

External Integrated Summative Assessment
EXEMPLAR # 1 OF NON-E-ASSESSMENT PAPER 2

Student Full Name(s)		
Student Surname		
Student ID Number		
EISA Registration Number		
Assessment Centre Name	Forensic Academy Africa	
Assessment Centre Accreditation #	07-QCTO-AC-TTC110724122242	
Qualification Name	Occupational Certificate: Fraud Examiner	
SAQA ID Number	101868	Part 1: Task 1.1 Total: 40 Marks Page 9
Credits	255	
Paper	Exemplar #1 Paper 2	Part 2: Task 2.1 Total: 30 Marks Page 13
Document Type	Exemplar of Non-E-Assessment Paper	
Date Of EISA	DD/MM/YYYY	Grand Total:
Duration	120 minutes	
Total Marks	70	Percentage:
Pass Mark	70% (49 out of 70)	
Marker/Assessor:	Name & Surname	Signature
Moderator (If Applicable):	Name & Surname	Signature

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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.

Assessment Centre Name: Forensic Academy Africa

Assessment Centre Accreditation #: 07-QCTO-AC-TTC110724122242

Qualification Name: Occupational Certificate Fraud Examiner

SAQA ID Number: 101868

Credits: 255

Component: Exemplar #1 Paper: 2

Start Time of EISA on the EISA date: 13:00 (p.m.)

Duration: 120 minutes

Total Marks: 70

Pass Mark: 70% (49 out of 70)

Attempts: 1

Focus: Part 1: Task 1.1 & Part 2: Task 2

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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 roles of auditors and fraud examiners with reference to the specific theoretical principles underpinning the two occupations about fraud. (5 marks: 5 Minutes)

SCENARIO #1: EMPLOYEE MISCONDUCT IN A TECH STARTUP

Karen, an auditor, is contracted to perform a review engagement for a tech startup. Her work is limited to providing limited assurance about the startup's financial statements, noting any errors or omissions without actively seeking signs of fraud.

A suspicious increase in operating expenses leads the board to call in fraud examiner Mark. Using computer forensics, Mark uncovers fabricated vendor invoices and fraudulent expense reimbursements by the CFO. Mark compiles his findings for court proceedings, bridging the gap between Karen's systemic review and legal action.

1.1.1.1 What does Karen's review engagement focus on? (1 mark)

- ☐ a) Detecting fabricated invoices
- ☐ b) Limited assurance about financial statements
- ☐ c) Anti-fraud measures
- ☐ d) Identifying misappropriation scheme

1.1.1.2 What is Mark's role as a fraud examiner? (1 mark)

- ☐ a) Systemic financial review
- ☐ b) Detecting and reporting fraudulent transactions
- ☐ c) Ensuring compliance with financial reporting
- ☐ d) Conducting internal audit

1.1.1.3 Which principle distinguishes Mark's fraud examination from Karen's review?
(1 mark)

- ☐ a) Adherence to ethical standards
- ☐ b) Forensic investigation into specific fraud allegation
- ☐ c) Reasonable assurance provision
- ☐ d) Risk assessment compliance

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1.1.1.4 How does Mark uncover the CFO's misconduct? (1 mark)

- ☐ a) Reviewing financial statements
- ☐ b) Using computer forensics
- ☐ c) Conducting governance reviews
- ☐ d) Sampling expense reports

1.1.1.5 What is the main theoretical goal of Mark's investigation? (1 mark)

- ☐ a) Enhance financial transparency
- ☐ b) Prepare evidence for litigation
- ☐ c) Ensure ethical accounting
- ☐ d) Develop compliance systems



(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: GOVERNANCE AND STRATEGIC RISK MANAGEMENT IN MINING

A South African mining company faced reputational risks due to allegations of financial mismanagement. Their ERM framework highlighted governance risks, prompting an overhaul of internal audit processes and strengthening of whistleblowing policies. Fraud prevention strategies included enhanced financial reporting and forensic audits to identify irregularities. Additionally, the company established a dedicated fraud hotline to encourage employees and stakeholders to report misconduct. These measures, combined with a proactive communication strategy, rebuilt investor confidence and underscored the role of fraud prevention in mitigating governance risks within the ERM framework.

1.1.2.1 Assess the effectiveness of fraud prevention strategies in addressing governance risks for the mining company. (5 Marks)

Responses should include the following elements:

- 1) Description of fraud prevention measures.**
- 2) Role of the fraud hotline in identifying misconduct.**
- 3) Impact on the company's reputation.**

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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: EMPLOYMENT TAX EVASION

Sarah, the owner of a construction company, classified her full-time employees as independent contractors to avoid paying PAYE and UIF contributions. Over five years, she saved significant amounts in employment taxes. During an inspection, SARS found that the workers' contracts and working conditions aligned with standard employment, not independent contracting. Sarah argued that she misunderstood employment classification laws.

1.1.3.1 Explain the elements of tax fraud in Sarah's misclassification of employees.
(5 Marks)

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(Sub-Total: 5 Marks)

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SCENARIO #4: A CHILD PSYCHOLOGIST IN CUSTODY PROCEEDINGS

(Use for Outcomes 4-6)

In Johannesburg, a child psychologist testified as an expert witness in a contentious custody case. During direct examination, they highlighted their qualifications and experience in child development. Their report assessed the emotional impact of custody arrangements on the child. The opposing counsel attacked their credibility by questioning the methodologies used. The psychologist defended their findings, referencing academic sources and emphasising their impartiality. Re-examination by the plaintiff's attorney clarified points of confusion, reaffirming the psychologist's conclusions.

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 What cross-examination strategies might be used to challenge a psychologist's findings, and how should they respond? (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 What direct examination techniques can attorneys use to highlight a psychologist's expert insights in a custody case? (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 How can a child psychologist respond effectively to cross-examination aimed at discrediting their 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: PAYROLL FRAUD IN A MANUFACTURING FIRM

An anonymous tip revealed that HR manager Ms Sithole created ghost employees on the payroll system and diverted their salaries into her bank account. During a surprise audit, payroll records showed repeated payments to individuals who could not be traced. Ms Sithole denies wrongdoing and claims someone else had access to her login credentials.

1.1.7.1 How would you approach interviewing Ms. Sithole to ascertain her role in the payroll fraud? (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: INTERIM REPORT

A government agency is under investigation for irregularities in project funding, with allegations of contractor kickbacks. Halfway through their investigation, the forensic team identifies preliminary findings of R 10 million in unaccounted expenditures. However, the investigation is complex due to incomplete documentation and the need for stakeholder cooperation. Senior management requests an interim update to gauge the investigation's progress, assess potential reputational risks, and implement immediate measures to prevent further irregularities.

1.1.8.1 Describe how an Interim Report balances confidentiality by providing progress updates using 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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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 red flag might suggest related party fraud? (1 mark)

- ☐ a) Unusual terms on disclosed transactions
- ☐ b) Decrease in accounts receivable turnover
- ☐ c) Alignment with market norms
- ☐ d) Reduced frequency of transactions

2.1.1.2. Which scenario might signal fictitious revenue? (1 mark)

- ☐ a) Revenues aligned with cash inflows
- ☐ b) Large volume of sales recorded at period ends
- ☐ c) Revenue consistent with historical performance
- ☐ d) Industry-standard revenue reporting

2.1.1.3 Which of the following may indicate asset misappropriation? (1 mark)

- ☐ a) Frequent updates to depreciation schedules
- ☐ b) Discrepancies in physical counts versus records
- ☐ c) High return on asset ratios
- ☐ d) Increasing asset turnover rates

2.1.1.4 What might be a sign of fictitious expenses? (1 mark)

- ☐ a) Consistency in expense trends
- ☐ b) Missing documentation for high-value expenses
- ☐ c) Decline in overall expense accounts
- ☐ d) Alignment of expenses with operational needs

(Sub-Total: 4 Marks)

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SCENARIO #15: FRAUDULENT MEDICAL AID CLAIMS
(Use for Outcomes 2-4)

HealthyCare Hospital, a private facility in Durban, is flagged for suspicious billing practices. A medical aid scheme audit uncovers repeated claims for procedures that were either not performed or entirely fabricated. For example, a single patient's account reflects multiple charges for the same surgery on different dates. The hospital's invoices are riddled with duplications, and patient interviews confirm they did not receive several of the billed services. An anonymous tip points to senior management pressuring staff to inflate claims to offset financial losses. Bank records reveal irregular transfers from the hospital's account to private accounts linked to management.

2.1.2. Outcome 2: Identify the document's non-conformance with GAAP. (8 Marks: 10 Minutes)

2.1.2.1 Identify and explain how HealthyCare Hospital's billing practices demonstrate non-conformance with GAAP principles. Use the provided documents to support your response and suggest one preventive measure to reduce fraudulent claims. (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 Discuss the detection and prevention measures that can be applied to corruption schemes in the context of HealthyCare Hospital's management practices. Refer to the characteristics of corruption in medical aid billing and the protocols that should be implemented to mitigate such practices in South Africa. (10 Marks)

[illegible]

(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 specific detection and prevention measures that should be applied to fraudulent medical aid claims, as seen in HealthyCare Hospital's scenario. Highlight the characteristics of this type of health care fraud and discuss protocols for mitigating it in South Africa. (8 Marks)

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(Sub-Total: 8 Marks)

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

This Is The Last Page Containing EISA Exemplar Questions