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Narrowing the Gap of Financial Fraud Detection in Corporations

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This is to certify that the doctoral study by

Solomon Aborbie

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Walden University
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Abstract

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MAFM, DeVry University, 2010

B.Com, University of Cape Coast, 1990

Doctoral Study Submitted in Partial Fulfillment

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Abstract

Business leaders remain exposed to financial and accounting fraud as well as loss of profitability, despite the dictates of the SOX Act of 2002. The most challenging aspect of corporate management is the unexpected nature of an emerging, existing, or an inherent financial risk. Guided by the evolution of fraud theory, this exploratory case study's purpose was to identify and explore the financial management strategies that corporate financial managers need to adequately protect investors. Twenty participants from a population group of corporate auditors of Fortune 1000 corporations within 70 miles of Columbus, Ohio provided input for this study. Data from the interviews were analyzed through coding, reviewing, categorizing, and combining common statements. The research findings included themes of knowledge and types of risks; the impact of financial fraud and risks on investment; the impact of accounting, auditing, and financial reporting standards; as well as financial management training to minimize audit expectations. These themes formed the focus of exploring the financial management strategies that corporate financial managers need to adequately protect investors and investments**.** In addition to the antifraud measures, financial managers may detect and control inherent risks in emerging opportunities for positive social change that includes enhanced knowledge in diversification of investments, an increase in economic resources, economic growth, and greater employment in the United States.

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Dedication

This study is dedicated to my God, family, and participants who have supported my progress over this very long and challenging journey. First, I thank God for His bountiful blessings. I would like to thank my dear wife Regina for unparalleled love and support for the entire family. My parents, C. A. Aborbie, Juliana Aborbie, and Matilda Nyanda Cudjoe for teaching me the values of humility and commitment to work. I also thank my parents-in-law, Mr. Stephen Adu and Mrs. Beatrice Adu, for their unconditional support for my family and others. My children Christian Chartey, Solomon Charnor, Melvin Chartei, and Reginnette Dede, for your love, patience, and understanding during the endless evenings at the library and our home office. My twin goddaughters, Kendra Akweley Suma, and Kailey Akorkor Omasu. I have charted the path for all of you. I hope I can help you and others achieve their dreams. Ebenezer Addy, Alex Oworae (Esq.), Owusu-Asomaning, Seth Tenkorang, Sister Gladys Doku, Peter Aborbie, K. Appiah-Agyekum, Nene Boajor Aborbie, Yaa B. Debrah, and Solomon Mensah; priority of family is forever indeed!

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Section 1: Foundation of the Study

In this study of reducing financial fraud in corporations, I considered the perpetuation of this irregularity and focused on effective ways of creating awareness about fraud, minimizing it, increasing profitability, and restoring investors' confidence in the management of corporations. According to Dorminey, Fleming, Kranacher, and Riley (2012), financial fraud and other types of corporate crime have existed since the origins of commerce. The foundation of the study was further grounded by the formation of the Financial Fraud Enforcement Task Force (FFETF) by President Obama of the United States in November of 2009 (Apostolou & Apostolou, 2013).

Intentional miscalculation, falsification of accounting records, deliberate commission of fraud, omissions from financial statements, and misinterpretation and misapplication of generally accepted accounting principles and standards are some of the means by which company revenue and assets can be compromised (Pallisserry, 2012). Some corporate policies that authorize managers to override established internal controls may lead to underdeclaration of revenues (Pallisserry, 2012). Graycar and Sidebottom (2012) estimated the cost of corporate fraudulent activities as $2.6 trillion per annum, comprising up to 5% of the gross domestic product. Crawford and Weirich (2011) referred to fraudulent financial accounting practices as a deception to investors and other stakeholders. In addition, Button, Gee, and Brooks (2012) measured the average percentage loss rate and the fraud frequency rate as 5.4% and 9%, respectively, within large organizations. This trend of business projects a gloomy picture for investors and other stakeholders when corporate leadership competes for recognition, legitimacy, and influence by foul means (Low & Ang, 2013).

According to Bedard, Sutton, Arnold, and Phillips (2012), audited financial statements and *Form 10-K* are the main statistical tools in a company's annual performance report required by the United States Securities and Exchange Commission (SEC) to serve as a foundation for stakeholders' confidence in the financial and securities markets. Corporate investors and their brokers continuously monitor and follow stock exchange activities to make viable, pragmatic, and periodic decisions to boost their shareholdings. As a result, the Sarbanes-Oxley Act (SOX) of 2002 was enacted by the U.S. Congress to help protect company assets and to minimize fraud to increase investors' confidence to decide whether to buy, hold, or sell a specific security by means of audited financial statements. In addition to other regulatory agencies, the SEC is responsible for ensuring that companies protect the best interest of shareholders (Bedard et al., 2012).

Background of the Problem

Corporations are confronted with various types of risks and fraud at every level of their business operations. The history of financial fraud can be traced to the commencement of commerce (Dorminey et al., 2012); hence, management is tasked with continually identifying, defining, categorizing, measuring, and charting a course to mitigating risks. To assure investors that company reports were devoid of financial fraud as far back as 1844, the Companies Act of the United Kingdom enabled investors to review and examine financial statements; starting in 1903, investors could also consider the views of auditors (King & Case, 2003). King and Case (2003) reviewed the U.S. Federal Reserve's pronouncements in 1917, 1929, 1934, 1939, 1948, 1977, and 1988 for enhancements in the credibility of audit reports. In addition to the protections of these regulations, investors also consider efficient management of their investments in deciding whether or not to keep particular funds.

The most challenging aspect of management is the ignorance of an existing or an inherent risk. Management of corporations can therefore be defined in the narrow sense as the identification and mitigation of risks, some of which are the result of fraudulent behavior and practices. This study followed the establishment in November 2009 by President Barak Obama of a coalition consisting of 20 federal agency officials, 94 attorney offices, and the collaboration of state and local offices in the United States to combat the increasing trend of financial fraud (Apostolou & Apostolou, 2013). The study is important due to the erosion of investors' confidence, degradation of investment capability, business losses, loss of employment, failing trade, and economic instability (Apostolou & Apostolou, 2013).

Users of financial statements have always blamed auditing firms for committing and perpetuating financial fraud in corporations, relieving management of its responsibility to institute proper control measures. McGurrin (2013) discovered that though mismanagement of corporations causes financial fraud, the growing trend of nonprosecution of these crimes has contributed to the increase. When the only punishment meted out to management involved in illegalities amounts to corporate fines and ineffective sanctions, the culprits are not sufficiently deterred. Some of the punitive measures could easily be counted as ineffective.

According to Brody, Brizzee, and Cano (2012), the history of corporate financial fraud points to major contributions from employees and management who not only manipulate data to falsify records but also serve as conduits for the outflow of confidential corporate information. Hayes (2013) mentioned three triggers of fraud: open opportunities, radical rationalizations, and perceived pressures. High corporate achievement standards and perceived financial pressures on management can easily translate into intentional miscalculation and falsification of accounting records (Graycar & Sidebottom, 2012; Pallisserry, 2012). Ruankaew (2013) observed the 2010 fraud report by the Association of Certified Fraud Examiners proved that 90% of fraud cases in the United States were by manipulation of assets.

Although the SOX Act of 2002 addresses the problem of financial fraud from the point of view of auditing firms, there is a need to focus on the responsibility of corporate management. The trend of massive lawsuits against auditing firms is enough proof that financial fraud is a problem. In this study, I focused on minimizing financial fraud by considering management's objectives and fraudulent activities. Demerens, Pare, and Redis (2013) wrote about the inability of the many accounting and auditing regulations to reduce financial fraud in corporations. For instance, Apostolou and Apostolou (2013) observed a survey carried out by auditing firms Ernst & Young, KPMG, PricewaterhouseCoopers, and Deloitte all indicated an increase in financial fraud in corporations in general. Financial fraud and other corporate vices lead to the recent economic collapse and losses of $20 trillion in wealth, losses of 20 million jobs, and $700 billion in bailout funds worldwide (Barak, 2013). In this study, I contributed to the concerted effort by regulators, associations of auditors, managers, and all stakeholders to effectively address financial fraud. Investors' confidence and capacity to invest, healthy business competition, and creation and expansion of jobs may be boosted by this study.

Problem Statement

Financial and accounting frauds continue to lead to the loss of profitability, despite the SOX Act of 2002. According to Stanley (2013), the SEC urged management and financial analysts to institute preventive and detective measures against financial and reputational risks. Financial, auditing, and management weaknesses result in monetary losses for investors and creditors (Francis, Michas, & Seavey, 2012; Simon, 2012). Financial statement misreporting and asset misappropriation formed 89% of corruption cases in the United States (Alleyne & Elson, 2013). The Association of Certified Fraud Examiners (ACFE, 2012) reported in a 2012 survey that 57.2% of fraud victim organizations were located in the United States. As 43% of business organizations declared losses, 7% of annual income was also lost to financial fraud (Saksena, 2012). The general business problem is the frequency of fraudulent losses makes investors vulnerable and less protected from financial fraud (Kassem & Higson, 2012). The specific business problem is that some corporate financial managers have limited financial management strategies to adequately protect investors.

Purpose Statement

The purpose of this exploratory, qualitative case study was to identify and explore the financial management strategies that corporate financial managers need to adequately protect investors. Even though investors blame auditing firms for financial fraud, there is the need to explore corporate financial management activities as the basis for this fraud. According to Kassem and Higson (2012), increases in fraudulent financial reporting and perpetuation of fraud in corporations have become major concern for investors. Kassem and Higson reported the need for academic researchers and management to complement the effort of policy regulators to narrow the gap of financial fraud.

The population group for this study was corporate auditors, certified public accountants (CPAs) and corporate fraud examiners (CFEs), of Fortune 1000 corporations within 70 miles of Columbus, Ohio because they audit corporate financial managers. The study's sample included 20 interview participants in addition to archived data. These 20 individuals provided data saturation. I selected these participants for their accessibility, experiences, and perceptions about financial regulations and standards (Desmarais & Read, 2011). The findings from the study might contribute to social change by determining efficient methods for corporate managers to detect and minimize financial fraud, increase profitability, ensure employment security, and provide continuous service to communities.

Nature of the Study

The research method for this study of reducing financial fraud in corporations was qualitative: the data collection involved emerging questions and procedures. Cottrell, Donaldson, and Jayne (2013) advocated the use of the qualitative method for more iterative and expressive views about individual experiences, relationships, and norms as a matter of convention. Case study was the applicable design for this research. A case study design provides a researcher the opportunity to study a situation or a process in detail in addition to the contextual factors (Edwards, 2012).

Research Question

The central question for this study was: What financial management strategies do corporate financial managers need to adequately protect investors? The qualitative method and my application of the case study design enabled access to participants' actual experiences. To address the specific business problem, I also analyzed archival documents, and the interview questions to corporate financial and fraud examiners (CPAs and CFEs) also addressed the central research question.

Interview Questions

1. In what industry do you work or make your living?
2. What types of financial risk or fraud are reported by your organization?
3. Why do the achievements of corporate management goals sometimes result in financial fraud?
4. Based on your experience, how does corporate financial fraud affect investors?
5. In your interaction with corporate financial managers, what types of financial management training opportunities are available for them?

6. What is your perception about the establishment of a mandated corporate financial management board-training requirement for corporate financial managers?
7. What types of financial management training opportunities have you found as most effective for corporate financial managers?
8. What types of information should corporate management present to demonstrate efficiency of their investment programs?
9. Which information technology applications do you suggest for corporate financial managers to help minimize financial fraud?
10. When external auditing firms recommend changes for appropriate control measures to be established in corporations, who should be held responsible for overseeing that those controls are adequately implemented and monitored? Why?
11. What comments or suggestions do you have in connection with the exploration of potential skills for corporate financial managers to reduce financial fraud in corporations?

Conceptual Framework

Some concepts found in the realm of financial fraud in corporations include evolution of fraud theory, the fraud triangle, exploitative and exploratory controls, accounting information quality, affinity, relational models, the fraud diamond, the new fraud diamond model, theory of planned behavior, and the fraud scale model. The concept most applicable for this study to reduce financial fraud in corporations was the evolution of fraud theory, propounded by Dorminey et al. (2012) in the United States.

The evolution of fraud theory was proposed in 2011, following guidance by the Public Company Accounting Oversight Board (PCAOB), to enable auditors and responsible management to deter, detect, correct, and fairly manage fraudulent practices in corporations. Dorminey et al. (2012) based their meta-model concept on the foundations of the fraud triangle, which originated in the early 1950s in the United States. In addition to the concept of the fraud triangle, the meta-model of the evolution of fraud theory conceptualized other significant theories as fraud scale, fraud diamond, triangle of fraud action, white-collar crime, and the money, ideology, coercion, and entitlement theory (MICE). According to Dorminey et al. (2011), the evolution of fraud theory provides insight into the reasons management and employees indulge in corporate financial fraud by means of open opportunities, real rationalizations, and power of pressure. The evolution of fraud theory describes fraud as a higher crime consisting of actual act, concealment consent, and conversion completion. The evolution of fraud theory synthesizes earlier concepts of fraud into the procedures of deterrence, prevention, and detection. The antifraud characteristics minimize events along the path to fraud and serve as a check on targeted risk assessment.

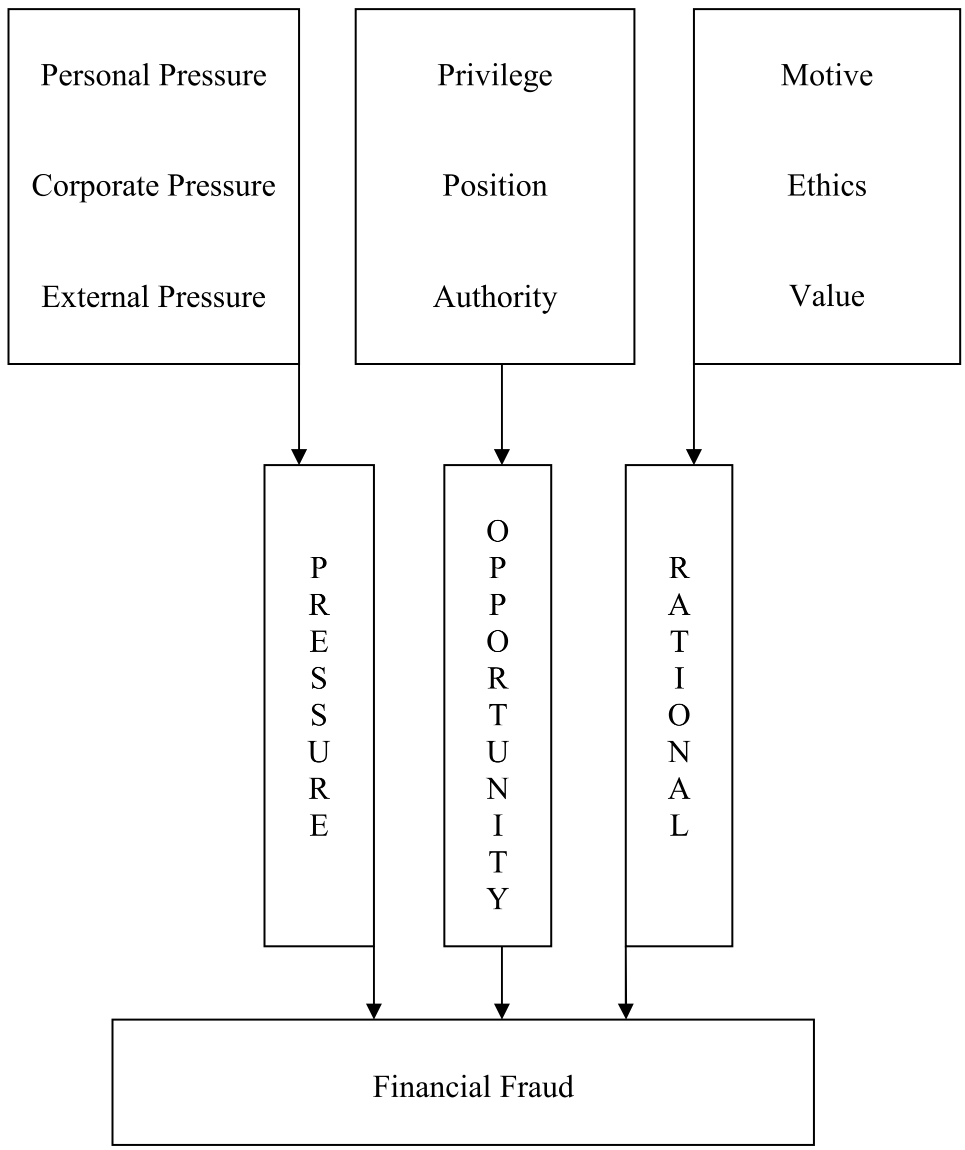

Figure 1. Diagram of elements of fraud. The elements of pressure, opportunity, and the rational to commit financial fraud in corporations. Adapted from "The New Fraud Triangle Model," by R. Kassem and A. Higson, 2012, *Journal of Emerging Trends in Economics and Management Sciences, 3*, p. 192. Copyright 2012 by the Scholarlink Research Institute Journals.

I used the evolution of fraud theory as the basis and the foundation of this study to examine how management and employees were exposed to opportunities, rationalizations, and the power of pressure to disregard professional ethics in the attainment of management goals. With the fallout of the relational model, Keith and Ryan (2013) advised management and employees against affinity fraud, which involves interpersonal trust in siphoning confidential information from the corporation. Keith and Ryan also cautioned management against excessive exercise of overrides and collusive opportunities, which circumvent internal checks and controls. The evolution of fraud theory is appropriate for my study because it enhances different concepts and approaches to assessing the risk of fraud in corporations. I anticipated the findings of this study to represent strategies that may narrow the gap of financial fraud, and I also used the evolution of fraud theory as a resource to deter opinionated management and employees from the enticements of financial fraud.

Definition of Terms

Accounting manipulation. Accounting that does not conform to generally accepted accounting principles (Demerens, Pare, & Redis, 2013).

Affinity fraud. Causing financial fraud by the reliance on common association and affiliations of insiders and relations (Perri & Brody, 2012).

Corporate responsibility. The fulfilling of expected responsibilities by corporations to enhance societal development (Teed, 2013).

Corporate scandals. The difference between fraudulent reports and the real economic position of corporations leads to these scandals perpetuated by higher executives (Zona, Minoja, & Coda, 2013).

Corruption. The abuse of trust and power for dubious accomplishment (Graycar & Sidebottom, 2012).

Exploitative. Management control activities focused on cost reduction, refinement, remodeling, efficiency, and improvement of quality (Schermann, Wiesche, & Kremar, 2012).

Explorative. Management control activities focused on research and experimentation for innovation to seek competitive edge (Schermann, Wiesche, & Kremar, 2012).

Finance crimes. Financial violations against the law committed by persons occupying strategic positions (McGurrin, 2013).

Financial fraud. The manipulation of the accounting and financial records to make a corporation appear more or less lucrative than it really appears (Apostolou, 2013).

Form 10-K. A company's annual report of its performance required by the Securities and Exchange Commission in the United States (Bedard et al., 2012).

Fraud. An act with the main purpose of deceiving another party (Katsis, Goletsis, Boufounou, Stylios, & Koumanakos, 2012).

Narcissistic. The situation where managers set unrealistically higher standards that lead to dubious means of achievement in order to maintain their self-esteem (Rijsenbilt & Commandeur, 2013).

Neurofinance. The emerging study of the relationship between the functional mechanisms of the brain and the behavioral characteristics of investors (Sahi, 2012).

Perceived trust gap. The loss of investors' trust in the tenets of competence, objectivity, integrity, and independence in the work of auditing (Dickins & Reisch, 2012).

Social engineering. The susceptibility of corporations to the loss of assets and information by their employees through external professional, academic, personal, and social relationships (Broddy, Brizzee, & Cano, 2012).

Assumptions, Limitations, and Delimitations

Assumptions

This study focused on the assumption that confronting financial fraud and other managerial misdeeds is possible through considering management activities. To minimize financial fraud in corporations, participants shared their auditing experiences and insights in a frank and open manner through interviews. Another assumption of the study was the ability to transfer the results to other corporations with similar financial fraud challenges. This assumption of the applicability of the study is based on the internal and external validity of the chosen qualitative method (Prowse & Camfield, 2013).

Limitations

There may be potential weaknesses to the study with respect to the perceptions of participants, nonverifiability of certain professed experiences, and limitations to only profit-making organizations. In seeking to explore phenomena, the perceptions of participants may be subjectively affected by each individual's level of worldview, ethics, optimism, or interest in the study. Although I made efforts to verify some facts and assertions, the inability to verify all facts claimed or projected by participants within the period of study may pose a limiting factor. In as much as the study might be useful to management, it might not be of benefit to nonprofit administrations. The 20 participants for the interviews were limited to Fortune 1000 corporations located within 70 miles of Columbus, Ohio, United States. However, Fortune 1000 corporations are located all over the nation.

Delimitations

The study had a focal point on the financial management and periodic reports of for-profit organizations. The bounds of the study were delimited to auditors of Fortune 1000 corporations located within 70 miles of Columbus, Ohio. The purpose of these delimitations included the accessibility of these professionals, their experiences, and their perceptions regarding the policies and procedures of financial statement reporting in their fields (Desmarais & Read, 2011). The semistructured interviews in addition to archived data from colleges and libraries as the main sources of data collection meant that other methods such as observations and audio documents were not considered.

Significance of the Study

Contribution to Business Practice

This study addressed the problem of financial fraud by focusing on management activities and their effects on the investing public and other stakeholders. Every company is vulnerable to management misdeeds because management controls the elements of risk and fraud by means of opportunity, incentives, and corporate culture. In as much as other parties such as auditing firms could be blamed for financial fraud in corporations, management's responsibility for the achievement of corporate objectives and goals makes management an important consideration in fraud (Abugu, 2012). The study helped define the basic roles of management and employees as the primary line of corporate protection and sustenance. The study drew on the FFETF instituted by the President Obama in November of 2009 to help minimize financial fraud.

I focused the study on corporate managers' competitive performance in meeting contemporary challenges and setting foundations for a successful future. In addition to the efficient application of information systems, knowledge management is crucial to global competitive performance. According to Ramanigopal (2013), management will have to create, develop, and manage their map of knowledge for a competitive edge. The study might have a direct managerial applicability, serving as a body of knowledge for reference as well as the potential to build investors' confidence, provide employment, increase economic activity and stability, and create a more positive global business network.

Implications for Social Change

The implications for positive social change include the potential to rekindle the interest and awareness of stakeholders in corporate management for sustainable employment. Management exercises the potential for increased profitability, accretion in wealth, and maximization of stockholders' value. According to Iuliana (2012), the social and economic environment changes continuously, placing management and professionals in situations full of conflict and uncertainty that demand decisions for improving innovativeness. The findings from this study identify challenges embedded in the financial management of corporations. Efficient resolution of these challenges enables the business and investing community to address management's obligation and inefficiencies. These pragmatic efforts by financial managers and auditors also have the potential to update investors' knowledge on the use or their investment for building more trusting relationships in corporate governance.

A Review of the Professional and Academic Literature

The purpose of this exploratory qualitative case study was to identify and explore the financial management strategies that corporate financial managers need to adequately protect investors. The central research question addressed in this study was, "What financial management strategies do corporate financial managers need to adequately protect investors?" To answer this question, I undertook a case study to identify themes in the perceptions and experiences of the representative sample of 20 auditing officials of Fortune 1000 corporations located within 70 miles of Columbus, Ohio in the United States.

Existing knowledge in the field of management and finance identifies the history, sequence, and development of corporate governance in the wake of growing businesses that required professional and ethically-based corporate managerial acumen. Linking sustainability indicator issues to changes in corporate governance, Katsis et al. (2012) stressed the damaging effect of managerial ineptitude, which leads to financial fraud in corporations. Financial fraud issues erode investors' confidence and affect their investment decisions in a negative way. Katsis et al. discussed the blame carried by auditing firms when management manipulates finances and accounting records to show favorable results to appease investors and other stakeholders.

Management fails to recognize that these manipulated accounts showing short-run favorable results could prove disastrous in the long term. Cohen, Ding, Lesage, and Stolowy (2010) became concerned of what might happen if another major stream of corporate financial fraud should continue in the same geometric progression after examining the devastating nature of the SEC and Dow Jones Factiva press reports. Reports about financial fraud are common, and their impact on business, potential investment, economic instability, and unemployment continues to be debilitating.

This review of the professional and academic literature is organized by subtopics. The subtopics represent six main elements supporting the purpose of the study: (a) evolution of financial fraud, (b) corporate fraud, (c) management objectives and failures, (d) regulatory and accounting standards, (e) auditing and compliance, and (f) management training and the minimization of audit expectations gap.

The review of previous studies on effective way to reduce financial fraud in corporations included peer-reviewed articles, conference presentations, dissertations, theses, and books. I used books, journal articles, and other scholarly sources published on this topic within the last 11 years. I included 170 references for the literature review. The total number of references within 5 years from the completion date of this study is 159 or 92%. The total number of peer-reviewed references supporting the study was 154 or 90%. I accessed a combination of research materials through the Walden University Library databases provided by vendors such as ProQuest, EBSCOhost, Science Direct, and LexisNexis from 2003 to 2013. In this comprehensive literature review, I summarized, compared, contrasted, and synthesized the issues and facts from prior studies of financial fraud and demonstrated the need for this study.

Evolution of Financial Fraud

The evolution of fraud theory emerged in 2011 following guidance by the Public Company Accounting Oversight Board (PCAOB) to enable auditors and responsible management to deter, detect, correct, and fairly manage fraudulent practices in corporations. Dorminey et al. (2012) based their meta-model concept on the foundations of the fraud triangle, which originated in the early 1950s in the United States. The developers of the concept of financial fraud triangle took into consideration its inception and evolution. Kindleberger and Aliber (2011) wrote that financial fraud began at the inception of trade and before what was recorded in the *History of the National Loans of the U. S.* from July 4, 1776 to June 30, 1880. Financial fraud also began before the *History Sketches of the Paper Currency of the American Colonies* prior to the adoption of the federal Constitution (Kindleberger & Aliber, 2011). The authors traced the activities of barter traders through the first financial fraud report in 1600 at the British East India Company to contemporary cases of Enron and Tyco. Dorminey et al. (2011) developed the concept of financial fraud and linked to the A-B-C analysis of white collar fraud as well. Kranacher et al. (2011), however, noted the inconsistent relationship between financial fraud and income levels. The gap in the research of Kranacher et al. was the exclusion of rationalization of fraud and opportunity in the fraud triangle concept. I also reviewed literature directly related to qualitative methodology and case study designs. This review encourages future researchers to consider reusing elements in the study.

On the issue of high cost of managerial and financial fraud, Cohen et al. (2010) argued that although stocks of corporations falling victim to fraud lose value, managers of such corporations tend to disregard good, moral, and ethical standards. In the proposal of the theory of planned behavior, Cohen et al. (2010) showcased the characteristic instincts of individual managers as a key factor to ethical responsibility. Therefore, good intent and morals are essential for managers to make sound decisions for the benefit of corporations (Nardo & Francis, 2012). As part of their responsibilities, managers are not only entrusted to act in the good faith of their companies, but must be seen to live, act, and uphold the high ethical standards of their professions.

A system of widening financial fraud and managerial ineptitude negatively impacts investors directly. Abels and Martelli (2012) contended that it takes capital market dealings and operations to realize the free enterprise economy of the United States. The uninhibited system of the free play of the elements of demand and supply are firmly supported by private investment. In contrast to the views of earlier researchers including Nardo and Francis (2012) and Abels and Martelli (2012), Demerens et al. (2013) questioned why some investors are only complaining and not offering any constructive ideas as corporate watchdogs to support auditors' skepticism. My study is a constructive response to minimizing financial fraud in corporations to stabilize the trust and confidence of the investing public.

Corporate Fraud

In this section of the review, I considered researchers' studies on corporate fraud. Katsis et al. (2012) wrote that financial fraud is the manipulation of financial figures by highly trusted and responsible managers, as well as employees, to present their corporations favorably to investors, financial analysts, and other users of financial statements. Financial fraud is therefore aimed at projecting a corporation as more successful than finances actually show. In line with the definition of financial fraud, Abels and Martelli (2012), Cohen et al. (2010), and Frankel (2012) chided CEOs for the knack of making unethical financial decisions.

Financial fraud by corporate management still needs exploration and rectification. Cohen et al. (2010) and Ruankaew (2013), who outlined the existing literature of financial fraud in areas of business, criminology, psychology, sociology, ethics, and moral development, wanted to know management's key role to minimize the rising trend of financial fraud. These quantitative researchers revealed their inability to obtain considerable evidence by manipulation of the three variables of attitudes, opportunities, and incentives. Cohen et al. (2010) and Ruankaew (2013) therefore implored future academicians and researchers to explore financial fraud by using a qualitative method. This study is an answer to Cohen et al. and Ruankaew's urgent call for further research.

The call for scrutiny in financial fraud cases must be linked with corrective measures. Ngai, Hu, Wong, Chen, and Sun (2011) argued that there is insufficient research to analyze the detrimental effect of financial fraud. The setting up of unrealistic managerial goals with their attractive incentives has paved way for the perpetuation and justification of financial fraud in corporations (Williams, 2012). McGurrin (2013) contributed to the understanding of financial fraud and crime by suggesting the study of criminology, ethical concepts, social, and criminal justice to uproot fraud. As corruption and fraud emerged at the same time as the commencement of barter trade, formulation of regulations and policies to counteract these behaviors might have also commenced in the same era. However, Teed (2013) observed the failure of the SEC to enforce policies on financial reporting. The inability of the SEC to deter corporate misbehavior emboldens managerial misdeeds (Teed, 2013).

Financial fraud, manipulation of assets and liabilities, and other unethical behavior have increased in all spheres of business transactions and management. Although Teed (2013) attributed the increase in financial fraud by managers and employees to the lack of control by the SEC, Frankel (2012) on the other hand blamed the complexity of information technology. When employees and managers lack the necessary training to use ever-changing information technology and to understand security implications, they commit errors to the detriment of the organization.

Perri and Brody (2013), conversely, attributed the rise in financial fraud and other corrupt business practices to characteristics of affinity. Affinity fraud thrives on the trust and confidence employees and management accord parties outside the corporation. The reliance on affiliations leads to the siphoning of information and valuable resources. Rival corporations capitalize on the acquired information as a competitive edge.

Corporate America thrives on capitalistic markets and keen competition. Katsis et al. (2012) argued that auditing firms are expected to uncover financial fraud perpetuated by managers however; competitive environments are characterized by elements of unpredictable behaviors and predatory overtures for innovation and control. Pontell, Black, and Geis (2013) cautioned that since financial fraud is planned deception, auditors must elevate their standards beyond ignorance to deliberate deception.

Focusing on management activities is a direct approach in minimizing financial fraud in corporations. On the basis of identifying management as the first line of financial fraud, Demerens, Pare, and Redis (2013) categorized fraud into incorrect recognition of revenue, shifting of contemporary expenses to future periods, poor classification of expenses, overvaluation of assets, and undervaluation of liabilities. Graycar and Sidebottom (2012) broadened the definition of fraud to include favoritism, clientelism, neptotism, discretionary abuse, bribery, extortion, and mishandling of conflict of interest. These unethical behaviors include irresponsibility in personnel appointment, program design and implementation, procurement, contract deals, and abuse of authority and responsibility. Another area of fraud suggested by Dickins and Reisch (2012) deals with accounting information systems, information technology, and risk identification and analysis.

The contention around fraudulent activities and shifting of blame in fraud detection are exacerbating problems in the audit marketplace. Although major auditing firms strategize to avoid risky businesses, Cullinan and Du (2012) reported management open new businesses with second and middle-tier auditing firms. This new trend suggests the readiness of the second and middle-tier auditing firms to take on risky business while major auditing firms maintain protective regulations.

Boards of corporations institute policies to stimulate innovation for the progress of their corporation. They convert cash- and bonus-based systems to share- and stock-based remuneration to compensate managers, recognizing them as part owners of corporations. Hannes and Tabbach (2013), researching the conversion of cash- to stock-based systems of remuneration, showed an increase in managers' manipulation of accounting records to achieve more stock ownership. Lessons from the research included that managers and employees seek to achieve the large short run gains in spite of long-term, irreparable damage to the corporation (Hannes & Tabbach, 2013). Hannes and Tabach advised that risk restraining controls be included in antifraud regulatory measures.

Financial fraud not only stigmatizes corporations but irreparably dents the corporate image. Fraud alienates investors from investment as well as undermines the rule of law and good corporate governance. Research on the damaging consequences of 132 fraudulent activities led to the discovery of a high fraud frequency rate and percentage loss rate (Graycar & Sidebottom, 2012). In line with the research, Button, Gee, and Brooks (2012) measured the average percentage loss rate and the fraud frequency rate as 5.4% and 9%, respectively, within large organizations. A meticulous effort to measure and monitor the average percentage loss and fraud frequency rates will benefit corporations, as well as antifraud regulatory and monitoring units. In addition to characterizing the negative impact of fraud to include greed, threat to social justice, and the undermining of investors' trust, Graycar and Sidebottom (2012) estimated the cost of fraudulent activities as $2.6 trillion per year or 5% of the gross domestic product (GDP).

Lee and Fargher (2013) also wrote about employees and managers as the worst offenders in the creation and perpetuation of financial fraud. The increasing trend of financial fraud could be positively correlated to the cost of management. Anderson, Jones, and Reed (2012) joined Doig and Norris (2012) and Lee and Fargher (2013) to advocate for the recognition and institution of whistleblowing efforts at corporations. The recognition and acceptance of whistleblowing efforts not only serves as a conduit for information exchange when needed, but also as a channel of alertness and caution.

The trend of shifting compliance activities to lax settlements has increased financial fraud. McDonald (2013) attributed the escalation in financial fraud to the changing stance of the SEC from enforcement to negotiated settlement. McDonald noted that although an absolute sense of compliance is preferable, sanctions must also be applied when the first line of regulation fails. The importance of McDonald's argument is the nondeterrent nature of sanctions. Further work by Graycar and Sidebottom (2012) emphasized other corrective measures as establishing progressive reforms, more stringent laws, and more deterrent sanctions. To address the seriousness of financial fraud and the difficulty of designing a comprehensive defensive mechanism to stop fraud, I intended this study to complement Graycar and Sidebottom's model of criminal justice in financial fraud.

Established regulations, policies, and laws might not prove effective with respect to emerging ways to commit financial fraud. Some scholars have provided measures to combat these new risks. For instance, Sahi (2012) created the *neurofinance* model, which links investors' behavioral characteristics to brain functions; Stanley (2013) discussed the

SEC's risk-based examination processes; and Abeysekera (2012) suggested the use of a uniform and integrated reporting template. The proposed templates, models, and processes focus on helping corporations attain their objectives with limited resources and aiding management to effectively combine financial and intellectual capital for innovative leverage. Researchers have assessed the nondeterrent nature of sanctions of (McDonald, 2013), of unrealistic managerial goals (Williams, 2012), and of the creation of neurofinance (Sahi, 2012). However, only few studies have examined the causes of financial fraud and the perpetuation by corporate management for effective correction.

Management Objectives and Failures

The specific focus of this section is on management performances in businesses judged at various perspectives by competitors, shareholders, potential investors, and analysts. The expectation of management in the attainment of their objectives must meet intra and intercompany standards as well as regulations. Management's purpose of working diligently to meet established goals and standards becomes difficult and challenging to the corporate objective of maximizing the wealth of shareholders. The psychological pressure of management to meet required standards presents the corporation in a favorable condition to stakeholders and, to stay competitive, may cause management to manipulate accounting records. Katsis et al. (2012) pronounced the effort of management in tampering with sensitive information and manipulation of accounting records as sources and causes of financial fraud.

Goals are multifaceted with manifold focal points of view and require different levels and approaches for achievement. For instance, corporate goals may incorporate management, divisional, unit, environmental, and even personal goals. Successful management may ensure the realignment of all various types of goals into a defined congruence. Huhtala et al. (2013) discovered eight management reported goals to include corporate goals, goals in competencies, personal satisfaction goals, and career-oriented objectives. Huhtala et al. (2013) concluded that a strong likeness to a reasonably ethical behavior and responsibility defined management to greatly align with corporate goals and ideology. Managers with such great sense of responsibility and cautious alignment may be working effectively for the profitability and success of the corporation. Conversely, if management rated a low correlation of organizational culture to ethics, those managers may be prone to managerial fraud and rate high on employment changing and career-ending goals to the detriment of the corporation. I will focus the study to achieve goals devoid of fraud.

The significance of financial fraud reflects in negative chain of events in most corporations. Zona, Minoja, and Coda (2013) linked *corporate scandal* to financial fraud and defined as a gap between the actual situation with respect to economic reality and the perceived corporate success within a determined period of operation. Some of the ensuing repercussions of financial fraud in the short run include mistrust of investors, loss in value of shareholdings, and increase in auditors' skepticism. According to Apostolou and Apostolou (2013), the establishment of a financial fraud enforcement task force in the year 2009 by the President of the U.S., revealed 1,215 financial crime defendants besides an arrest of 485. Losses involved in financial fraud arrests amounted to $2.3 billion. In conjunction with Buchholz (2012) and Kassem and Higson (2012), factors that warranted financial fraud in corporations included (a) unhealthy competition within and without the corporation, (b) the desire to achieve goals and objectives, (c) unpaid bonuses, (d) criminal collaboration, (e) challenges in achieving financial targets, and (f) the fear of losing one's employment.

Increase in financial fraud is caused by the difficulty of determining the type of financial fraud, how the fraud was committed, and eventually concealed to avoid detection. Another difficulty in the detection of financial fraud is linked with the skill and the underlying plan exhibited by the perpetrators of the fraud. Buchholz (2012) and Kassem and Higson (2012) enjoined their fraud triangle argument of pressure, opportunity, and rationalization as founded on personal failures, inability to settle confronting debts, the desire to raise capital to establish personal business, and unhealthy competition. The antisocial characteristics of corporate financial fraudsters are as a result of irresponsible behavior and disregard for common ethics.

The purpose of indulging in financial fraud by management and employees to retain existing shareholders and portray a blissful picture for the attraction of potential investors could be hampered in the final analysis. Pallisery (2012) discovered in a study that it would be impossible to continue to deceive stakeholders from one period to another without an exposure. Transparency in record, information, and asset management could draw on investors' unfavorable outcome; however, the inherent managerial risks are exposed earlier enough for analysis, modification, and redirection. To maintain a true and fair view of financial statements of a business is ideal (Pallisery 2012), however, an example of a research by Zhang (2013) indicated the distinction between error and fraud could also prove challenging under certain circumstances.

The question about truth and fairness depends on subjective judgments, and is enough reason for management to project attractive state of affairs of the business at a glance. Management to maintain a tenacity of purpose in respect of true and fair view of corporate financial state of affairs because most investors do not ask questions like auditors and financial analysts before making decisions (Demerens et al., 2013). In defense of corporate management subjectivity, Demerens et al. (2013) and Swamy (2012) made reference to interpretational flexibilities in the regulatory framework of accounting principles and standards. Subjective interpretations of accounting regulatory framework have favored accounting preparers than business owners and other investors. Some of the interpretations may prove to be appropriate or inappropriate depending on differences in perspectives or perceptions. In their research, Demerens et al. (2013) defined management decisions on accounting statements and information as either creative or manipulating accounting. The American Institute of Certified Public Accountants (AICPA) has formulated the blueprint to minimize the accounting interpretational gap. The institute is preparing either to adopt the International Financial Reporting Standards (IFRS) or to find the best in the merger with the Generally Accepted Accounting Principles (GAAP). This study does not endorse either IFRS or GAAP.

This study is virtually incomplete without the passage and institution of the SOX Act of 2002 by the U.S. Congress. Ogoun and Obara (2013) asked why effort by corporate management to improve profitability and maximize wealth should increase financial fraud and other manipulative activities. The repercussions of financial fraud of any pedigree and any circumstance may have a direct or indirect impact on economic conditions of any country. Ogoun and Obara (2013) and Swamy (2012) envisioned multiple and devastating impacts of financial fraud on developed economies due to their stake on the freedom of capitalist and competitive markets. Notwithstanding, the effect of financial fraud in advanced economies will also impact emerging economies due to globalization.

Compensation of management goes through modification as a matter of retaining and harnessing the best intellectual and dexterous skills. The changing trend in managerial compensation is also aimed at embracing management members as partners in shareholding and business ownership. Buchholz (2012) and Kobelsky, Lim, and Jha (2013) described the purpose and motivation underlying the changing trend in management as greed. This type of greed has resulted in management manipulation of records and information to present profitable annual financial statements to investors based on falsehood. Management presents the manipulated financial statements to justify their bonuses and compensation before investors. Competitors are drawn into a global marketplace of unhealthy contest leading to inefficient redistribution and reallocation of scarce resources and market shares. Even though the idea of performance-based compensation of management was instituted in a process of formal, logical, transparent, and motivational bases, the import is blurred by management greed and manipulation (Ahmed & Gabor, 2013; Kobelsky, Lim, & Jha, 2013).

Financial fraud in corporations does not only stigmatize the corporate image but has multiple causative effect by means of dismissing executives, falling stock prices, loss of market shares, criminal charges and suits, vulnerable for takeover and acquisitions, as well as corporate bankruptcy. Zona et al. (2012) deliberated on the issues of corporate scandals as impacting negatively and beyond the corporate level to professional associations and qualifications. The negative reflection has also impacted on personal achievements, ethical and psychological effects, social affiliations, family, and friendship ties. The weight of corporate scandals including financial fraud may also send wrong signals in requesting for future employment and even changes in career and professions. Zona et al. (2012) finalized their research in the context of regarding older chief executives and managers to observe and uphold tenets of high ethical behavior and responsibility.

Corporate governance is embraced and well instituted in many corporations but auditing firms still encounter challenges in omissions, commissions, nondisclosure, and shortfalls in the maintenance of proper books of records. These record keeping irregularities do not disclose the true and fair disposition of the state of the affairs of corporations. Ahmed and Gabor (2012) complained about lack of corporate governance in observing necessary regulatory requirements. Ahmed and Gabor (2012) and Hurley, Gillespie, Ferrin, and Dietz (2013) struggled to link up the success story of good corporate governance with profitability of corporate performance. Hurley et al. (2013) discovered although management and employees are cited for fraudulent activities, the crux of the matter falls on inconsistencies and loopholes harbored in the system of internal control and monitoring. Corporate governance is observed as a balancing act of fulfilling the variety of interests of all stakeholders in the corporation by means of maintaining high standards of ethical behavior and responsible environmental awareness. In their 12 years of research, Hurley et al. (2013) concluded that although corporate officers can create and maintain corporate trust, trust can be broken or violated by fraudulent activities of conflicting, incongruent, and dysfunctional behaviors.

Corporate executives and senior management often initiate short- and long-term corporate programs and strategic decisions to startup or salvage a disrupted business plan into the realm of boosting profitability or redirecting the course of a project. In as much as it becomes imperative to judge the realignment of the strategic design of such programs to the expected results, bold decisions must also be made to uproot all fraudulent and debilitating factions and factors. Denning (2013) drew the attention of chief executives to the essence of generalizing the specifics of major risks; properly investigate sources and factors of risks, efficient monitoring, and evaluation of purported outcomes. Denning commented on the need for chief executives to create and sustain an active task force as the urgent and implementation wing of enforcing and monitoring strategic executions. Additionally, Boppel, Kunisch, Keil, and Lechner (2013) advised the continuous nature of network of alliance in joint-solution of similar setbacks because most challenges encountered may not be novel. Based on their research, Boppel et al. (2013) discovered three basic strategies necessary for adoption by chief executives and management to deracinate fraudulent collaboration among employees and management and to enrich corporate programs. Among the discovery of various designs, the three most suited for corporate programs are (a) splitting corporate objectives into various achievable goals by management leaders, (b) creating a program bureau made up of a skillful team of personnel to form task experts or force, and (c) the creation of an overlay or another team which breaks through the bureaucratic tendencies when necessary.

A major source of breeding management fraud is argued from the angle of the extravagant remuneration paid to chief executives and chief financial officers. High level executives appear to enjoy comprehensive packages even when corporations are operating at break-even levels. Abugu (2012) sought to eradicate the ever increasing compensation of executives by relying on rules, policies, and regulatory approaches. Abugu saw inadequacy of rules and regulations governing remuneration of top executives. The compensatory regulations could be nonexistent, outdated, misapplied, or simply ignored. Unfortunately, Abugu focused his research on only one aspect of remuneration and forgot about dividends. The modern trend of executive remuneration includes dividends from the conversion of cash to stock-compensation to yield dividends to stockholders. However, the stock compensation has perpetuated management fraud because of the relationship to corporate performance.

The increase in financial fraud is also linked to the main management objective for corporations by maximizing shareholders net worth or value. The two major flaws in attaining corporate objectives include stockholders' desire to maximize their net worth, and managers' expectation to receive stock compensation. Maximizing stockholders value is dependent on the operational profitability of the corporation, the market share, and finally, the efficient satisfaction of the customer. To uphold this argument, Denning

(2013) advocated for a directional focus of corporate objective from the stockholder to the final consumer and purchaser. The argument of replacing the corporate objective of maximizing stockholders’ value with the focus of continuously creating and maintaining product and service value to satisfy the dynamic needs of customers is more proactive and forward-looking. Producing for the satisfaction of customers yields the needed profitability to maximize stockholders net worth and eliminates management pressure to achieve performance targets by either fair or foul means as carried out in this study.

Corporate social responsibility is one of the objectives of corporate management, and is affected by corporate disposition and management decisions. Giannarakis and Theotokas (2011) joined Stoian (2013) in identifying corporate reaction of financial fraud and other crises on corporate social responsibility. Stoian drew references on concepts and quantitative methodologies of the relationships and the strategic directions of the corporate social responsibility before, during, and after company crises and challenges. Giannarakis and Theotokas (2011) and Stoian (2013) all agreed on the terms of a decreased CSR projects during economic and corporate downturn, and advised corporations to maintain the level of projects already initiated. Corporations would have to suspend nonurgent projects to redirect scarce resources to sensitive areas for immediate and sustainable economic or corporate rejuvenation. The study will enhance the good tenets of CSR.

The process of minimizing financial fraud has to do with the purported rationalization of management as analyzed in the concept of fraud triangle. The perception of management and executives as deserving a higher level of comprehensive compensation regardless of the corporate performance becomes self-inflicting and egocentric. Rijsenbilt and Commandeur (2013) attacked this stance of executive remuneration as *narcissistic*. Blending the direct elements of perceived pressure of management with the purported characteristics of executive officers' narcissism, Hayes (2013) and Rijsenbilt and Commandeur (2013) plotted a positive link to corporate financial fraud as defined in the concept of this study.

Investors and other stakeholders are still relying on the efficiency of regulations, laws, and policies to help minimize the indulgence of employees and management in corporate fraudulent activities. However, regulations only tend to establish the minimum deterring requirements acceptable by society or the public. By ensuring more proactive roles, Abels and Martelli (2012) supported the separation of the role of the chairperson of the board of directors from that of the chief executive officer and the institution of external and internal monitoring roles. The separation of the dual roles of the chief executive officer from the chairperson of the board has not only attracted the consideration of stakeholders and regulators but also practiced by few companies. The external monitoring will include the corporation's state and federal regulations and activities in the labor and stock markets, while the internal control mechanism focuses on corporate activities internally, audit committees, and the board of directors. Based on the causes of financial fraud (Katsis et al., 2012), of the eight career-oriented goals (Huhtala et al., 2013), of the establishment of financial fraud enforcement task force (Apostolou & Apostolou, 2013), of pressure, opportunity, and rationalization (Buchholz 2012; Kassem & Higson, 2012), and of ensuring more proactive roles (Abels & Martelli, 2012), this study's findings and recommendations could catalyze the collaborative efforts of all parties and realign management goals to reduce financial fraud.

Regulatory and Accounting Standards

In this section of the literature review, researchers of standards of accounting and auditing focused on the principles and practices underlying the fundamental bases in the performance and assessment of an audit. Auditors apply regulatory procedures as consistent rules, processes, and techniques for effective monitoring and reviews. Investors and other stakeholders trust auditing firms to uncover irregularities in businesses during their reviews. The applicability of standards of auditing are internationally acclaimed to give credence to businesses across national boundaries. The initial steps for quality audits depend on the ability to satisfy stockholders or the effectiveness of minimizing the audit expectation gap.

The roles of auditing standards and the SEC can still contribute to minimize the rate of financial fraud. Stanley (2013) and Teed (2013) observed the level of SEC control as partial and ineffective to a large extent. The result of the SEC incapability and inaction emboldened informed and risk-seeking executives and management to take advantage of the situation to manipulate accounting records and information (Nourayi et al., 2012). The latent system of SEC encouraged the perpetuation of financial fraud and other corporate inconsistencies throughout the 20th century. In the conclusion of the research of Teed (2013), the deteriorating trend of financial fraudulence was expected to halt by the Enron and Arthur Andersen saga, and subsequent establishment of SOX of 2002, giving credence to this study. The era from the establishment of the SOX was a turning point in managerial misdeeds and corporate retrogression, but the situation still persists to attract public turmoil and concern. The expectation of Teed was supported by Miller (2011) who corroborated Congress' action by halting the scandalous activities sustained by management of the various corporations by the enactment of SOX. Stanley (2013) also concluded in his research by emphasizing the proactive stance of SEC for introducing an approach of risk based etiquette in the national education plan. I address the essence of education, which is one of the target avenues needed to inform and change the detestable behavioral decision making of executives and managers in this study.

Education and training are inevitable measures to help curtail corporate financial fraud. DiGabriele (2011) and Gbegi and Okoye (2013) defended the indispensability of the forensic auditor in contemporary times for discovering management fraud and other financial misappropriations. Auditing and accounting approaches to gather evidence for the detection of malpractices for either probing or trial purposes are encouraged in modern business forensic auditing. DiGabriele (2011) identified with the ACFE, about the contamination of fraud in corporate America above the level of 7% of revenues. Seven percent of revenues count into the loss of billions of dollars to businesses, which could be rechanneled into the formal productive sector. Such leakages in the finances of the organizational system expose the vulnerability of the investing public to the machinations of unscrupulous and unresponsive management. The assertion of ACFE may be fundamental for the study to narrow the gap in corporate financial fraud.

The type of accounting standards governing the preparation and presentation of financial statements must also be taken into consideration in the discussion of corporate financial fraud. According to Agoglia, Doupnik, and Tsakumis (2011) and Collins, Pasewark, and Riley (2012) the differences between the principle based and the rules based systems of accounting standards and their impact in financial recording are prevalent in the disclosure, interpretation, and presentation. Though it has a clear purpose and intent statement, the principles-based accounting standard has no firm grasp in terms of compliance and subsequent implementation. Conversely, the rules-based standards of accounting have lost the intent and purpose by the strict interpretational characteristics. The principles-based standards of accounting give management wider interpretational options, which lead to abuse of authority, management override, ill-intentioned collaboration, and inconsistent decision making (Agoglia, Doupnik, & Tsakumis, 2011). Cherry and Schwartz (2013), explained that although the IFRS and the GAAP have elements of principles-based and rules-based characteristics, the major differences depend on the individual subjects of contention. A less specific accounting standard is referred to as principles-based while more specific accounting standards skew to the realms of rules-based systems.

Until the establishment of the SEC in 1933, many corporations were not obliged to furnish investors and other stakeholders with financial statements and reports. Blaszczynski, James, and Cruz (2012) and Yallapragada, Roe, and Toma (2012**)** discovered some obstacles for elimination before SECs adoption of the IFRS. The elimination of the obstacles, the unification of the two different standards, or the adoption of the IFRS will demand a substantial time frame. Ehoff and Fischer (2013) asked the question about SECs assertion and commitment of protecting the US investor if the IFRS is wholly adopted without any modification. Ehoff and Fischer (2013) and Blaszczynski et al. (2013) raised the concern for the adoption of the IFRS as coming from the purpose and intent of financial statement recorders and preparers but not from the investing public. The synthesis of this aspect of the review discloses the fear of the IFRSs incapability to minimize management and employee fraud due to various circumstances and systems inconsistencies.

The convergence difficulty includes differences in nationality cultures, psychology of investors, financial, and investment climate. However, due to the proliferation of movement of capital, assets, investments, technology, and ideas across national borders, convergence, and unification of separate accounting standards are entertained. Reluctance of the SEC in the acceptance and implementation of the IFRS into the realm of the U.S. GAAP is due to the analysis of the long-term consequences on business prospects, the stock market, and the reaction of existing and potential investors (Austin, 2012**;** Collins et al., 2012; Smith, 2012). Harris, Stahlin, Arnold, and Kinkela (2013) doubted the suitability of one set of accounting standards to satisfy a global need, while Schrader and Toner (2013**)** also expected the convergence anytime from the year 2015. Harris et al. (2013) concluded in their recommendation to adopt the IFRS in the US and the world in general for innovation and efficiency. This study precluded the details of the convergence of IFRS.

Recognition of revenue has been problematic long before the adoption or the convergence of the standards. Austin (2012) and Schrader and Toner (2013) feared convergence challenges may increase errors, management, and employee fraud in areas of recognition of revenue, income restatements, pay and bonuses of executives, and the volatility of revenue recordings. Employees and management tampered with revenue recognition and recording to (a) fulfill corporate and personal targets and achievements, (b) attract resources from external and contracting parties and, (c) in fulfillment of an achievement of marketing plans and strategies (Schrader & Toner 2013). Another factor underlying the manipulation of revenue is also due to the lack of adequate and appropriate practical knowledge concerning the processes and principles of accounting. The synthesis of these researches reveals that if the convergence results in more complex rules and processes, unscrupulous managers and employees would take advantage to make errors and intentional mistakes more damaging.

The manipulation, suppression, or suspension of expenses in contrast with revenue can yield favorable profitability to enhance stock or market prices. Donelson et al. (2011) also talked about the other possible areas of easy manipulation to include expenses. Expenses may be manipulated by suppression or suspension in contrast with revenue to yield favorable profitability to enhance stock or market prices. Conversely, Smith elaborated on the advantages of the convergence of the IFRS and the U.S. GAAP to include the ability of investors to make comparisons of financial statements and other financial information from countries around the world. There will be more uniformity in financial disclosure, periodic differences, and the elimination of interpretational discrepancies. In the course of educating and training personnel, accountants, auditors, and management to understand and appreciate the paradigm of shift from the U.S. GAAP to the IFRS or the convergence of the two different standards, investors must also be adequately informed to follow through with their ideas for comparison and decisions-making.

The argument for the adoption of the IFRS as the accounting standard to help enhance financial reporting in corporate America includes the revelation that the U.S. GAAP has allowed too much manipulation of financial statements by employees and management. In support of the adoption of the IFRS by SEC, Cherry and Schwartz (2013) researched into the agreement by the four major auditing firms, which included (a) a high quality and widely-accepted single set of accounting standards, and (b) the enhancement of investors' ability to make reasonable comparison. The U.S. GAAP is rule-based with too many exceptions, accommodating bright-line tests, and open-ended for preparers to provide too many subjective details. The effect of the bright-line tests, the various exceptions, and the wide open-endedness of the rules-based US GAAP is the consequence of different treatment and interpretation to dealings and transactions purported to bear similar economic substance over form (Cherry & Schwartz, 2013; Smith 2012). An added advantage of IFRS as a principles-based accounting standard is its comparative objectivity.

Although the adoption of the IFRS can help address fraudulent financial reporting, regulators and business professionals must help address the complexities. Leighton (2013) and Smith (2012), advised regulators to exercise vigilance to scrutinize new measures before offering final approval for implementation. Areas to prove for convergence clearance include (a) the cost-benefit-analysis of converging or switching from the US GAAP to IFRS, (b) the violation of SOX by soliciting for contributions for the IFRS, (c) disregard for experimentation of accounting standards with IFRS monopoly, and (d) the lack of adequate, legitimate, and appropriate evidence to substantiate the long-term sustainability of the IFRS (Cherry & Schwartz, 2013). In addition to the doubt of investors' preference for the IFRS, the IFRS will be on collision course with the Internal Revenue Service (IRS) for requesting corporations to apply the last-in-first-out (LIFO) method. The proper address of the challenges of convergence of the auditing standards will help improve financial reporting.

Based on the common agency and stakeholder theories, corporate leaders try to align directors' goals to stockholders' objectives by offering share options to management. Conversely, management pressure to achieve set targets of expected incentive and bonus schemes sometimes leads to unethical decisions and management override to cause manipulation of financial fraud. The curtailment of management excesses and other nefarious activities has culminated in the establishment of the Dodd-Frank Wall Street Reform and Consumer Protection Act on July 10, 2010. Harbored in the Dodd-Frank Act is the whistleblower provision described by critiques as very intrusive and unnecessary (Blount & Markel, 2012). Maurer and Maurer (2013) traced the cause and prosecution of over a thousand individuals and corporations linked to the U.S. in their analysis of the foreign corrupt practices act. From this research, the effective and appropriate reception, recognition, and operation of the whistleblower provision will help curb financial malpractices and misdeeds within the internal control systems of the various corporations. In addition to enforcing deterrent sanctions, this study might create the awareness and the strength of education to minimize the increasing gap of financial fraud in corporations.

Auditing and Compliance

As part of this section of the review, I summarized, compared, contrasted, and synthesized the research opinions involving adequate control systems (Danescu, Prozan, & Danescu, 2011; Salem, 2012), functional communication and collaboration (Danescu et al., 2011; Dobek, Daugherty, and Radtke, 2013**),** the acceptable standard and level of consistency (Anderson, Christ, Johnstone, & Rittenberg, 2012; Stefaniak, Houston, & Cornell, 2012), unscrupulous behaviors of employees and management (Broddy et al., 2012; Robu, Chersan, Mironiuc, & Carp, 2012), strong internal check and controls (Broddy et al., 2012; Dyer, 2013; & Higgins, 2012), and response to urgencies and emergencies (Robu et al., 2012; Smith, 2012). Auditing is the examination and evaluation of data or information of an individual or an entity with the view of issuing an independent and neutral opinion of the states of affairs. Auditing can be part of a continuous monitoring system within or outside an entity. While internal auditing reports to the audit committee or management, external auditors issue a report for scrutiny by shareholders. Internal audit is a subsystem of the complete management system and as a condition for the efficient and effective accomplishment of the general objectives of any corporation. From the perspective of the impact towards the corporate governance, qualitative analysis of the internal control is a current and complex issue. The study may enhance an obligatory requirement for the maintenance of an adequate internal control in all management systems (Danescu, Prozan, & Danescu, 2011), and streamline internal employee and managerial excesses**.**

Communication and collaboration between internal auditors of organizations and their respective external engagement lead to reliance on the work of internal audit. However, in the acceptance of internal audit file into the domain of external audit, work of internal audit must prove to the acceptable standard and level of consistency required by the external partners (Anderson, Christ, Johnstone, & Rittenberg, 2012; Stefaniak, Houston, & Cornell, 2012). According to Chaiwong (2012) the efficiency in internal audit performance consisted of four dimensions; independence, objectivity, competencies, and human relations. Chaiwong (2012) stated that completeness of operating and information systems, understanding, and acceptance within the organization, knowledge, skill, human relations, relationship between the internal audit units and other units have influence on internal audit efficiency**.** This study examined the intrusive work of internal audit and control as the primary line for deterrence and detection of commitment of errors and fraud.

According to Kanellou and Spathis (2011), the level of performance and commitment to internal control within the organization coupled with the positive results from activation of enterprise systems gave a much needed attention to the reliance on internal audit by external auditors. The reporting relationship of internal control must be in alignment with the audit committees' requirement to update management on the changing processes and functions of internal audit (Munro & Stewart, 2011). Munro and Stewart also traced the reliance of external audit on the work of internal audit in terms of fraud and error prevention and deterrent to the framework of corporate governance. The board of directors, management, external auditors, and internal auditors, which form the elements or components of corporate governance must be responsibly tasked to ensure reliability in corporate financial reporting. Although this is not a particular focus of this study, elements of corporate governance draw pieces of information from the work of internal audit for effective decisions in finance.

The importance of auditing to financial analysts and investors cannot be over emphasized due to the stringent regulatory bodies monitoring the results of their work, relationships, ethical behavior, competence, and reporting content. The proof of individual failures in the professions of taxation, accounting, managing, and financing by various courts have not only impacted negatively on the neutral profession of auditing, but have also created awareness of the inevitability of auditing. Nicolaescu (2012) argued about the essence of the continued update and modification of the auditing regulations and directives if the combined effort is crumbled by the authority of management and employees. The studies of these researchers ensure acute deterrent of management flaws and fraud to include the separation of taxation, accounting, and consulting services from auditing work.

Acknowledgment of negative collaboration by employees and outsiders becomes destructive to corporations. Broddy et al. (2012) called on employee and management to stop the externally manipulative elements such as affinity and social engineering. Broddy et al. (2012) and Robu, Chersan, Mironiuc, and Carp (2012) pinpointed strong control and internal audit as a trustful system to counteract the effect of unethical behaviors of employees and management as conduit for the extraction of valuable information and resources out of a corporation. The flaw of Broddy et al. and Robu et al. is highlighted in the meaning and import of collaboration and teaming up, and this is addressed in the study. Breaking needless and unhealthy collaboration is the crux of ensuring stability of an effective and strong internal audit and any other preventive control.

Auditing is the primary enforcer and initial responder to financial crisis and must always prove readily available for urgencies and emergencies. According to Robu et al. (2012), inquirers would always consider audited financial statements and reports at the impulse of any major financial and investment decision-making in corporations. In line with the assertions of Robu et al. (2012) stakeholders tend to blame auditing firms and auditors in the event of financial or management fraud. In the determination of auditors as first responders to financial, employee, and management errors and fraud, Smith (2012) elaborated the responsibility of auditors to all parties involved in financial and other corporate crises. Smith supported his argument by practical reasons why third parties often look up to auditors to salvage and remedy financial or fraudulent situations. In line with the research of Smith, this study endorsed pragmatic solutions discovered and applied to prevent, deter, and detect subsequent reoccurrence.

In response to auditors’ activity as first responders to financial and other crises in corporations, auditing firms consider the riskiness and complexities of the acceptance, continuance, and termination of audit engagements as critical. Drira (2013) researched about the two approaches for auditor engagement as the single firm consideration and the portfolio management engagement methods. In the first approach, firm-specific factors are analyzed for decision-making based on individual firms, while the recurring effects of each firm are considered in totality with respect to all clients combined in the portfolio management engagement method. The effect of the two approaches of auditor engagement was researched by Keane, Elder, and Albring (2012) to find out how auditing firms charged higher fees for clients who consecutively report the same material weakness. Comparatively, clients pay lower fees for reporting a new material weakness and higher fees for reporting previously encountered material weakness to sensitize management to implement material weakness corrections. This study examined managerial insensitivity to material weakness corrections, which led to employee and management manipulation of the system to perpetuate financial fraud.

The system of internal check and control has always been a function and responsibility of management of corporations. Broddy et al. (2012), Dyer (2013), and Higgins (2012) agreed on the institution of strong internal check and controls as key deterrent, defensive, and detective mechanisms against corporate employee and management errors and fraud. However, the absence of effective and continuous monitoring can render the system of safeguard futile and powerless. In line with the classical research of Keane et al. (2012), clients continue to report previously detected material weakness because management fail to implement recommendations projected by auditing firms. Additionally, there are no monitoring mechanisms to supervise and oversee the execution of audit report recommendations. Based on the research of Keane et al. (2012), managers may prefer to intentionally pay higher audit fees for consecutively reporting previously detected material weakness than to institute a process of correction and redirection. Management of corporations may be drawn to the attention of creating more profitability to maximize stockholders value and for the attainment of bonus and higher incentives without taking the opportune time to analyze easily besetting risks. Bennigson and Leonard (2013) observed and rightly commended the new trend of board of directors' action of going beyond their active line of operation under corporate governance. The writers further recommended board of directors to tread proactively into all available areas of strength, skill, competence, and opportunity including information and technology without neglecting the credibility of financial reports. Further research by Deumes, Schelleman, Bauwhede, and Vanstraelen (2012) revealed a link between the functions of the audit committee in the line of corporate governance and the quality of completed audit resulted in mixed reaction. The accepted quality of audit, internal control, and the credibility of audited financial statements are not only essential for investors' reliability and confidence but for efficient operation of the capital market for proficient resource allocation.

Compensation of chief executive officers (CEOs) and chief financial officers (CFOs) as well as managers is reformed to neutralize the negative effect of the business agency-related theory. Rikling, Rama, and Raghunandan (2013) recounted the importance of the forecast of financial analysts to management performance, and stated the effect of a higher equity premium when management performance meets or exceeds analysts forecast by the form of decreasing the financial cost of capital. A fallout of the study proved the reason for management incentive to meet set targets by means of management override and ambiguous misinterpretation of accounting standards to distort information and reported figures. On the basis of management circumvention of events and records, Kobelsky et al. (2013) revealed the receipt of long-term compensation led to the perception of increased reporting in internal control weaknesses. Contrary, Wang and Huang (2013) proved that short-term incentive received by chief and financial executives had a positive correlation with the act of reporting internal control weakness in corporations. During depressing economic activities and contraction in the market, it becomes pragmatically impossible for management to continue to meet or exceed set-targets and forecasts by financial analysts hence, the strong edge to turn around a gloomy financial reporting. Marsh and Fischer (2013) recognized the growing pressure by board of directors and investors on management of corporations by decreasing number of employees, demand, and revenue, while increasing costs and services to widening budget shortages. The reality in such situation of economic decline is for investors and stockholders to understand the extent of retrogression and the subsequent reduction of expectations and ambitious objectives.

This part of the study summarized reluctance and insensitivity of management to implement financial audit recommendations forcing some of the big four auditing firms to terminate their audit engagement with some of their clients on the basis of the clients becoming too risky. Eldridge, Kwak, Venkatesh, Shi, and Kou (2012) warned about the negative implications and effect of auditor change on the financial records and statements of client corporations. The writers agreed and corroborated on the negative image carried by investors, financial analysts, and regulators by unusual change of auditors. By the same analysis, some corporations are also now giving preference to first-tier or middle-tier auditing firms by avoiding or terminating their auditing services with the four key auditing firms. The decision to avoid risky clients in the auditing business by the four key auditing firms heightened at the auditing scandal led Congress to establish the SOX Act of 2002. Cullinan and Du (2012) concerted their efforts in their study to determine the advantages of switching from a major auditing firm to include a clear financial leverage. The case of high turnover of auditing firms also stems from the angle of risk and also the continuous deficiencies in internal control quality of the corporations. Wang and Huang (2013) discovered the necessity and willingness of corporate management to pay higher audit fees due to the inherent weaknesses in management established internal control system. The SOX Act also requested external auditing firms to be extra vigilant in the determination of an effective and functional internal control system as supported in this study.

Management institutes effective internal check and control through the establishment of an active internal audit. Although internal audit reports to management or the audit committee, the work of internal audit is subject to endorsement by external audit. Abbot, Parker, and Peters (2012) began their study to find out the extent of external audit reliance on work of internal audit and the internal audit function. In the well-organized but limited span of regulatory filings and the ease of pressure on audit fees, internal audit function has assisted external audit by means of great organization, cost savings, and internal efficiency. The level of acceptance, endorsement, and reliance of the work of internal audit depends on the quality of inclusion in the nature, extent, and scope of plan of external audit. A key element of acceptance of the role of internal audit in the work of the external counterpart is the level of internal audit knowledge of risks of information technology and significance of application controls integrated into the internal system of audit.

Audit managers must move from the level of generic information technology training into a more substantial realm of understanding key concepts of risks and application controls. The integration of the risk knowledge and application controls do not only enable financial and business auditors move into the realm of information technology auditing but embraces a comprehensive auditing approach of discovering points of risks and mitigation to save time and scarce resources (Henderson III, Davis, & Lapke, 2013). Abbot et al. (2012) and Dyer (2013) agreed on the reliance of external audit on internal audit function based on the extent of internal proactive prevention and compliance. The internal audit function therefore impacts positively on the timeliness of the reactive detection of external audit. Regardless of the existence of an adequate internal control (Danescu et al., 2011) of the functional communication and collaboration between internal and external auditors (Dobek et al., 2013), and of mitigation to save time and scarce resources (Henderson III et al., 2013), only few completely researched into the correction of management and financial fraud, hence the relevance of this study.

Management Training and the Minimization of Audit Expectation Gap

Researchers in this part of the review advocated for corporate management to train and continuously update their knowledge base to stay internally productive and externally competitive. Management personnel may not only need to acquire knowledge for application in their managerial functions, but most important how to manage and sustain the components of knowledge for the competitive edge. The dynamic nature of knowledge moves with time, function, and environment and so need to be contained, assessed, and updated. With the requisite amount and level of the knowledge factor, management can explore and exploit new horizons to meet customers' demands and satisfaction.

Managers of corporations must use the knowledge management system to identify areas of threats and weaknesses as well as take advantage of the opportunities and strengths to reshape their operations. Ramanigopal (2013) projected an outline for knowledge management systems to include the knowledge process, environment, infrastructural needs, preparation, execution, refinement, and integration. For example, in the topical area of *corporate social responsibility*, Zhang and Gowan, (2012) advocated for future quantitative research in emerging activities to enhance continuous improvement.

Knowledge management systems entail processes to ensure completeness of acquisition, storage, monitoring, and security. Most professional functions are supported and enhanced by advancement in information technology. As Okoye and Gbegi (2013) requested financial auditors and management to obtain knowledge about forensics, Conner and Conner (2013) talked about the management of information technology data management that spans a wide variety of points accessible both within and without the corporate environment. Information technology management points of consideration included access control, general and application controls, data backup and recovery exercises, testing of intrusion, and website management (Conner & Conner, 2013). To minimize errors in financial reporting, this study agrees to the processing of financial audit information by observing individual units.

The continuous evolution in the auditing industry is to enhance management training to provide a clear and distinct report capable of carrying a true reflection of income and revenue for a specified period and the state of the affairs of a corporation. Gheorghe (2012) thought along the line of presenting accounting and financial reports purposed to be value additive and credible. The numerous reports in the newspapers and other journals exposing management manipulation of accounting records have jeopardized the professional integrity of management and auditing firm (Dickins & Reisch 2012). Although client acceptance can comparably be considered as easy task after the determination of certain conditions, client audit continuation and termination decisions are even more complex (Drira 2013).

Training of management and employees must have a focus on the elements of the concept of fraud, which happen to foment managerial manipulations leading to fraud. Buchholz (2012) described the pressure of management performance as a challenge for higher responsibility and acceptance. The two areas of performance include the eligibility of management to attain a profitable level above an established benchmark, and the attainment of high earnings for a bonus incentive. The former attainment criteria could result in loss of employment; however, bonus incentive attainment becomes an alignment effect against the agency theory. Man and Wong (2013) saw the alignment effect as the channel for management to become shareholders when the bonus incentive is completed in share options. In addition to management training, the study also incorporates management ownership as one of the factors of minimizing financial fraud in corporations.

Employees and management work to improve their prominence by means of enduring themselves to available opportunities and prospects. A more lax atmosphere in corporations with respect to internal controls showed more and frequently exposed opportunities than a more stringent system of controls and internal checks (Buchholz, 2012; Sullivan & Fiestas, 2012)). In line with the concept of the fraud triangle and rationalization, the behavior of employees and management are linked to the affinity relationship where unscrupulous external parties siphon pieces of information, intelligence, and resources from corporations per unsuspecting insiders (Blois & Ryan, 2013; Ryan, 2013). Management and employee training must have a wider spectrum with the implication of foreign expansion of the corporation. A wider and comprehensive training is essential for easy transfer and movement of management, skill, and resources among the various branches of the corporation.

The third pillar of the fraud triangle concept of rationalization and the behavioral attitude of management could be analyzed outside the scope of management or financial fraud in corporations. Murphy and Dacin (2011) analyzed the connection of rationalization to fraud and concluded on the basis of low association to fraud and beyond. Borker (2013**)** studied the psychology of the mind in training programs and requested teachers and facilitators to apply the concept of the mindset to generate ideas in the pedagogy of accounting and other business courses to facilitate transformation. In the latest discipline of *neurofinance*, Sahi (2012) also examined the relationship of the processes of the human brains to core decisions concerning investments of all kinds. From hindsight, the observance of the application of *neurofinance* touches on the sensitivity and the effectiveness on the compliance of investors' decisions with respect to risk-seeking, risk-neutral, or risk-averse tendencies.

Lessons from the training of management to stop the habit of manipulation of information and figures include the realization of the public detest and dislike. Murphy and Dacin (2011) agreed on the education and training against fraud should begin with what is socially acceptable and despicable behavior. When an individual commits financial fraud without the realization of incurring public ridicule or any stigma, the crime will continue to occur (Murphy & Dacin, 2011). Accounting and auditing students need to understand the basic rudiments of processing transactions at both the manual and technology levels so as to equip themselves for any eventuality during their practice and beyond (Dickins & Reisch, 2012); an emphasis in this study. Employees at the lower ranking levels and positions in organizations are the ones who easily lose their long-term employment when businesses face scandals of an immense proportion. Low and Ang (2013) assigned the blame of financial fraud and scandals to leadership of organizations including the board, management, and audit committee. Low and Ang based their assertions on the findings that strong and effective leadership results in an equally challenging internal control system. Low and Ang contended financial fraud and other business scandals stem from collaboration, weak internal control, and laxity in the monitoring system. Nardo and Francis (2012) viewed experts as having professional ethics as an additional level of caution to guide them in decision-making. The essence of relying on professional ethics comes from the background of the requirement to comply with professional code of ethics to avoid sanctions or dismissal from the profession.

The debate of the global financial crisis among producers and users of information disclosed within financial reports revealed the traditional questionings on the role of external audit and the dynamics of audit expectations gap during the crisis. Dobroteanu, Coman, Dobroteanu (2011) indicated that in spite of the intensified efforts undertaken by professional bodies, academia, and members, the elasticity of users' expectations toward external auditing role is increasingly negative. However, a contrary view is projected by Turlea and Mocanu (2012). Out of the multiple explanations that justify the efforts, the implications of the global financial crisis are by far a leading generating factor of the audit expectation gap. Wadee (2011) wrote about a report regarding the issue of auditors' expectation gap. The green paper exposed the inherent limitations of an audit as compared to stakeholders' expectations. Stakeholders found it confusing when a corporation's financial statements may seem reasonable and sound even if the same institution was financially distressed (Wadee, 2011). Due to the global financial crisis, the corporate governance and external audit were brought again under public criticism, resuscitating suspicions and questionings on the ability to prevent serious financial crisis.

The professional behavior of external auditors and corporate governance structures such as audit committees should be committed to the responsibilities of providing information transparency within audit and governance reports. Auditors and audit committees should comply with relevant transparency requirements imposed by regulations. The research by Dobroteanu et al. (2011) demonstrated that auditors have entirely met the governance and shareholders expectations, pulling down the allegations on audit expectations gap generated by the information presented in the audit report.

The plethora of research studies from the beginning of the 21st century, the effects of the financial crisis, the perception of the public on the financial audit profession, and management manipulations in corporations are some of the issues forming the fundamental focus of this study. Turlea and Mocanu (2012) presented their research aiming at developing a model on the independence gap in financial audit, by parity of reasoning with the models already developed in the literature on the expectation gap in the field of financial audit. Writers have assessed the role of knowledge management systems (Ramanigopal, 2013), of corporate social responsibility (Zhang & Gowan, 2012), of forensic examination (Okoye & Gbegi, 2013), of management's professional integrity (Dickins & Reisch, 2012), and of the role of auditors in corporate governance (Dobroteanu et al., 2011). This literature review gives extensive coverage of the meta-model concept of the past and current evolution of financial fraud. The literature review completed conclusive arguments for the urgent need to explore anti-fraud strategies to minimize the rising trend of financial fraud among other emerging challenges such as theft of personal information, security, and corporate identity.

Transition and Summary

Section 1 of this qualitative case study highlighted fundamental issues concerning the various corporate accounting and management scandals of the late 1990s and the early 2000s by the enactment of SOX in 2002 by the U.S. Congress to regulate the corporate governance of the large international companies. Researchers have identified pressure on employee and management performance leading to manipulation of financial information and records. The purpose of the study is not to only enhance auditing, but to also explore appropriate avenues to minimize the widening gap of financial fraud in corporations and to restore investor trust and confidence in America's securities markets and beyond.

Section 2 will include the researcher’s role of data collection and organization techniques. The purpose of the section describes gathering of data from books, dissertations, and journal articles. It also includes the role of the researcher and the introduction of participants for the study as well as issues of validity and reliability.

In Section 3, I will demonstrate the interviewing process and the specific explanations of the research findings. The research findings are applied to professional practice and for positive social change. Additionally, recommendations for action and recommendations for future research are presented to provide readers a purposeful direction.

Section 2: The Project

Section 2 provides information on the elements of the research design. This section includes discussion of the research method and design, the processes of data analysis, data collection, ethics, roles of the researcher and participants, as well as the process for ensuring the reliability and validity of the research.

Purpose Statement

The purpose of this qualitative case study was to identify and explore the financial management skills that corporate financial managers need to adequately protect investors. Cohen et al. (2010) and Ruankaew (2013) suggested future academicians and researchers explore financial fraud by using the qualitative method. Even though investors blame auditing firms, the study focused on managers' misdeeds and mannerisms. According to Kassem and Higson (2012), increases in fraudulent financial reporting and perpetuation of fraud in corporations have become major concern for investors. Kassem and Higson reported the need for academic researchers and managers to complement the effort of policy regulators to reduce financial fraud. As Yin (2011) stated, qualitative case studies can be used to identify a situation in detail, and information about the contextual factors of organizational issues is beneficial to the field of business studies.

There is a rising trend of business and operational challenges including financial fraud as well as the massive capture, theft, and confiscation of confidential and sensitive client data and information. This study creates awareness and serves as a blueprint for managers to embrace antifraud strategies to resuscitate degrading trust and confidence among stakeholders.

The shifting of blame for financial fraud has taken a toll on collaborative, integrative, and long-term solutions. Efforts to solve the problem of financial fraud have not focused on long-term implications due to pressures for immediate mitigation. The purpose of the study included the integration of regulations, management, and auditing firms instead of isolated and ad hoc approaches.

The specific population was auditing professionals of Fortune 1000 corporations of Columbus, Ohio, in the United States of America. A sample of 20 interview participants were chosen in addition to the use of archived data on internal auditing, accounting standards, and financial management strategies. I chose these participants for their accessibility, experiences, and perceptions with regards to financial regulations and standards in their respected fields. The findings of the study could lead to greater awareness of financial fraud and contribute to a positive social change by determining efficient methods to minimize financial fraud and enhance audit quality in the United States.

Role of the Researcher

My roles as the researcher was that of a scholar practitioner: collecting, organizing, and interpreting the data and reporting on the results. I studied the phenomenon from the viewpoint of a participant rather than as an expert in the field of management or auditing. The case study design is appropriate for researchers interested in capturing activities and situations (Yin, 2011). However, the importance was for me as the researcher to formulate the ideas offered by research participants without preconceptions.

I interviewed a purposive sample of 20 participants, identified through snowball sampling, in person, by phone, by Skype video, and by e-mail using semistructured questions. Suri (2011) wrote that with the purposive sampling the researcher considers a population with specific characteristics. Purposive sampling must theoretically and analytically align with the research questions (Suri, 2011). According to Adler and Clark (2011), snowball sampling is a nonprobability means of using members of a group to identify others of the same interest. Researchers commonly use purposeful sampling in case study designs because it enables selection of participants who experienced the investigated phenomenon (Iszatt-White, 2011).

I recorded responses to the in-depth interview questions. As the researcher, it was my responsibility to ensure my actions were ethical in conducting the study and identifying themes. Researchers analyze data from interviews for common threads to identify the themes that will emerge (Neuman, 2011). Case study researchers must collect and analyze archived documents and create and present a report. In addition to the interviews, I analyzed transcriptions of investigative hearings and legislative testimony before the U.S. Congress applicable to financial management and audit procedures.

Participants

I contacted participants by means of phone, e-mail, video Skype, and in person. According to Iszatt-White (2011), qualitative researchers emphasize the strategy of selecting participants who meet the purpose of the study. Meeting face-to-face with participants prior to the interview processes helps researchers and participants become familiar with each other and enables the researcher to establish a meaningful working relationship with participants (Carenza, 2011). I held an introduction meeting or e-mail to explain the focus of the research, the privacy of participants, the process for collecting endorsed consent forms, and my handling of questions and concerns. The interview process involved a purposive and snowball sample of 20 participants. Neuman (2011) advocated using small sample sizes based on the belief that smaller sample size provided richer data in case studies.

Participants who took part in the research signed an informed consent form (see Appendix A). The consent form is an invitation for the voluntary participation in a study. The form explains to the participants the meaning and purpose of the study. Other details of the consent form include the risks involved in the study, the potential benefits, the protection of participants' information, and the contact information. The consent form also needs to be signed and dated. The consent form contained a written clarification of the minimal risk associated with the research and the ethics concerning the study. The ethical guidelines included the avoidance of vulnerable groups, confidentiality, anonymity, informed consent, data storage, and advantages of the research. The consent form clarified the willingness of participants to be involved in the research and the right of participants to decline the request at any time of the proceedings.

I labeled data collected from each participant PA1 through PA20 as a form of data and participant protection. I stored data on a computer hard drive and back it up on an external memory drive. Security of stored data included confidential and complex passwords to prevent intrusion and discovery by unauthorized persons. I will destroy the electronic data after 5 years of the study.

Research Method and Design

Research methods consist of the forms of data collection, coding, analysis, and interpretation that researchers use for their studies. The three different methods applied in research are the qualitative, quantitative, and mixed methods (Frels & Onwuegbuzie, 2013; Zohrabi, 2013). The research method I used in this study of minimizing financial fraud in corporations was qualitative because the collection of data involved emerging questions and procedures.

Carenza (2011) explained research design as an action plan that connects theoretical frameworks, the research question, and the research method. I used the case study design to explore the practical experiences of auditing professionals as a means of mitigating financial fraud in corporations. The focus of this qualitative case study was to explore the auditors’ perceptions and experiences for an in-depth exploration of the central phenomenon (Gilligan & Kypri, 2012).

Method

The methodological framework for this qualitative case study provided a theoretically informed means to study how to minimize financial fraud in corporations. The qualitative method was applicable for the research because such an approach is appropriate for developing an understanding on a specific phenomenon, group, or situation, and formulating conclusions about observations, according to Bernard (2013). A qualitative study methodology is about analysis of events and the collection of rich data (Cilesiz, 2011; Gilligan & Kypri, 2012). A qualitative approach explores the effects of a study without leading or distorting narratives of participants (Hafstad, Haavind, &

Jensen, 2012). Due to the major elements of social context, a qualitative approach for this research enabled me to consider objective information in arriving at sustainable conclusions, as indicated by Kisely and Kendall (2011).

The qualitative method allowed for semistructured, open-ended questions, and participants' effective input. Miers, Abbott, and Springer (2012) concluded that open-ended questions and semistructured interviews were efficient methods for exploration. Likewise, Kisely and Kendall (2011) supported the application of open-ended questions to ease exploration of the phenomenon under study by using the qualitative approach. The prime methods for gathering data were semistructured interviews and analysis of archived documents.

In contrast, quantitative and mixed method research was not part of the study because they held values different from qualitative research. Quantitative researchers examine cause and effect of variables in phenomena; therefore, a quantitative method was not a suitable method for research on human inductive reasoning (Iszatt-White, 2011). The mixed-method research process focuses on the pragmatic issue of social problem solving and how research affects human practices rather than the meanings associated with phenomena (Feilzer, 2010).

The quantitative research method was not suitable for the study because it involves definitive conclusions with statistical sampling (Marshall & Rossman, 2011). The quantitative method proves or tests one or more hypotheses via inferential statistics. The mixed-method research combines qualitative and quantitative research approaches (Zohrabi, 2013), so it was not appropriate. One persistent criticism of qualitative research concerns the inability to replicate all observations (Taylor, Dossick, & Garvin, 2011). The subjectivity and the labor-intensive nature of qualitative studies lead to procedural and replication problems (Aiello et al., 2012). Hafstad, Haavind, and Jensen (2012) emphasized that the qualitative method leads to an understanding of complex processes. In the study to reduce corporate financial fraud, employing the qualitative method enabled me to explore the financial management skills needed by corporate financial managers.

Research Design

Research designs stem from the method of research. In this study, I explored the problem of increasing financial fraud and the potential financial management skills to protect investors. This study was a case study design because it involved the understanding of different human perspectives of management, records, and analysis of transcriptions of investigative hearings and legislative testimony (Savage-Austin & Honeycutt, 2011). Yin (2011) demonstrated the procedure involved in understanding case study experiences by exploring participants' patterns and relationships.

Qualitative case study usually focuses on a single experience or distinct occurrence. In this study to reduce corporate financial fraud, I explored the problem of financial fraud in corporations in order to protect investors. I discerned the perception of participants regarding corporate financial managers who may lack financial management skills.

Denzin and Lincoln (2011) identified the grounded theory, case study, ethnographic, and phenomenology as the primary types of qualitative research designs.

An ethnographic field study is similar to a phenomenological qualitative study because the data collection methods for both designs involve in-depth interviews. However, ethnographic researchers collect data on societies or cultures through participant observation (Lewis, 2010). The grounded theory research design was not appropriate for the study because it is used to establish a theory about a subject matter (Koning & Can-Seng, 2013).

Houghton, Casey, Shaw, and Murphy (2013) indicated that although each design has inherent strengths and weaknesses, the limitations do not render study results useless. Research evaluators find it necessary to understand the inherent limitations of the applicable research design (Houghton et al., 2013). The objective for a case study is to explore a program, event, activity, or collect procedures, including observations over a time period (Yin, 2011). My study triangulated data from interviews and analysis of archived documents.

Population and Sampling

Because they audit corporate financial managers, the population for this study was corporate auditors (CPAs and CFEs) of Fortune 1000 corporations within 70 miles of Columbus, Ohio. The sample of 20 interview participants for this study included CPAs and CFEs of corporations in addition to archived data. The sample selection design targeted a population that possessed the professional auditing characteristics appropriate for the study (Suri, 2011). According to Iszatt-White (2011) and Lipstein, Brinkman, Sage, Lannon, and DeWitt (2013), the combination of purposeful and snowball sampling involves the selection of participants who have experienced the phenomenon under study and who could also address the research problem as well as the research question. In contrast, simple random sampling was not suitable for the study because random sampling enables addressing a general population without certain specific characteristics (English, 2009).

Carenza (2011) stated that sample selection represented a significant component of research strategies. According to Neuman (2011), to provide a rich and insightful description of a situation, case study designs typically depend on small, purposefully selected sample sizes. Although Iszatt-White (2011) noted the sample size in case study designs should not be more than 10 participants, Hanson, Balmer, and Giardino (2011) and English (2009) recommended a sample size between 10 and 20. I interviewed 20 individuals to achieve data saturation.

The main eligibility criteria for selecting participants included (a) willing and voluntary individuals over the ages of 18, (b) ability to describe their experiences related to the research question, and (c) auditing professionals. Suri (2011) listed the advantages of using a small, purposeful selection design to include the ability to apply a certain population that meets (a) desired criteria, (b) successful return rate on the interviews, (c) minimized cost, and (d) reduction of commute time to obtain interviews. I contacted participants by means of phone, e-mail, video Skype, and in person prior to, during, and after the interview research process.

Ethical Research

Ethical research practices are important to creating cooperation, trust, and collaboration and to maintain the integrity of the research (Kisely & Kendall, 2011**).**

Researchers would like to demonstrate their dependability and reliability on the methodologies used in the study (Bulpitt & Martin, 2010). Additionally, Walden University doctoral students must have their proposals approved by the university's Institutional Review Board (IRB) to collect and analyze data. The role of the IRB is to ensure that research proposals meet the acceptability criteria and standard of applicable law, institutional regulations, and practices (Szanton, Taylor, & Terhaar, 2013; Tsurukiri, Mishima, & Ohta, 2013).

The informed consent form (Appendix A) outlined the ethical concerns of the research, such as the risk to participants, informed consent, the right of withdrawal from participation, confidentiality, and the benefits to participants.

Although Amdur and Bankert (2011) suggested that with minimal risk there would be no need for written consent, I requested such consent from participants via invitation letters (Appendix B). Volunteers who accepted to take part in the research signed the informed consent form.

Participation was voluntary so there was not any form of incentive or compensation. Participants had the option to withdraw from the research at any time by providing any form of written request. Therefore, the study did not include any data collected from participants who withdrew.

Data collected were labeled PA1 through PA20 as a data and participant confidentiality and protection measure. The assigned letters and labels were used for participant interviews. According to Grossman and Koocher (2010), privacy is the right of individuals to choose when and how their private information is revealed.

As recommended by Turner (2010**),** I have kept stored data on computer hard disk and backed up on an external memory drive. I assigned confidential and complex passwords to prevent intrusion and discovery by unauthorized persons.

I will store all records for 5 years after the study and destroy paper files by shredding. I will delete electronic data by the Cyber Shredder software product as suggested by Hoile, Banos, Colella, and Roux (2011).

Data Collection

In qualitative research, most collected data are in the form of interviews, observations, documents, and audio-visual materials. I collected data from two sources: the interviews and archived documents.

Instruments

Semistructured interview questions and analysis of financial management and auditing documents served as the data collection instruments. I considered different methods of data collection before selecting the most appropriate data collection instrument for the study. Kisely and Kendall (2011) wrote about the benefits of observation as a data collection method. However, observation does not explore participants' perceptions of the phenomenon. Conversely, Nolen and Talbert (2011) encouraged the use of written essays as convenient for the narration of an event. Interviews constitute reliable and valid tools for studying people's lived experiences because participants describe their experiences and discuss how their perspectives shaped those experiences (Iszatt-White, 2011).

Schatz (2012) affirmed that semistructured interviews provide an elaborate account of events because of flexibility. Kisely and Kendall (2011) confirmed that most researchers commonly use individual interviews as a data collection instrument. I interviewed auditing professionals located within 70 miles of Columbus, Ohio. The responses to the interview questions measured the perceptions of auditing professionals in determining the appropriate means for addressing the financial management skills required by corporate management.

Researchers observe, document, and account for responses of participants for validity, reliability, and minimization of bias in a study. The selection of the data collection method and the archived data analysis were centered on the strengths of the semistructured interview approach over other methods. Flood (2010) regarded the interview as the primary data collection instrument for case studies. Interviews enable researchers to explore and probe participants' experiences with the investigated phenomenon (Flood, 2010).

To ensure validity of the data collection instrument, I presented a draft of the interview questions to experts for their opinions. The validation by the four-person expert panel determined that the interview questions (Appendix C) met the purpose of the study. The formulation of the interview questions revealed the significance of determining the appropriate measures for minimizing the issue of financial fraud in corporations. Moreover, communication with participants was by means of phone, Skype, e-mail, and in person at participants' convenience and location.

Data Collection Technique

Data collection technique involved visits to universities and communities to collect data from journal articles, books, dissertations, and transcriptions of investigative hearings and legislative testimony before the U.S. Congress. This qualitative case study involved interviewing participants by means of using technological tools such as e-mail, telephone, and Skype. In addition, I analyzed archived documents. The use of open-ended questions guided the interview process**.** Validation by Walden University reviewers ensured the lucidity and appropriateness of the questions and the ability of participants to answer the questions appropriately. Validation by the reviewers also perfected the process. The advantages of validation by the four-person expert panel included the reduction of potential errors and loss of time that result from using confusing questions and inappropriate analogies.

I allowed participants to identify preferred locations for their interviews. I encouraged participants to have the interviews at private study rooms of a public library. I reserved the private room by calling the library to make a reservation concerning the days and time. According to Carenza (2011), the aim is to conduct interviews in sites comfortable, accessible, and acceptable to participants. I secured site permission prior to the use of any interview session when it became necessary. The interview process always began with introductory questions to enable participants to provide information about themselves and what they did. Carenza (2011) observed that introductory questions helped the researcher establish rapport with participants and open participants up to the researcher as well.

Participants received invitation letters (Appendix B) and an introduction of the purpose of the study before I began the semistructured interviews. The participants signed consent forms (Appendix A) prior to the start of the interview. The consent form explained the purpose of the study, and participants restated their willingness to voluntarily participate with their signatures. The consent form also clarified the ability of participants to withdraw their permission and stop the interview process at any time. The interview was in person or by Skype and at the convenience of participants. The time to complete each interview was approximately 45 minutes or as needed.

Data Organization Techniques

I used an interview template (see Appendix C) to guide the interviews. I was the interviewer, and the interview sessions were scheduled to allow one-on-one, face-to-face communications between the participant and the interviewer or via video Skype at the preference of other participants. The captured and stored data are in a password-protected electronic folder, and they are only accessible to me as the student researcher. Shaw (2012) used a similar electronic organization system in his research.

I appropriately labeled physical documents by code rather than name to identify participants. Data organization during the research allowed comparison of emerging themes with existing literature on the subject. Sale et al. (2011) used a case study coding process in their medication research. Researchers use a coding system to ensure confidentiality and privacy of participants. A code for each participant was the letters PA for participants; followed by numbers 01 through 20. As corroborated by Turner (2010), stored data will be on computer hard disk and backed up on Universal Serial Bus (USB) memory stick or drive. The purpose of stored data is the assumption of confidential and complex passwords to prevent intrusion and discovery by unauthorized persons.

Data Analysis Technique

According to Yin (2011) data analysis includes (a) data collection, (b) the separation of data into groups, (c) regrouping of data into themes, (d) evaluating pieces of information, and (e) drawing reports. I analyzed data collected from the open-ended general questions and developed understanding from the information supplied by participants (Neuman, 2011). Qualitative data analysis is the process of understanding the participants in their natural settings. I organized and analyzed the data to allow for preliminary exploration and for subsequent in-depth inquiry. I separated the data into groups, regrouped data into themes, developed codes for the themes, assessed the information, and drew conclusions. The data analysis technique involved the application of the NVivo 10 software program. Data reduction helped identify relevant information pertaining to the subject matter of narrowing the gap of financial fraud in corporations.

The importance of using NVivo 10 application was to ensure consistency and uniformity of coding (Hutchison, Johnston, & Breckon, 2010). Distinctive codes of PA01 through PA20 represented the participants for the interview. The use of uniform coding was to enable proper organization of material and data to facilitate meaning and understanding (Hutchison et al., 2010). The code letters were PA for participant and the numbers 01 through 20 connoted to the 20 voluntary participants. According to Hutchison et al. (2010), the process of analysis of data included (a) gathering open-ended data, (b) scrutinizing text and data images, (c) making meaningful patterns and analysis, (d) ensuring greater understanding, and (e) interpreting and finalizing data.

With the NVivo 10 software program, basic information and demographics can be analyzed to prepare a statistical report from the data. The inquiry method allowed generating qualitative data for analyzing common patterns and statements as they related to the central research question. The central question for this study was: What financial management strategies do corporate financial managers need to adequately protect investors? The following interview questions to CPAs and CFEs addressed the situation.

1. In what industry do you work or make your living?
2. What types of financial risk or fraud are reported in your corporation?
3. Why do achievements of corporate management goals sometimes result in financial fraud?
4. Based on your experience, how does corporate financial fraud affect investors?
5. In your interaction with corporate financial managers, what types of financial management training opportunities are available for them?
6. What is your perception about the establishment of a mandated corporate financial management board-training requirement for corporate financial managers?
7. What types of financial management training opportunities have you found as most effective for corporate financial managers?

8. What types of information should corporate management present to demonstrate efficiency of their investment programs?
9. Which information technology applications do you suggest for corporate financial managers to help minimize financial fraud?
10. When external auditing firms recommend changes for appropriate control measures to be established in corporations, who should be held responsible for overseeing that those controls are adequately implemented and monitored? Why?
11. What comments or suggestions do you have in connection with the exploration of potential skills for corporate financial managers to reduce financial fraud in corporations?

Flood (2010) stated the importance of analyzing phenomenological data for researchers to select a data analysis approach grounded in a conceptually structured framework. The data directly related to the core idea of determining appropriate corrective measure of narrowing the gap of financial fraud in corporations. The data also related to the concept applicable for the study to narrow financial fraud in corporations; the Evolution of Fraud Theory, propounded by Dorminey et al. (2012) in the U.S. The data aligned with the Evolution of Fraud Theory, projected in 2011 following guidance by the PCAOB to enable auditors and responsible management deter, detect, correct, and fairly manage fraudulent practices in corporations. The data analysis process entailed an examination of participant responses to the interview questions and the relationship of those responses to the central question of the study (Neuman, 2011). I analyzed transcriptions of investigative hearings and legislative testimony before the U.S. Congress applicable to financial management and audit procedures.

Reliability and Validity

According to Barusch, Gringeri, and George (2011) and Cook, Sorensen, Hersh, Berger, and Wilkinson, (2013) qualitative researchers focus on credibility, transferability, dependability, and confirmability, as equivalent to internal validity, external validity, reliability, and objectivity of instruments and processes of a quantitative study. Qualitative reliability and validity are desired characteristics for assuring the validity of the findings, conclusions, and recommendations. The issue of judging rigor in qualitative research sparked vigorous debates (Barusch, Gringeri, & George, 2011). In accordance with Kisely and Kendall (2011) and Newman and Covrig (2013), I used documented data collection procedures, member checking, and data triangulation as part of the process for assuring my study's reliability and validity.

Reliability

Iszatt-White (2011) asserted that demonstrating a study's reliability increased confidence in the study. Peer-review journals are quality controlled. The use of peer-reviewed journals is a form of approval of a research by experts as reliable and scholarly. According to Doody and Noonan (2013) audio recording interviews ensures the accuracy of data gathering. Ensuring research reliability concerns the researcher's approach for consistency throughout the study (Marshall & Rossman, 2011). Fundamental to ensuring reliability is to properly and adequately document the procedures in the study. Price and Lau (2013) identified the necessity to record all data and information gathered during the study in an accurate and accessible manner. Glaser and Laudel (2013) stipulated academic researchers to comply with standard procedures to prevent and eliminate errors concerning the transcription of data.

A detailed description of data gathering and data analysis procedures served as one reliability strategy used in the research. Hanson et al. (2011) also claimed that recording interviews allowed for a comprehensive analysis of the data and enhanced the reliability of data analysis. The ability to maintain field notes during the data gathering and analysis process constitutes another reliability strategy used in the research. Doody and Noonan (2013) observed that field notes constitute value even if the researcher recorded the interviews. I used purposive and snowball sampling techniques and complied with standards by the Walden University experts to enhance the reliability of the interview questions.

Validity

Lakshmi and Mohideen (2013) defined validity as the accuracy of a measure to which a score truthfully reflects a concept, that is, the instrument's construct validity. Keeley, Al-Janabi, Lorgelly, and Coast (2013) commented that in a study of qualitative case study, the use of appropriate methodology assured validity. Validity of a case study depended upon the use of precision and appropriateness of research processes and procedures (Keeley, Al-Janabi, Lorgelly, & Coast, 2013). The researchers' selected methodology provided comprehension into the features and characteristics of events in the study (Thomas & Magilvy, 2011).

Instituting measures to guarantee research validity is paramount to the production of actionable research results and legitimate conclusive decisions (Price & Lau, 2013). The two areas that can affect validity in general are internal and external validity threats. Internal threats are distractions that generate within the study. These threats can involve situations where participants leave the program after collection of data. The impact of the threat must be destructive to influence the results of the study. The interview questions ensured that postresearch changes will not affect the determination of appropriate measures to narrow financial fraud in corporations. I included proper documentation, cross checking documents and facts, and asked the same number and sequence of questions within the same time limit to ensure internal validity.

External threats involve projection of outcomes to the general environment (Ali & Yusof, 2011).These external threats arise when researchers project the outcomes of their study on the general populace that did not participate in the actual testing. Ali and Yusof (2011) also defined external validity as an overview of the findings relevant to participants. The purposive sampling of participants as representative of business management and audit professionals identical to their peers in general enhanced external validity. The construct validity within the study also boosted the determination of appropriate measures to close the debilitating gap of financial fraud in corporations. I managed personal ideas, noise, distractions, and bias by complying with the qualitative research methodology and design to eliminate potential external influence.

Transition and Summary

Section 2 was the discussion of the methodologies and strategies to approach this study. The section also elaborated on the model of the study, which included collection of data, organization, and analyses. It also discussed data collection instrument, reliability and validity of data collection instrument, data organization techniques and how gathered data are evaluated. The purpose of determining the appropriate measures to minimize financial fraud in corporations will continue in section three with the overview, provision of the results, application to professional studies, and impact on social settings. Section 3 will also identify the gap in the area of study, which may necessitate, demand, or generate future discussions, debates or recommendations for further action.

Section 3: Application to Professional Practice and Implications for Change

The main research question that guided this study was: What financial management strategies do corporate financial managers need to adequately protect investors? The study's purpose is to enable corporate managers to meet contemporary challenges and set foundations for the future. Twenty corporate auditing professionals participated in semistructured interviews to share their knowledge and experiences. The data analysis steps enabled identification of themes, discussions, and explanations of findings in relation to the themes. In addition to the conclusion and recommendations of antifraud measures, financial managers may detect and control inherent risks in emerging opportunities for positive social change. The positive social change includes enhanced knowledge in diversification of investments, increase in economic resources, economic growth, and employment enhancement in the United States. Additionally, management could increase profitability, maximize stockholders' value, and affect corporate social responsibility.

Overview of Study

The purpose of this qualitative case study was to identify and explore the financial management skills that corporate financial managers need to adequately protect investors. As the world market economy is becoming more expansive and dynamic, leaders of corporations are becoming more concerned with the global rise in fraud as well as information and identity theft, due to the lack of preparation for regulatory enforcement worldwide. Corporate leaders continue to solicit dynamic solutions due to the increasing trend of business failures and inherent risks in new endeavors. To ensure a process of quality preparation and execution of the semistructured interview, I presented each participant with the plan of interview, systematically asked the planned questions, and obtained immediate feedback, as recommended by Newmann (2011). I held the interviews in private rooms of public libraries. I interviewed 20 participants, consisting of CPAs and CFEs, and achieved data saturation since no new information emerged.

The goal of this qualitative case study was to explore the financial management strategies that corporate financial managers need to adequately protect investors. Even though investors blame auditing firms, there was the need to explore corporate financial management activities and to impress on investors that auditing is not the same as investigation. The analysis of the data collected from the responses of participants demonstrated the need for financial managers to continually update and upgrade their knowledge and to persistently pursue the skills for developing, implementing, monitoring, and improving financial management strategies to deter fraudulent activities as a means of protecting and maintaining investors.

Presentation of the Findings

The research question that guided this study was: What financial management strategies do corporate financial managers need to adequately protect investors? The population group for this case study was corporate auditors of Fortune 1000 corporations within 70 miles of Columbus, Ohio, because they audit corporate financial managers. A sample of 20 interviewees participated. I triangulated their responses by reflecting, corroborating, and comparing gathered data with data from other sources, as well as the conceptual framework and the literature review to find similarities and differences. Each participant received an invitation to participate in the study via e-mail along with a copy of the informed consent document. The consent form detailed the specific roles for participants. The participants shared their work experiences in personal, semistructured interviews. Data gathering deviations included three participants who did not respond to the invitation out of the 26 contacted. Due to scheduling problems and time limitations, another participant withdrew.

By using NVivo 10 software, I coded the interview data by the organization, analysis, and the fundamental task of collecting the data about particular themes and cases for further exploration. I performed content analysis with the NVivo 10 software to determine the themes and patterns from the interviews by coding the responses of each participant. I initially replaced the names of the participants with the preordered numbers of PA01–PA20. Some of the coding characteristics included key words (a) *financial risks, (b) treasury risks, (c) risks on investors, (d) reporting standards, (e) training, and (f) falsification of records*. The next phase of the coding process consisted of a pattern matching technique to identify major themes from the data. I listed and organized the initial codes under different nodes to establish the emerging patterns and created textual descriptors for each of the emergent themes from the pattern matching process. To validate the coding process, I reviewed each transcript with the emergent themes to ensure an accurate reflection of experiences. Before the final coding process, I eliminated all irrelevant and misplaced patterns to narrow the focus of the study.

The research findings included themes of (a) the knowledge and types of risks and fraud in corporations, (b) the impact of financial fraud and risks on investors and investment, (c) the impact of accounting, auditing, and financial reporting standards, and (d) financial management training and other resources for investors. These themes from the participants' responses formed the focus for identifying and exploring the financial management strategies that corporate financial managers need to adequately protect investors and investments.

Theme 1: Knowledge and Types of Financial Risks and Fraud

The interview questions that solicited the knowledge and types of risks and fraud in corporations were Questions 2 and 3:

- What types of financial risk or fraud are reported by your corporation?
- Why do achievements of corporate management goals sometimes result in financial fraud?

Participants expressed their knowledge about the existence of financial risks and fraud in the business environment. Participants were more concerned about emerging challenges from the advancement in information technology as well as the increasing connectivity in the chain of trade and market expansion. Sources of risk and challenges in finance included the system of offering loans, reports of financial malfeasance at local and national levels, recoverability of debts, impact of unscrupulous management, and clear cases of misappropriation. Other participants discussed issues of (a) deliberate misstatement and misallocation of expenses, (b) falsification of records, (c) embezzlement, (d) risk of skimming off exceeded targets, (e) insider trading activities, (f) identity theft, (g) project management risks, and (h) misapplication of general controls in technological support. The participants' assertions corroborated the findings of Cohen et al. (2010) and Ruankaew (2013) who outlined the existing literature of financial fraud to cover areas of business, criminology, psychology, sociology, ethics, and moral development.

I conducted this study with the conceptual framework of the fraud triangle and the metamodel of the evolution of fraud theory. Dorminey et al. (2012) also conceptualized other significant theories with connections to (a) fraud scale, (b) fraud diamond, (c) triangle of fraud action, and (d) white-collar crime. These theories and concepts addressed how managing goals can lead to financial fraud. Participants thought about (a) employee collusion, (b) overzealousness to achieve the impossible within that time limit, (c) weak control measures, (d) rise in business competition, (e) dependence of quantity of work and not quality, (f) poor planning, and (g) override of internal control procedures. Other participants raised the issues of diversion of investment funds, engagement in unorthodox practices, and ill-conceived motivation to clinch executive bonus compensation.

Theme 2: Impact of Financial Fraud and Risks on Investments

The interview questions which sought to address the issue of the impact of financial fraud and risks on investors and their investment in corporations and business environments were questions 3 and 4:

- Why do achievements of corporate management goals sometimes result in financial fraud?
- Based on your experience, how does corporate financial fraud affect investors?

These questions were intended to address investment decisions and the direction of investments. Participants discussed the impact of financial fraud and risks in the (a) reduction of investment, (b) return on investment, (c) increase in the frequency of fraudulent reporting, (d) fictitious projection of figures to investors, (e) discouragement of potential investors, and (f) negative impact on investors' investment decisions. Graycar and Sidebottom (2012) estimated the cost of corporate fraudulent activities as $2.6 trillion per annum, and erosion of investors' wealth. The deprivation of investors' wealth comprises up to 5% of the gross domestic product (GDP) (Graycar & Sidebottom, 2012). Crawford and Weirich (2011) referred to fraudulent financial accounting practices as a deception to investors and other stakeholders. In addition, Button, Gee, and Brooks (2012) measured the average percentage loss rate and the fraud frequency rate as 5.4% and 9% respectively within large organizations. Participants shared their experiences on (a) cash flow problems, (b) creation of job losses, (c) failure of businesses, (d) misleading of investors to invest more at a loss, (e) decrease in investors' confidence, (f) viability of business projects, as well as (g) dissemination of wrong information and reports. Other participants witnessed the effect on the earnings per share of investors; complete loss of fortune, and break in fiduciary relationships. Part of the new findings included participants tying the responsibilities of management not only to their ethics but to their respective fiduciary relationship. Apostolou and Apostolou (2013) confirmed the theoretical importance of this study as (a) reduction in the erosion of investors' confidence, (b) degradation of investment capability, (c) business losses, (d) loss of employment, and (e) economic instability.

Theme 3: Impact of Accounting, Auditing, and Financial Standards and Reporting

I designed interview questions 8 and 10 to address the thematic category focused on the impact of the reporting standards applied in accounting, auditing, and finance.

- What types of information should corporate management present to demonstrate efficiency of their investment programs?
- When external auditors recommend changes for appropriate control measures to be established in corporations, who should be held responsible for overseeing that those controls are adequately implemented and monitored? Why?

Participants expressed the responsibility of the audit committee and the chief audit executive to realize that recommendations by auditing professionals were effectively and properly implemented. Nicolaescu (2012) discussed the essence of the continued update and modification of the auditing regulations and directives as well as the combined effort needed by management, authorities, and employees. Other responses to the responsibility of implementing accounting or auditing recommendations included leadership and management, board of directors, and chief internal auditors. Low and Ang (2013) corroborated with participants on the responsibility of corporate leadership in minimizing financial fraud and scandals. One participant noted that boards of directors should be held responsible for the implementing and monitoring of audit recommendations because of their fiduciary relationship and responsibility to act in good faith on behalf of their corporations. In line with the conclusions of Keane et al. (2012), if clients repeatedly report previously detected material weakness, then management failed to implement recommendations by auditing firms.

When asked about the type of information to be provided by corporate management to demonstrate management's level of efficient investment programs, participants noted the need for openness and fair financial reporting. Some participants emphasized the reporting of audited financial statements in compliance with the SOX standards and requirements. In addition to other statements, participants also thought that statements concerning returns on investment should be prepared and specifically provided for investors' scrutiny and input. Corporate investors and their brokers continuously monitor and follow stock exchange activities to make viable, pragmatic, and periodic decisions to boost their shareholdings (Bedard et al., 2012). As a result, the U.S. Congress enacted the Sarbanes-Oxley Act (SOX) of 2002 to help protect company assets and to minimize fraud to increase investors' confidence to decide whether or not to buy, hold, or sell a specific security by means of audited financial statements. In line with the concept of the fraud triangle and rationalization, the ideas of employees and management were linked to the affinity relationship where unscrupulous external parties captured pieces of information, intelligence, and resources (Blois & Ryan, 2013; Ryan, 2013).

Theme 4: Training and Other Resources to Minimize Audit Expectations Gap and Emerging Risks

The interview question which set the tone for participants' discussion on this theme was, "In your interaction with corporate financial managers, what types of financial management training opportunities are available for them?" Participants' addressing this question was intended to gather data about participants' discussion concerning financial management training, and other resourceful activities for reducing management reporting and audit expectations gap. The audit expectations gap has been the major difference between the auditors' work and what the public expects from auditors. Primarily, the general public has confused *investigation* with *auditing*. Wadee (2011) reported regarding the issue of auditors' *expectation gap*. Auditors' duties and reports are guarded by standards in auditing, accounting, and other regulations. Turlea and Mocanu (2012) developed a model on the difference between investigation and auditing in financial reporting.

Questions 5, 6, 7, and 9, addressed financial management training and the use of other regulatory resources to minimize the audit expectation gap with respect to audit functions and reporting. Participants identified financial management training needs in areas of (a) financial regulations, (b) implementation of financial policies, (c) financial information analysis, (d) financial controls, and (e) risk management. Other areas of strong recommendation are the training requirements and the effective application and implication of the SOX Act of 2002, Systems, Applications, and Products in Data Processing (SAP). Financial managers may acquire the SAP software and skills to effectively address market volatility, changing regulations, and increasing pressure on margins. Financial managers with the unique set of skills derived in Oracle and SAP software from focused workshops and seminars can develop a modern set of tools to build and sustain their organizations. In the area of mitigating the impact of emerging risks and challenges, participants suggested the broader use of Oracle's enterprise resource planning (ERP), programs designed for mining and managing data for the impending complexities of the century. The Oracle software will facilitate financial control and corporate governance with a holistic approach to compliance and risk management. According to Dorminey et al. (2011), the evolution of fraud theory provides insight into the reasons of management and employees indulging in corporate financial fraud by means of open opportunities, real rationalizations, and power of pressure. Okoye and Gbegi (2013) recommended financial auditors and management obtain knowledge about forensics. Conner and Conner (2013) discussed information technology data management that included computer assisted audit techniques for the corporate environment. Participants also agreed that financial and investment managers must widen their scope and focus on information technology and the impact on investment, monitoring, and analysis for the benefit of management and investors.

Summary of Results

With the conceptual framework underlying the study of the financial management strategies corporate financial managers need to adequately protect investors, Dorminey et al. (2011) discussed the concept concerning the rationale of pressure and opportunity. Participants agreed that identifying financial fraud perpetuated by insiders is as equally difficult as managing it. I also learned from participants that although fraudsters threaten corporations by the debilitating nature of financial fraud and other emerging risks, the distinguishing feature among corporations which lose and those which manage the threat depends on a well prepared management team. Management’s readiness to (a) anticipate, (b) prevent, (c) detect, (d) control, (e) correct, (f) manage, and (g) monitor the effect of risks at all levels determines the mark of success and the degree of confidence upheld by the investing public. Some participants suggested the institutionalization of a strong task force with the monitoring control over dubious and unscrupulous activities from investigation. Participants also suggested intelligence activities, vigilante, whistleblower, and hotline discoveries. Blount and Markel (2012) however argued the whistleblower provision was described by critiques as intrusive and unnecessary.

An area of emerging concern is the threat of information and identity theft of corporations and their clients. Faceless fraudsters continue to test the vulnerability of company cyber defenses by the acceleration of constant and consistent probing with sophisticated e-tools (McDonald, 2013). In the recognition and evaluation of threats, corporate management must welcome different inclusive policies. Addressing the problem of financial fraud requires the cooperation of all stakeholders at all the internal and external levels of the business environment. The inclusive approach consists of the interaction and cooperation from the smallest unit to the highest concerns of the Foreign Corrupt Practices Act (FCPA) of the United States, the Bribery Act of Britain or United Kingdom, and Transparency International (TI). The TI usually provides an index on fraud for stopping corruption and promoting transparency, accountability and integrity at all levels and across all sectors of society in the world. Corporate managers must also fill the fraudulent gap by the provision and extension of resources to sustain investment in global information and technological security. The global technological information and security sustains the strength of the United Nations and other secular and regional integrations or organizations. From the literature review, I have assessed the role of knowledge management systems (Ramanigopal, 2013), of corporate social responsibility (Zhang & Gowan, 2012), of forensic examination (Okoye & Gbegi, 2013), of management's professional integrity (Dickins & Reisch, 2012), and of the role of auditors in corporate governance (Dobroteanu et al., 2011).

Applications to Professional Practice

The findings from this study address the problem of financial fraud by focusing on effective management monitoring and control activities, as well as the efficient application of financial software programs. Every company is vulnerable to management misdeeds because management controls the elements of risk and fraud by means of opportunity, incentives, and corporate culture. The research question of the study was: What financial management strategies do corporate financial managers need to adequately protect investors? The findings of this study indicate the need to increase financial and investment management training. Knowledge and skill must also be extended in the areas of emerging information technology, effective information dissemination to investors, and the ability to substantiate the practicality of management decisions. In as much as other parties including auditing firms would be blamed for financial fraud in corporations, Abugu (2012) attempted to address the constant dissipation of resources as well as management's achievement of corporate objectives. The findings from this study may help define the basic roles of management and employees as the primary line of corporate protection and sustenance. The study is in furtherance of the formulation of FFETF instituted by the President of the United States in November of 2009 to help minimize the widening gap of financial fraud.

I focused this study to enable corporate managers' overcome competitive performance in meeting contemporary challenges and setting the prospective foundations for the future. In addition to the efficient application of information systems, knowledge management is inevitable to the global competitive performance and sustenance. According to Ramanigopal (2013), management will have to create, develop, and manage their map of knowledge for a competitive edge. The study will have a direct managerial applicability; serve as a body of knowledge for reference and consultancy as well as the potential to contribute toward investors' confidence to increase and diversify their investments, employment provision, buoyant economic activity and stability, and a more positive global business network. Other applications include the training requirements and the effective application and implication of the SOX Act of 2002, as well as Systems Applications Products in Data Processing (SAP). The unique set of skills in these areas including focused workshops and seminars will enable managers develop these modern set of tools to build and sustain organizations to become viable. In the area of mitigating the impact of emerging risks and challenges, participants suggested the broader approach of implementing enterprise resource planning software for data mining and managing data for the impending complexities of the century.

Implications for Social Change

The results of this study could provide information to organizational leaders, financial and investment managers regarding the diversifying nature of financial fraud and other risks as well as the required preparation and attention. The implications for positive social change include the potential to rekindle the interest and awareness of stakeholders in corporate management for sustainable employment. Corporate managers exercise the potential for increased profitability, viability of projects, and maximization of stockholders' value. According to Iuliana (2012), the social and economic environment is in a continuous change, placing management and professionals in front of some concrete situations, full of conflicts and uncertainty, which require decisions for improving innovativeness. The findings from this study could identify new and hidden challenges embedded in the financial management of corporations. The efficient and resolute accomplishment of these activities can enable the business and investing community to address management's obligations and responsibilities. These pragmatic efforts by financial managers and auditors also have the potential to update and upgrade investors' knowledge and expectations for more trusting relationships in corporate governance.

Recommendations for Action

The findings from this study could benefit financial and investment managers confronted with issues of financial risks and fraud in their financing and investment strategies. The study participants provided insights into the difficulties and challenges management encounters in investment decisions and analysis. Corporate managers should be aware of the consequences of amassing wealth by fraudulent means and be willing to adapt to changes for training programs when possible. I recommend statutory and government training due to regulations and the dynamic nature of emerging risks and the knowledge level of fraud perpetuators. Corporate financial managers must provide timely and objective feedback on training programs, investment analysis, and update of investors’ knowledge to minimize the level of mistrust, inconsistency, and uncertainties. I will continue to research and develop ideas and perceptions from participants and experts to facilitate the work and efforts of financial and investment managers. Such future research may also update investors’ knowledge and expectations concerning their investment decisions and analysis based on pragmatic circumstances.

I recommend educators utilize the findings from this study to enhance current curricula for financial management and investment students. When learners are not equipped and focused, credibility and engagement with the training programs may be diminished. I will also provide the participants with a one-to-two page overview of the findings and conclusions, disseminate the full doctoral study to those interested, and publish in ProQuest. Findings and conclusion from this study may prove beneficial to corporate leaders and stakeholders in general by sharing information or by catalyzing their thinking in areas such as financial management strategy, financial and investment analysis, as well as innovation and reporting. The second thematic category had merit in demonstrating investment decisions and the direction of investments based on the critical analysis undertaken by financial and investment analysts. Since stockholdings and long-term capital have diversification potential, it is the prerogative of financial managers to make profitable decisions to direct investments into their viable and potential projects. The findings may elicit interest in training programs, seminars, workshops, webinars, and conferences in the financial and investment environment.

Recommendations for Further Study

Recommendations for future study include the application of the knowledge of this case study and further examining the *quantitative* aspect of direct and indirect effect of investors' investment decisions on corporations and businesses. An imminent opportunity for research is the investment of decision-making scenarios on small- to medium-sized businesses and ultimately global organizations. The foundation of the study is the formulation of Financial Fraud Enforcement Task Force (FFETF) instituted by the President of the United States in November of 2009 to minimize financial fraud. I recommend further research to showcase the outcome of the President's institution of the FFETF. I also recommend research into the effect of the policies of the global financial fraud regulatory organizations such as the FCPA of U.S and the Bribery Act of U.K. (UKBA) on Transparency International's Corruption Perceptions Index (CPI). The PCI measures perceived levels of corruption in the public sector environment from the expectation of business people and analysis pertaining to various countries. I recommend research for examining the level of control of financial fraud to provide opportunity for leaders of international corporations to address business dealings and overtures by the widening and associative markets of Brazil, Russia, India, China (BRIC), and others

Reflections

I encountered many challenges on the journey of my terminal degree. I changed my doctoral problem focus on two occasions after I invested resources. However, I challenged myself to make progress toward my goal of attaining a doctoral degree.

I have worked in the fields of education, central banking, records management, corporation finance taxation, sales and use, as well as other types of taxation, marketing, and governmental sectors mostly in the profession of auditing and accounting. From this background, I attempted to do my doctoral research in the field of auditing but I had to change eventually. After this demanding program, I have gained the insight and experience to undertake research in any other field of interest that will be beneficial to society. I was so determined that I gathered most of the resources of the program by attending both residences as well as a DBA Intensive program in Dallas, TX. I have enjoyed the research under the auspices of the qualitative methodology and the design of a case study however; I will perform future research programs with the other designs as well. I gathered useful experience by my encounter with research participants who became my partners indeed.

I have made great strides and development academically, personally, and professionally while building a newfound mental resilience in academic issues. Above all the DBA program brought me closer to my God spiritually. Throughout the critical challenges, I learned how to adapt and overcome with the assistance of ever ready and ever supporting committee and committee chair who could address my problems 24/7. I must confess that I lost the social aspect of my life and some relations during these challenging moments that I need to win back. I partially neglected my family when the going became toughest, but my family never neglected me. I appreciate the Walden University community, faculty, family, friends, and everyone connected with my successful doctoral journey.

Summary and Study Conclusions

The research question that guided this study was: What financial management strategies do corporate financial managers need to adequately protect investors? The foundation of the study was based on the formulation of Financial Fraud Enforcement Task Force (FFETF) instituted by the President of the United States in November of 2009 to minimize financial fraud nationwide and to serve as pragmatic lessons for other observing nations. The findings from this study could benefit financial and investment managers constantly confronted with issues of financial risks and fraud in developing financing and investing strategies. The study participants provided exceptional and adequate insights into the difficulties and challenges management encounters in investment decisions and analysis. Organizational leaders must be aware of the consequences of amassing wealth through fraudulent channels and be willing to adapt to changes from training programs when possible. Addressing the problem of financial fraud requires the cooperation of all stakeholders at all the internal and external levels of the business environment. The readiness of management teams to anticipate, prevent, detect, control, correct, manage, and attenuate the effect of risks at all levels determines the mark of success as well as the degree of confidence and trust upheld by the investing public. Acquiring and updating the requisite and evolving skills to combat the menacing threat of risks and uncertainties could enable organizational leaders to potentially expand corporate business for employment, enhancement of productivity and growth to maximize social responsibilities, profitability, resources, and wealth in the United States of America and beyond.

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Appendix A: Informed Consent

You are kindly invited to voluntarily participate in a research study of determining measures to explore the financial management strategies that corporate financial managers need to adequately protect investors. You were invited for the study because you are a competent auditing professional within 70 miles of Columbus, Ohio who is exposed to management decisions and quality of financial audit report. This forms part of an “informed consent” process to enable you to appreciate this study before deciding whether to take part. A doctoral candidate at Walden University, Solomon Aborbie, is conducting this study.

Background Information:

The researcher’s study of narrowing the gap of financial fraud detection in corporations will focus on better ways to explore the financial management strategies that corporate financial managers need to adequately protect investors. The qualitative case study is proposed to identify the business and management experiences of individuals about financial fraud and to focus on the ability to help equip corporate managers the needed financial management skills to protect investors. The study will be held within 70 miles of Columbus, Ohio.

Procedures:

If you are willing to participate in this research, please complete as follows:

- Endorse the consent form before taking part in the process and the interview
- Volunteer for a one-on-one interview lasting 45 minutes

- Respond to 11 questions about your experiences for the determination of narrowing the gap of financial fraud detection in corporations.
- Agree to the recording of your responses for accuracy of data retention.
- Assess the transcript of your responses for correctness if you want.
- No aspect of the study is experimental (unproven.)
- Request for synopsis of the study by request if you desire, and
- Print a copy of this consent form for your safe keeping.

Sample interview questions are as follows:

1. In what industry do you work or make your living?
2. What type of financial risk or fraud do you encounter in your corporation?
3. Why do achievements of corporate management goals sometimes result in financial fraud?
4. Based on your experience, how does corporate financial fraud affect investors?

Voluntary Nature of the Study:

Participation in the study is voluntary. Your decision of whether or not you choose to be in the study will be respected. You should not participate in this study if you belong to a vulnerable group. No person or agency will treat you differently if you decide not to be in the study. If you decide to join the study now, you can still change your decision later. You may decline at any time.

Conflict of Interest:

I will not use any control to invite you to take part in this study. I will not recruit any participant who is my subordinate or under my authority as a participant. My role as a researcher is separate from all other roles. The collection of data is completely outside my organization. I have no family, friendship, or working relations with the participants. Participants are professionals with their own ethical background. You can also decline or opt out if you have any conflict of interest. Declining or discontinuing will not negatively impact the participant's relationship with the researcher or the participant's access to services. You should not participate in this study if you belong to a vulnerable group.

Risks and Benefits of Being in the Study:

Being in this research has no bearing on your discomfort and safety. By playing a role in this research, you will help to determine appropriate measures to explore the financial management strategies that corporate financial managers need to adequately protect investors. Your participation in this study does not require the participants to waive any legal rights.

Compensation:

There is no payment for taking part in this doctoral study. There will be no cost attributed to you as well.

Privacy:

Any information you provide will be kept confidential and only the researcher will have access to the recorded interview and the information gathered there in. I will not use your record for purposes outside of this study. I will lock and secure the data in my home office for a period of 5 years. In addition, I will not include your name or anything else that could identify you in any reports of the study. The purpose of this study is to explore the financial management strategies that corporate financial managers need to adequately protect investors, and not to disclose illegal activities. However, if you disclose illegal activities, I have an obligation to report that to the proper authorities.

Contacts and Questions:

You may ask any question you have now. Or if you have questions later, you may contact me [redacted]. Walden University's approval number for this study is IRB # 11-18-14-0270522 and it expires on 11-18-2015.

The researcher will give you a copy of this form to keep.

Statement of Consent:

I have read the above information and I feel I understand the study well enough to make a decision about my involvement. By signing below I am agreeing to the terms described above.

Printed Name of Participant ___________________________

Participant's Written or Electronic* Signature _____________________________

Researcher's Written or Electronic* Signature _____________________________

Electronic signatures are regulated by the Uniform Electronic Transactions Act. Legally, an "electronic signature" can be the person's typed name, their email address, or any other identifying marker. An electronic signature is just as valid as a written signature as long as both parties have agreed to conduct the transaction electronically.

Participants can keep a copy of the consent form after endorsement.

Appendix B: Invitation Letter

Letter to Interviewing Participants

Dear (Participant):

As __ (current position) ________ of (name of organization), you have made immeasurable contributions to maintaining corporate management and auditing integrity in the United States. Your important story may be unknown about your experiences and the lessons you have learned as you have inspired other managers and professionals to pursue senior leadership roles and become successful in their chosen endeavors.

I am Solomon Aborbie and currently a doctoral candidate at Walden University. The purpose of my dissertation research is two-fold; to describe the significant events and lived experiences that surround the lives of corporate managers and auditing practitioners within 70 miles of Columbus, Ohio and to project these significant events and lived experiences to help define or determine appropriate measures to minimize financial fraud in corporations. This letter is to request your voluntary participation in my dissertation research. As stated in the consent form, you have been invited to participate in this study because your experiences could contribute to determining appropriate measures to narrow the gap of financial fraud detection in corporations in the United States and beyond. After reading the consent form, if you agree to participate in the study, please sign the consent form and email it to [redacted] within five (5) days of receipt. Only then, may you start to respond to the eleven screening questions in approximately 45 minutes and to email the typed responses to [redacted]. The Sample Interview Guide with open-ended questions about career paths and professional barriers will serve as a tentative outline for you to follow in collecting information that only you can provide based on your experiences, insights, and observations. I understand that your time is extremely valuable, and will also protect and safeguard your identity through the use of pseudonyms. Should you decide to take part in the study, your participation would constitute a valuable contribution to the enhancement and development of corporate management in the United States. The plan is to conduct the interviews at a time, date, and place suitable for you, and I will work with you if changes need to be made. Please email me at your earliest convenience when (date, day, and time) I can contact you to further arrange the interview. After transcribing the interview, a copy of the transcribed data will be sent to you for your review and feedback. If you find the transcripts do not reflect accurately on what you perceive, I will work with you to resolve those inaccuracies. You can email me at [redacted], or call me at [redacted]. If you want to talk privately about your rights as a participant, you can call Dr. Leilani Endicott, Director, Research Center, and Walden University at [redacted]

Sincerely,

Solomon Aborbie

DBA Candidate-Higher Education

Walden University

[redacted]

Appendix C: Interview Questions

1. In what industry do you work or make your living?
2. What types of financial risk or fraud are reported by your corporation?
3. Why do achievements of corporate management goals sometimes result in financial fraud?
4. Based on your experience, how does corporate financial fraud affect investors?
5. In your interaction with corporate financial managers, what types of financial management training opportunities are available for them?
6. What is your perception about the establishment of a mandated corporate financial management board-training requirement for corporate financial managers?
7. What types of financial management training opportunities have you found as most effective for corporate financial managers?
8. What types of information should corporate management present to demonstrate efficiency of their investment programs?
9. Which information technology applications do you suggest for corporate financial managers to help minimize financial fraud?
10. When external auditing firms recommend changes for appropriate control measures to be established in corporations, who should be held responsible for overseeing that those controls are adequately implemented and monitored? Why?

11. What comments or suggestions do you have in connection with the exploration of potential skills for corporate financial managers to reduce financial fraud in corporations?