

Instructions

- You are allowed to refer to the textbooks for verification
- This worksheet can be completed within one week

Question1

Short answer question

1. Define Conceptual Framework

Conceptual Framework sets out the concepts that underlie the preparation and presentation of financial statements for external users.

2. Describe the roles of the following :

i. Fiji Institute of Accountants

It is a legal and professional body that regulates the accounting profession and members practicing in Fiji.

ii. Institute of Internal Auditors in Fiji

It is a legal and professional body that regulates the internal auditing profession and trains its members in Fiji.

iii. Office of the Auditor General

It looks into the auditing of government departments in Fiji.

3. Define Ethics

Are moral principles that guide the way an individual behaves. Accountants at the workforce are faced with numerous situations to make financial and economic decisions. As individuals they need to practise ethical conduct at all facets of work.

4. Define Fraud

Referred to as fraudulent act is an intentional deception that causes its victims to suffer an economic loss.

## **Question 2 –case study**

### **Private Member-owned Country Club**

The general manager (GM) of a private club pleaded guilty to stealing almost \$2 million from the club through fraudulent payrolls and illegally-written checks. He admitted to mail fraud, wire fraud and money laundering in connection with a scheme to steal from the club. Over a period of five years the GM created fictitious employees, kept former employees on the payroll and placed individuals on the payroll who provided personal services to him. He made electronic payments to these “ghost employees” and deposited them into his personal accounts. The GM also wrote checks drawn on country club accounts to pay his personal expenses, including leasing and buying vehicles for his personal use. He wrote checks made payable to his personal business. The GM and his colleague, the controller of the club, were indicted in U.S. District Court on numerous counts each of wire and mail fraud. The scheme came to light after the club appointed a new treasurer who questioned duplicate invoices that had been presented to her for approval and payment.

**Source: Association of Fraud Examiners. 2012 Report to the Nations on Occupational Fraud and Abuse. <http://www.acfe.com/rtnn.aspx>**

- A. State and explain the two unethical practices that is present in the above case study.**
- 1. Created fictitious employees, kept former employees on the payroll and placed individuals on the payroll who provided personal services to him.**
  - 2. Wrote cheques drawn on country club accounts to pay his personal expenses, including leasing and buying vehicles for his personal use. He wrote cheques made payable to his personal business.**
- B. As a general manager, what are the two code of conduct that one must adhere to and explain?**
- 1. Integrity:** to be straightforward and honest in all professional and business relationships.
  - 2. Objectivity:** to not allow bias, conflict of interest or undue influence of others to override professional or business judgments.
- C. Name the organization in Fiji which deals with anti-corruption and its primary function.**
- Fiji Independent Commission Against Corruption (FICAC)**
- D.**
- FICAC is an anti-corruption agency in Fiji, which fights against corruption and promotes transparency and accountability to create a sustainable environment.**

**SANGAM SKM COLLEGE – NADI**  
**Solution -Week1**  
**YEAR 13**  
**ACCOUNTING**

No.	Particulars	CFO	CFI	CFF
1.	Payment for electricity	✓		
2.	Cash paid for salaries	✓		
3.	Cash received from Debtors	✓		
4.	Cash paid for purchase of merchandise	✓		
5.	Cash at bank 1/5/17			
6.	Cash sales	✓		
7.	Dividends paid			✓
8.	Cash received from sale of Equipment		✓	
9.	Cash paid for other operating expenses	✓		