

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 #2 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 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 discrepancies

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.**

(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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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 characteristics of fraud and the applicable protocols in 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)

This Is The Last Page Containing EISA Exemplar Questions