



**CLIENT MEMO
AUDITING VS FRAUD EXAMINATION**

Issue	Auditing	Fraud examination
Timing	Recurring Audits are conducted on a regular, recurring basis.	Nonrecurring Fraud examinations are non-recurring. They are conducted only when needed.
Scope	General The scope of the audit is an examination of financial data.	Specific The fraud examination is conducted to resolve specific allegations.
Objective	Opinion An audit is generally conducted for the purpose of expressing an opinion on the financial statements or related information.	Affix blame The fraud examination’s goal is to determine whether fraud has occurred or is occurring and to determine who is responsible.
Relationship	Non-adversarial The audit process is non-adversarial in nature.	Adversarial Fraud examinations, because they involve efforts to affix blame, are adversarial in nature.
Methodology	Audit techniques Audits are conducted by examining financial data and obtaining corroborating evidence.	Fraud examination techniques Fraud examinations are conducted by (1) document examination; (2) review of outside data such as public records; and (3) interviews.
Standard	Professional skepticism Auditors are required to approach audits with professional skepticism.	Proof Fraud examiners approach the resolution of a fraud by attempting to establish sufficient proof to support or refute a fraud allegation.

Source: *Fraud Examiners Manual, Association of Certified Fraud Examiners, 2003*