

Importance of forensic accounting in the process of making decisions by the top management

Značaj forenzičkog računovodstva u procesu donošenja odluka vrhovnog menadžmenta

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Abstract

In modern business conditions, more and more attention is paid to the introduction of forensic accounting into the regular operations of the company and its development, in order to achieve more efficient and effective controls of all organizational parts in the company. In this context, it is necessary for the top management to be innovatively disposed to apply new solutions that will facilitate the company's operations and through the application of which it will achieve better business results. Forensic accounting is effective not only for detecting and preventing fraud in financial statements and accounting, but also for assessing the damage to the company on that basis. The introduction of forensic accounting is a complex and not at all cheap process that practically begins with the decision of the top management to change the previous accounting policies to a new one, in which there will be an implemented system of forensic accounting. The paper analyzes the connection between forensic accounting and top management, as well as the importance of this special accounting for business decision-making. The aim of the work is to show the usefulness of applying forensic accounting activities, as part of making valid decisions of top management, in the process of regular business operations of the company, which is reflected in raising the level of security of financial reporting and the overall security of the company's operations.

Keywords: forensic accounting, management, business decision-making

Sažetak

U savremenim uslovima poslovanja sve više pažnje posvećuje se uvođenju forenzičkog računovodstva u redovno poslovanje preduzeća i njegovom razvoju, radi postizanja efikasnijih i efektivnijih kontrola svih organizacionih delova u preduzeću. U tom kontekstu nameće se kao potreba da top menadžment bude inovativno raspoložen za primenu novih rešenja pomoću kojih će olakšati poslovanje preduzeća i pomoću čije primene će ista ostvariti bolje poslovne rezultate. Forenzičko računovodstvo je efikasno ne samo za otkrivanje i sprečavanje prevara u finansijskim izveštajima i računovodstvu, već i za procenu štete za preduzeće po tom osnovu. Uvođenje forenzičkog računovodstva je kompleksan i nimalo jeftin proces koji praktično započinje odlukom top menadžmenta da izmeni dosadašnje računovodstvene politike, novom, u kojoj će postojati implementiran sistem forenzičkog računovodstva. U radu se analizira veza između forenzičkog računovodstva i top menadžmenta kao i značaj ovog specijalnog računovodstva za poslovno odlučivanje. Cilj rada je da se pokaže korisnost primene forenzičko računovodstvenih aktivnosti, u sklopu donošenja validnih odluka top menadžmenta, u procesu redovnog poslovanja preduzeća, koja se ogleda u podizanju nivoa sigurnosti finansijskog izveštavanja i sveukupne sigurnosti poslovanja preduzeća.

Кljučне речи: forenzičko računovodstvo, menadžment, poslovno odlučivanje


1. Introduction

Numerous global financial scandals (Enron, Tyco, WorldCom, Parmalat SpA, America Online Inc., Bernard L. Madoff Investment Securities LLC, Satyam Computer

Services, etc.), indicate that fraud is a widespread socially negative phenomenon and an extremely serious problem for company operations. The mentioned financial scandals, followed by investor losses that are measured in billions of dollars, have seriously shaken the confidence

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of investors, creditors, professional and accounting public in the reliability of financial reporting. At the same time, they pointed out the shortcomings and limitations of audit and internal control in the procedure of detection and prevention of fraudulent activities, and therefore the necessity of introducing the application forensic accounting. This fact has significantly influenced that forensic accounting is one of the fastest growing areas of accounting in developed countries.

The results of research conducted by the Association of Certified Fraud Examiners - ACFE (Association of Certified Fraud Examiners) show that companies lose about 5% of their annual revenue due to fraud. According to this research, embezzlement, corruption, and falsification of financial statements stand out as three key forms of fraud (ACFE, 2022).

As stated above, it imposed numerous questions whether and to what extent the published financial statements are truly objective and reliable, whether it is possible to make an adequate, rational business and investment decision based on the indicators and information presented in the financial statements, whether the quality of the audit of the financial statements is satisfactory. level, how to detect and prevent accounting manipulations in financial reports, how to reduce the risk of fraud in the company's operations, how to ensure the highest degree of security of financial reporting and the security of the overall business. Doing business in modern circumstances requires top management to continuously introduce innovation in the company management process, which implies the introduction of new solutions and the establishment of optimal ways of organizing processes in companies. Modern management in companies is based on the existence of top management, which requires the introduction and application of control mechanisms in business. It is mainly about the following segments of control: internal controls, internal audits, financial analysis and control in the company, forensic accounting, forensic audit, external audit, the application of which, individually and/or in combination, is expected to improve the overall business of the company. Objective financial reporting is of key importance both for the business of the reporting entity and in providing accurate and relevant information to business partners, banking and the public sector. In order to eliminate doubts about the objectivity and truthfulness of financial reports, that is, about illegal actions and business operations more efficiently in recent times, more and more importance is attached to the application of forensic accounting, both in the private and public sectors.

The application of forensic accounting is one of the new approaches to improving and improving the work, primarily of top management. The application of this special type of accounting is closely related to the system of internal controls. It is their combination that creates a strong control mechanism of all business segments, which can be used to introduce essential improvements in the company, especially if they are viewed from the perspective of top management.

The introduction of forensic accounting implies the fact that the top management of the company in a timely manner in the previous period educated a sufficient number of high-quality and motivated personnel to work in special types of accounting. Also, the application of forensic accounting implies its implementation in all parts of the company, valid for all employees after the disclosure that it has been introduced into the regular operations of the company. The final outcome of the application of forensic accounting is reflected in raising the level of overall control of all processes in the company. The effects of application are also visible in the improvement of management decisions and overall operations in companies. The significant effect of the application is reflected in the reduction of unnecessary costs in the company, the decrease in the number of frauds, thefts, alienation of property and others.

The purpose of the control mechanism, which includes forensic accounting, is to enable management to manage business results in terms of achieving planned business goals and to support management in making various business decisions. Control mechanisms represent a cost for the company, but it is considered that the benefit of their application is greater than the cost of their application. This is precisely the fact that top management needs to be guided when making management decisions on the application of control mechanisms. Companies in which adequately designed control mechanisms function in the course of regular business have a greater chance of operating more successfully.

2. Forensic accounting: basics, areas and goals of action

The dynamism and increasing complexity of business, the intensive development of information technologies and the capital market, but also the increase in the development of modern criminal schemes, caused the emergence and development of a special discipline that deals with the comprehensive investigation of criminal acts - forensic accounting. It is important to point out that forensic accounting is not limited to conducting financial investigations that result in prosecution. However, if forensic accounting is the purpose, the investigation and analysis must meet the standards required by the competent court (Hoopwood et al., 2014, p.3).

Of the numerous definitions in the literature dealing with forensic accounting, the most comprehensive one appears to be that given by the Association of Certified Criminal Investigators (ACFE), according to which forensic accounting is the use of accounting skills in potential or actual litigation or criminal proceedings, including generally accepted accounting and auditing principles, in order to determine lost profits, income, property or damage, assess the effectiveness of internal controls, detect fraud or implement other activities that require the inclusion of accounting expertise in the legal system (ACFE, 2022).

In general, forensic accounting, as a special type of accounting, can be defined as the application of

investigative and analytical knowledge and skills in order to detect and prevent fraudulent actions in the financial statements and accounting of companies, i.e., business organizations that deviate from accounting standards, legal and by-laws. Which means that it can be preventive and curative. In the case of curative work, it is about post-delinquent treatment, that is, there are already phenomena that indicate illegal actions. The task of a forensic accountant is to review and evaluate such an act, and provide an objective, independent and impartial opinion as well as to provide valid evidence of a criminal act (Đekić, et al., 2011)

A forensic accountant professionally assesses the actual (legal) and fair (moral) processing of economic categories, their presentation and reporting for judicial, business, tax and other needs. It is an expert with excellent business-economic and economic-legal knowledge, who possesses the necessary competencies: education, sophistication, thoughtfulness, willingness, originality, reliability, cooperativeness, fairness, truthfulness, honesty, self-awareness and other virtues (Turk, 2002).

From the definition of forensic accounting, it follows that it does not refer exclusively to fraudulent actions, but implies a wider scope than fraud investigations, including engagement related to the purchase of a company, assessment of the value of property acquired during a marriage in the event of a divorce, calculation of lost profits and determination of the value of damage to property. Within forensic accounting, two areas are fundamentally different:

1. Investigative accounting - which can appear in two forms: a) Financial-criminal investigations and b) Forensic audit of financial statements;
2. Judicial support, - engagement in dispute resolution, such as financial expertise, consulting and other services (Aleksić, et al., 2015).

Unlike investigative accounting, court support, as an area of forensic accounting, is not limited in court proceedings to criminal actions only, i.e., to criminal proceedings (Fenton, & Edmund, 2007).

The choice of the objectives of the forensic analysis depends on its purpose, which is determined by the client. The decision to engage forensic accountants can be made by a judicial authority, the top management of a company, bank management, capital owner, creditors, investors, etc., if they need an objective, independent and expert assessment regarding the existence of fraud in the organization. For some purpose, e.g., assessment of a potential partner, a forensic expert's assessment of possible major irregularities and a high degree of fraud risk is sufficient. Forensic analysis has the following basic goals (Muminović, 2011):

- Detection of areas of potential illegal actions, irregularities or fraud - means narrowing the search field for certain irregularities, that is, locating the area where there is an irregularity or fraud;
- Detection of specific illegal actions, irregularities or fraud - implies the detection of a specific irregularity

or fraud and determination of the manner in which it was committed;

- Assessment of the level of risk of established irregularities (intentional, unintentional, high or low level of irregularities, high or low risk of fraud, etc.) - implies an assessment of the risk of an illegal act/criminal act;
- Producing evidence - means providing material and other (non-material) evidence that the incriminated act was committed and the manner in which it was committed.

Forensic accountants combine their accounting knowledge with auditing, investigative techniques, and other skills, all in order to detect fraud. During the investigation of possible fraud, forensic accountants use various methods and techniques to analyze the relationships between elements of financial statements. Forensic accounting, in addition to traditional accounting techniques, intensively applies specific techniques, such as: Benford's law, Beneish's model, Computer-aided auditing techniques (CAATS, Data mining techniques), etc. At the end of the forensic audit, a report is drawn up, which the forensic accountant submits to the top management of the company as the ordered of the work.

3. The decision-making process of top management in a corporate enterprise

The goal of every company as a participant in economic activity is primarily to preserve existence and ensure permanent development. To achieve that goal, a well-organized company management system is needed, which is responsible for making the best possible decisions under the given business conditions. However, due to the rapid changes in the business environment of the world economy, the growth of the private sector, a different arrangement of companies and a more seriously organized system of responsibility, they particularly emphasized corporate governance, as a set of rules that function the internal organization of those companies in which there is a separation of ownership from management, and often and a larger number of owners. Namely, it is about modern corporate enterprises as the most important innovation of the last century (Chandler, 1990).

In conditions where owners usually do not have enough knowledge to successfully manage a complex business system, which is why they hire professionals (managers), the issue of management and control gains increasing importance because it implies "a kind of distribution of authority, responsibility and risk between owners and management" (Malinić, 2007). Therefore, managers are persons who professionally manage entrusted capital, and owners are persons who strive to control management in order to ensure that their managers work in the first place to increase capital, that is, they undertake activities that lead to the maximization of the owner's wealth. According to the level to which they belong in the organization, managers are divided into (Mašić, et al., 2010): 1. top managers, 2. mid-level managers and 3. first-line managers (supervisors or controllers).

As the name suggests, top managers are at the top of the organizational management hierarchy. Top managers include people with the following titles: presidents, vice presidents, members of the board of directors, executive directors, assistant executive directors, top-ranking advisors, and others. They are responsible for the direction, functioning and results of the organization as a whole, that is, for ensuring effective and efficient operations, growth and development of the organization. Therefore, they have the necessary relevant powers that are necessary for making and implementing decisions related to the strategic focus of the organization as a whole. According to the level of the organization and decision-making subjects, decisions can be divided into (Mašić, et al., 2010):

1. Strategic decisions - affect the long-term operations of the organization, for example, which company the organization should take over in order to grow in a way that best suits its long-term goals;
2. Tactical decisions - mid-term decisions on the implementation of strategy in parts of the organization or functions, for example, the decision to employ additional personnel in production;
3. Operational decisions - short-term decisions on the application of tactics in daily business, for example, which company should be hired for the delivery of products to consumers.

In the modern circumstances of business, which is characterized by globalization, large and rapid changes, the need arises that the market needs a reliable and high-quality way of management. It must be based on real, true, objective and relevant information. In this kind of dynamic market competition, the protection of the interests of capital owners, a realistic and objective information base for decision-making, as well as the reliability and relevance of information are necessary. Information is the basic resource that enables top management to make quality strategic decisions. Understanding the decision-making process is important for the effective overall management of an organization. Management of company functions is an important activity, which fosters harmony in their functioning, and includes all flows of work and business processes, jobs and tasks, and the achievement of clearly defined goals of business functions, and thus the goals of the company (Cogoljević et al., 2019.)

4. The importance of forensic accounting in the decision-making process of top management

Modern management methods impose on top management the obligation to introduce some form of business control, mainly for the purpose of improving the overall business decision-making process in companies. The importance of top management decision-making is deeply connected with the real valuation in the company. Forensic accountants should collect all relevant forensic evidence related to the company's operations and make a quality report on the situation they found, which creates a good basis for implementing realistic decisions for top management. Otherwise, the collection of real evidence by forensic accountants is one of the continuous activities

of forensic accountants. Forensic accounting is a special type of accounting with pronounced interdisciplinary characteristics. In the following, its interdisciplinarity and connection with other disciplines is presented in a systematic way. In relation to internal audit, forensic accounting also checks and analyzes not only the events, transactions, non-compliances and illegalities that have occurred but also the indicators that indicate the probability of future fraud. The accounting forensic expert undertakes all actions and measures, applying appropriate methods and analyses, in order to shed light on the circumstances, research and gather evidence and prepare reports for internal and external users. Control is an activity that helps management to assess how business activities are performed. The main purpose of control is comparing planned and achieved results and it is a long-term process of revising the plan due to changes in the assumptions on which the plan was based (Gulin, et al., 2012, p. 14). In all systems, various controls must be designed to achieve the objectives. They are mainly classified as preventive, detective or corrective controls (Mitrović & Knežević, 2023, p. 225).

Controlling means management, supervision, direction. Controlling is a function within the management organizational unit, which helps management in planning, realization and control of set goals with the ability to adapt to internal and external changes. Controlling as a function focuses on the detection and analysis of irregularities and omissions in business, accounting and business information systems, business risk management, the success of the internal control system, analysis of costs, income and individual items in order to increase the performance of the organization and create reports for internal users. Forensic accounting implements the mentioned methods and steps, including investigative techniques, with the aim of detecting fraud and manipulation in financial statements, as well as preparing reports for both management and external users (Šestanović & Palac, 2018).

As already mentioned, forensic accounting involves the application of knowledge from accounting for the purpose of detecting fraud and financial manipulations, while financial accounting involves recording, classifying, processing accounting documents and preparing financial reports in accordance with the law, accounting standards and principles, which are primarily intended for external to users. As a rule, forensic accounting includes a deeper and more detailed monitoring of the accounting system within the organization and business processes with the aim of determining whether the numbers and amounts are presented truthfully and realistically. Do the data in the databases and in the documentation correspond to the actual condition and value of the property. Financial accountants record business changes and events in accordance with the law, accounting standards and principles. In their work, forensic accountants use knowledge and skills from accounting, auditing, financial and business analysis, psychology, information technology, legal regulations, all in order to prevent and investigate false reporting and fraud in accounting. Also, forensic accountants significantly help in the

implementation of control systems and measures to protect the organization's resources from future potential fraud, misuse of assets and falsification of financial statements. Financial accountants prepare reports prescribed by law, by-laws, standards and principles that serve as a source of business information for various interest groups. Forensic accountants prepare reports for which there is no set of default rules and norms, and they have a higher degree of freedom for the steps they take during the forensic analysis and preparation of the report. In cases of hiring a forensic accountant in a company, cooperation with employees from the financial accounting department and the overall financial sector of the company is necessary, and essential not only for the detection of various frauds and illogicalities, but also for their prevention (Šestanović & Palac, 2018).

When it comes to the relationship between forensic accounting and internal audit, it should first of all be pointed out that the main goal of internal audit in modern conditions consists in examining and evaluating the overall functioning of the entire business system, as well as providing opinions and proposals for improving its operations. Internal auditors, during the verification of the credibility of the documentation, also evaluate the policy, procedures, authorizations, quality of decision-making and management, effectiveness of methods and procedures, specific problems, individual phases of business, etc. Internal audit is basically an independent function within the company, which means that internal auditors are permanent employees and relatively dependent on top management, unlike forensic accountants who are completely independent in their work and in relation to company management.

Definition of Internal Audit according to the International Institute of Internal Auditors (IIA - The Institute of Internal Auditors): "Independent and objective auditing and consulting activities with the purpose of increasing added value and improving organizational processes." It helps the organization achieve its goals by establishing a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, control and management processes" (<https://www.theiia.org/>). It should be pointed out that internal audit has significant potential in areas of fraud prevention and detection. However, detecting and investigating fraud is not the primary goal of internal auditing, so it is logical that its approaches are significantly different from those of forensic accountants.

The development and application of forensic accounting provide significant support to top management when making key business decisions. This aspect is essential because it allows managers to manage the organization in a thorough and informed manner, minimize risks and achieve long-term success. This support is not only technical in nature, but also has profound implications for strategy, business ethics and overall organizational success.

The application of forensic accounting, viewed from the point of view of top management, generates significant

benefits for the company and for the business environment itself. The advantages of the practical application of forensic accounting in companies and other legal entities are numerous, such as:

- strengthening control mechanisms, with the aim of protecting business from financial fraud;
- reduction of fraud that can be committed by employees;
- reducing the alienation of company assets;
- can play an important role for those companies that are controlled by regulatory authorities, in terms of helping companies to ensure compliance with rules and regulations. For example, forensic accounting can be useful in helping businesses to ensure efficient and effective procedures in the fight against "money laundering", corruption, etc;
- increasing the efficiency of identifying areas/organizational units in companies that generate loss;
- expertise in resolving court disputes;
- help in detecting the existence of conflicts of interest of managers through the improvement of transparency and verification of how resources were used, whether in private or public companies;
- providing tools and methodologies to top management for the analysis of accurate and reliable financial information;
- provides top management with a precise insight into the actual financial condition of the organization;
- proactively identifying potential challenges, which includes trend analysis, comparison with previous periods and identification of potential risks that may affect future financial statements;
- assistance in implementing additional controls and preventive measures, which may include strengthening internal procedures, introducing additional security protocols or educating employees to reduce potential risk;
- increasing the general safety of the entire enterprise;
- reduction of business costs in all organizational parts of the company;
- support for top management to solve problems in a targeted manner, optimize internal processes and increase business efficiency;
- raising the standards of ethical business, which encourages responsible behavior in the company, which contributes to the integrity of the company and supports a positive business culture;
- increasing business transparency by providing insight into financial flows, transactions and business activities;
- support for making a decision based on the analysis of accurate and reliable financial information.

In addition to the already mentioned benefits that are achieved by applying forensic accounting, we should also add the opportunity that forensic accounting provides to improve overall management and that in a very short time. Through all these aspects, forensic accounting becomes a key partner of top management in the decision-making process. Its versatility enables the analysis of problems from multiple perspectives, thereby providing a holistic

approach to organizational decision-making. Overall, forensic accounting becomes a necessary partner for top management when making key business decisions, providing information, analysis and recommendations that are critical to the long-term success of the company. The great importance of forensic accounting in the decision-making process emerges from all of the above, providing a deeper insight into business processes, the financial "health" of the company and potential challenges, which enables top management to make quality strategic decisions that are of vital importance for the success of the organization. Overall, forensic accounting is not only an instrument for solving problems after they arise, but also a powerful preventive mechanism that contributes to sustainable business and preserving the integrity of the company. The integration of the forensic approach into the decision-making process of top management seems essential in the modern business environment. Therefore, it can be concluded that the importance and goal of top management decision-making on the introduction and application of forensic accounting in the company is multifaceted and is aimed at increasing the security of the overall business, as well as at reducing the existence of harmful effects due to bad management, especially management aimed at various forms of embezzlement or misappropriation of funds.

5. Possibilities and limitations of the application of forensic accounting in organizations

The introduction and application of forensic accounting as part of the company's controlling mechanism can cause a decrease in the number of incriminated actions, primarily in financial reporting, accounting and all frauds, as well as enable the making of better, improved decisions by top management based on the reports of forensic accountants. Therefore, forensic accounting has its practical importance of application in companies (Vranić, 2023), and in this way they reduce the level of fraud and other irregularities on the one hand, and on the other hand, after the real engagement of forensic accountants, they can receive much higher quality and more reliable financial and other reports which are very important for the future business of the company.

The top management in the process of managing the company's operations, in accordance with the needs of modern business conditions, continuously introduces innovative methods of improving management in companies. In order to improve the management process, top management can introduce some of the types of control within its regular operations. Mainly, the introduction of control mechanisms can be observed by considering the following types of control, such as: internal control, internal audit, financial management and control, forensic accounting, external audit, etc.

This special branch of accounting enables the preservation of the integrity of financial reports, which is crucial for maintaining transparency in business and the trust of investors, creditors, state authorities, and creditors. However, its application can also be challenging and limited by legal and ethical aspects. Therefore, it is

necessary for forensic accountants to have a good knowledge of the legal regulations in order to carry out all activities in forensic analysis in accordance with the rules and regulations.

In addition to numerous advantages, forensic accounting has certain disadvantages and limitations, such as (Lazović, 2014):

- Time-consuming and poor forensic analysis could consume excessive amounts of management time and could become a nuisance to the business.
- Forensic accounting investigation can include a large scope of fraud investigation down to the smallest details.
- A number of employees may perceive the proactive form of forensic accounting as a form of disparagement of their integrity, and not as an instrument for improving the control procedure for the benefit of business.

Forensic accounting, as a relatively new practical discipline, is introduced by a large number of companies in their regular operations. For its introduction and application in regular operations as part of the company's control mechanism, it is essential that the company has financial and human resources. Also, it is necessary that the company has the ability to organize continuous education of employees in the field of forensic scientific disciplines. Last but not least, it is mandatory to harmonize the company's internal acts with the legal regulations of the country in the field of introduction and application of forensic accounting in the composition of the company. Therefore, it can be stated that companies that intend to introduce and apply this type of accounting must have appropriate financial and human resources.

The top management's vision regarding the application of forensic accounting in companies is reflected in the legal, clear and transparent introduction of the forensic accounting system into the regular operations of the company (Caruana, 2021): In this way, the top management innovates the company's operations and has realistic conditions to achieve better and more effective business results of the company already after a short period of time after the renaming of forensic accounting in companies. The application of forensic accounting in companies in regular operations should be seen as part of the introduction of other forms of control (Chen, 2019), such as the introduction of: internal audit, financial control and management, and others (Vranić, 2023).

Forensic accounting has gained more and more importance in the economy of the Republic of Serbia in the last few decades. This applies to the work of the public sector, but also of other sectors of the economy. An increasing number of private companies use forensic auditing in their regular business. The authors point out that the application of forensic accounting in their regular business is increasingly coming to the fore in the regular work of the prosecution and courts (Vranić, 2023). Forensic accountants assist the public prosecutor in analyzing money flows and financial transactions for the purpose of criminal prosecution.

In the regular business of private companies, forensic accounting skills are of practical importance for raising the level of quality of business decision-making. Based on the information presented in the forensic accountant's report, top management has the opportunity to prevent manipulations and speculative activities in a timely manner. In the end, the main purpose of introducing and applying forensic accounting in the company's business process is to establish independent control and obtain an objective report, which the forensic accountant will deliver to top management. That report will form part of the overall reporting of the top management on all important and requested issues related to the company's operations.

6. Conclusion

The application of forensic accounting in the company's operations is primarily aimed at detecting and preventing fraud in the company's operations, as well as detecting fraud in other legal entities from the environment. This special type of accounting tends to develop in the operations of companies, numerous bodies of public companies, state and other bodies, and is closely related to the application of other, also important segments of the control mechanism, such as internal audit, internal control, establishment of financial management, control and audit.

Top management in modern business conditions is increasingly turning to realistic management of the company. Namely, the top management follows the trend of modern, innovative management, which implies the application of numerous innovations related to the establishment of various forms of control in the company's operations. In order to achieve a modern approach in management, top management introduces more and more new solutions, such as forensic accounting, which primarily increases the security and reliability of financial reporting as well as the security of the company's overall operations. It can significantly improve the reality and reliability of top management's financial reporting. Namely, forensic accounting with other controlled segments contribute to a real and objective information basis for decision-making, as well as the reliability of information. This information is the basic resource that enables top management to make quality strategic decisions.

Further research and improvement of forensic accounting, combined with other types of control and audit, can significantly contribute to more effective detection of financial manipulations. Transparent financial reporting and active application of such tools can significantly contribute to the protection of the capital of owners, investors and the integrity of the capital market. The integration of forensic accounting, as part of the company's control mechanism, into the process of managing corporate companies can significantly preserve and support the integrity of financial reporting, as well as greatly contribute to sustainable and transparent business in the modern environment.

The key message of this paper is to point out the justification for the application and further development of forensic accounting. That is why it is necessary to invest additional efforts in promoting the importance of forensic accounting and encouraging its development, affirming the profile of experts - forensic accountants, and for the purpose of minimizing the number of frauds, i.e., reducing the risk of fraud and maximizing business security. The application of this special type of accounting in the regular operations of a company is certainly not cheap, but it is certain that its application brings numerous benefits for the company and society as a whole.

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