the required criteria of the specific laws of evidence. (5 Marks: 5 Minutes)

1.1.19.1 Evaluate the evidence required to prove corruption in the scenario and determine if it meets the legal standards under South African laws of evidence.

(5 Marks)

[illegible]

(Sub-Total: 5 Marks)

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1.1.20. Outcome 12: Identify the appropriate sections of subjects' constitutional rights that may be affected by the specific situation and identify mechanisms to be applied to ensure compliance. (5 Marks: 5 Minutes)

1.1.20.1 Evaluate the constitutional rights that may be affected in the land allocation favouritism scenario and discuss mechanisms to ensure compliance during the investigation. (5 Marks)

[illegible]

(Sub-Total: 5 Marks)

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1.1.21. Outcome 13: Identify the financial crime committed and its specific elements. (5 Marks: 5 Minutes)

1.1.21.1 Determine the financial crime committed in the land allocation favouritism scenario and describe its specific elements in the South African context. (5 Marks)

[illegible]

(Sub-Total: 5 Marks)

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1.1.22. Outcome 14: Develop an investigation plan with rationales/narratives for management approval. (5 Marks: 5 Minutes)

1.1.22.1 Design an investigation plan for the land allocation favouritism scenario, highlighting the steps to be followed and rationales for management approval in the South African context. (5 Marks)

[illegible]

(Sub-Total: 5 Marks)

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SCENARIO #11: INVESTIGATING SOCIAL MEDIA ACTIVITY

(Use for Outcomes 15-16)

A company experienced a data leak that appeared to involve an employee's social media activity. Lebo, the forensic investigator, discovered several publicly available posts that hinted at insider knowledge. She documented these posts, ensuring to capture URLs, timestamps, and screenshots. When Lebo needed access to private messages that could not be viewed publicly, she sought legal advice on obtaining a subpoena. Once granted, she worked with the platform's legal compliance team to retrieve the information. All evidence was securely stored and logged, ready for use in potential disciplinary or legal proceedings.

1.1.23. Outcome 15: Identify the specific ways to legally obtain and preserve documentary [evidence]. (5 Marks: 5 Minutes)

1.1.23.1 Explain how Lebo legally gathered and preserved social media evidence. What steps ensured the evidence was admissible in potential proceedings? (5 Marks)

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(Sub-Total: 5 Marks)

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1.1.24. Outcome 16: Identify the various strengths and weaknesses in the way in which evidence was obtained. (5 Marks: 5 Minutes)

1.1.24.1 Critically analyse Lebo's approach to collecting and preserving social media evidence. Discuss its strengths and weaknesses in the South African legal context.
(5 Marks)

[illegible]

(Sub-Total: 5 Marks)

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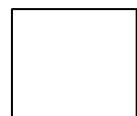
1.1.25. Outcome 17: Identify online information sources that can be applied to the scenario. (5 Marks: 5 Minutes)

SCENARIO #12: THE WATER CRISIS PROJECT

Mandla, an environmental consultant, has been hired to address water scarcity issues in Gauteng. His project involves researching government regulations on water use and finding innovative techniques for urban water conservation. Mandla also needs to present case studies of successful water management projects implemented in other parts of South Africa. To strengthen his proposal, he wants to include data on how climate change is exacerbating water scarcity in the region. Mandla is determined to make a positive impact, but he needs reliable and accurate information to guide his recommendations.

1.1.25.1 Mandla is researching water scarcity solutions in Gauteng. Suggest two credible sources for each of these areas: (a) water usage regulations, (b) conservation techniques, and (c) climate change impact. Justify the relevance of one source to Mandla's project in a South African context. (5 Marks)

Step 1: Identification and description of credible online sources: (3 Marks)
Step 2: Justifying the appropriateness of one source for compliance in South Africa: (2 Marks)



(Sub-Total: 5 Marks)

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1.1.26. Outcome 18: Identify data analysis software that can be applied to the scenario. (5 Marks: 7 Minutes)

SCENARIO #13: INTERNAL ESPIONAGE AT INNOVATETECH SOLUTIONS

InnovateTech Solutions, a Cape Town-based technology firm, suspects one of its employees is leaking sensitive data to competitors. The employee in question has been accessing highly confidential files outside of normal working hours and using external storage devices in violation of company policy. You are assigned to investigate these activities using digital forensic tools to monitor network traffic, analyse device logs, and identify unauthorised data transfers. By uncovering the truth, you will help the company protect its intellectual property and take necessary legal action.

1.1.26.1 Recommend a data analysis tool suitable for investigating internal espionage at InnovateTech Solutions. Explain how the tool can help monitor network traffic, analyse employee device logs, and detect unauthorised data transfers.

Responses should include the following elements:

- 1) Identification of software: (1 Mark)**
- 2) Explanation of network traffic monitoring capabilities: (1 Mark)**
- 3) Details on analysing device logs or file transfer records: (1 Mark)**
- 4) Application to detecting unauthorised activity: (1 Mark)**
- 5) Contextualisation to a South African technology firm: (1 Mark)**

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(Sub-Total: 5 Marks)

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SCENARIO #14: PHISHING SCANDAL TARGETING BANK CLIENTS

(Use for Outcomes 19-20)

A South African bank is inundated with complaints from clients whose accounts were drained following phishing attacks. Investigators identify a fake website that mimicked the bank's online portal, capturing customer credentials. An analysis of fraudulent transactions reveals that funds were transferred to high-risk countries.

The bank applies transaction monitoring tools to identify patterns associated with the phishing attack, such as rapid, high-value withdrawals. Compliance with Anti-Money Laundering (AML) regulations involves filing Suspicious Activity Reports (SARs) for the fraudulent transactions. The forensic team collaborates with international partners to trace funds and ensure data protection for affected customers while complying with privacy laws.

1.1.27. Outcome 19: Identify the relevant digital forensic principles that should be applied (5 Marks: 5 Minutes)

1.1.27.1 Explain how the five (5) principles of Digital Forensics can be applied to investigate the phishing scandal targeting bank clients in a South African context.

(5 Marks)

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(Sub-Total: 5 Marks)

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1.1.28. Outcome 20: Identify the specific principles applicable to tracking illicit financial transactions (10 Marks: 15 Minutes)

1.1.28.1 Explain how Transaction Monitoring, Suspicious Activity Reporting (SAR), and Data Protection principles are applied in investigating the phishing scandal targeting bank clients. Relate these principles to Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) practices in South Africa. (10 Marks)

Responses should include the following principles:

- 1) Transaction Monitoring:** *(3 Marks)*
- 2) Suspicious Activity Reporting (SAR):** *(3 Marks)*
- 3) Data Protection:** *(2 Marks)*
- 4) Alignment with AML and CFT:** *(2 Marks)*

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(Sub-Total: 10 Marks)

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**1.1.29. Outcome 21: Identify relevant sections/ headings that must be included
in the report. (5 Marks: 7 Minutes)**

SCENARIO #15: EMBEZZLEMENT AT A NON-PROFIT ORGANISATION

A Cape Town non-profit discovers that significant funds intended for community development projects are missing. The organisation's director is suspected of embezzlement. Financial records show unauthorized transfers to personal accounts over two years. Investigators conduct a detailed review of bank statements, project budgets, and expenditure records. The investigation also includes interviews with board members and staff to understand oversight mechanisms. Recommendations focus on improving financial controls, implementing audits, and taking legal action against the director.

1.1.29.1 Identify the relevant sections or headings that should be included in the forensic investigation report for this case. (5 Marks)

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(Sub-Total: 5 Marks)

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(Part 1: Question / Task 1.2 Total: 110 Marks)

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2. PART 2: EXIT LEVEL OUTCOME 4

2.1. Question / Task 2.1

2.1.1. Outcome 1: Identify specific financial statement fraud schemes and identify relevant red flags to look out for in various documents. (4 marks: 4 Minutes)

2.1.1.1 What is a red flag for payroll fraud involving overtime? (1 mark)

- ☐ a) No anomalies in overtime payments
- ☐ b) Unexplained spikes in overtime expenses
- ☐ c) Consistent overtime trends over time
- ☐ d) Alignment with industry benchmarks

2.1.1.2. Which of the following is a typical indicator of understated liabilities? (1 mark)

- ☐ a) Rapid liability reduction without explanation
- ☐ b) Increased transparency in liability reporting
- ☐ c) Gradual decrease in liabilities aligned with cash flows
- ☐ d) Higher debt-to-equity ratio

2.1.1.3 What might suggest improper valuation of assets? (1 mark)

- ☐ a) Stable asset values aligned with market norms
- ☐ b) Sudden increases in asset values without justification
- ☐ c) Frequent reassessments with independent appraisals
- ☐ d) Declining fair value adjustments

2.1.1.4 Which document would most likely help uncover fictitious revenue schemes? (1 mark)

- ☐ a) Adherence to consistent policies
- ☐ b) Transparent changes with explanations
- ☐ c) Frequent changes that obscure understanding
- ☐ d) Industry-aligned accounting practices



(Sub-Total: 4 Marks)

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SCENARIO #15: CONFLICT OF INTEREST IN CONSTRUCTION CONTRACTS

(Use for Outcomes 2-4)

A South African provincial government awards a R50 million contract for building a new school to a company called FutureBuild. Documents obtained during an audit show that FutureBuild is owned by the brother-in-law of the procurement officer overseeing the project. Competing bids from well-established firms were inexplicably dismissed, despite offering better terms. Evidence of email exchanges between the procurement officer and FutureBuild's director reveals inside information was shared to tailor their proposal. Investigators also find bank transfers from FutureBuild to the procurement officer's personal account, raising suspicion of kickbacks.

2.1.2. Outcome 2: Identify the document's non-conformance with GAAP.

(8 Marks: 10 Minutes)

2.1.2.1 Explain how the awarding of the construction contract to FutureBuild demonstrates non-conformance with GAAP principles. Provide supporting evidence from the scenario and suggest one preventive measure to address such conflicts in the future. (8 marks)

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(Sub-Total: 8 Marks)

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2.1.3. Outcome 3: Understand the specific detection and prevention measures that should be applied to Corruption schemes found in a variety of case studies with reference to the characteristics of the corruption scheme and its mitigating protocols (10 Marks: 15 Minutes)

2.1.3.1 Explain the detection and prevention measures that should be applied to mitigate conflict of interest schemes in procurement, using the scenario involving FutureBuild. Discuss the characteristics of the fraud and its mitigating protocols in a South African context. (10 Marks)

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(Sub-Total: 10 Marks)

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2.1.4. Outcome 4: Understand the specific detection and prevention measures that should be applied to the specific industry-related fraud scheme in financial institutions, ID theft, cheque fraud, credit card fraud, insurance fraud, health care fraud, consumer fraud, computer fraud, internet fraud, contract and procurement fraud, referencing the characteristics of that specific industry related fraud scheme and its mitigating protocols
(8 Marks: 15 Minutes)

2.1.4.1 Explain the detection and prevention measures that should be implemented to address conflict of interest in procurement fraud, using the FutureBuild scenario. Discuss the fraud's characteristics and applicable protocols within the South African context. (8 Marks)

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(Sub-Total: 8 Marks)

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(Part 2: Question / Task 2.1 Total: 30 Mark)

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