

Fraud Coverage on the Major Disclosed Professional Accounting Certification Exams During the 1990s

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Accountants today must possess better fraud prevention and detection skills given the high probability that they will encounter fraudulent reporting at some point in their careers. The public accounting profession acknowledged the seriousness of this problem with the issuance in 1997 of Statement on Auditing Standard #82, "Consideration of Fraud in a Financial Statement Audit," developed in part to focus auditor detection on fraud.

Three of the most widely-known professional accounting certification programs – the Certified Public Accountant (CPA), the Certified Management Accountant (CMA), and the Certified Internal Auditor (CIA) – offer examinations which are considered valid tools for measuring the entry-level competence of accountants in these particular fields. This study examines the coverage these three exams devoted to fraud-related material during the 1990s (as revealed through disclosed exams). This information may be useful for accounting faculty in revising the accounting curriculum, developing course content, and advising students interested in sitting for certification exams.

Our results find that the greatest coverage of fraud-related issues was found on the CIA exam, followed by the CPA and the CMA exams. The extent of fraud coverage has changed during the period examined. This may suggest that the sponsoring organizations of these exams acknowledge the importance of fraud risk assessment and detection, and therefore, test candidate knowledge on the topic of fraud.

INTRODUCTION

Fraud detection has become a very popular topic among accountants in recent years. For example, in 1994 KPMG¹ began conducting an annual U.S. fraud survey, while Ernst & Young published its first international fraud survey in 1996. In addition, many accounting practitioner journals regularly publish articles on fraud [e.g., Wells, 1998, 1994, 1990;

¹ The firm was then known as KPMG Peat Marwick.