**AC313 Chapter 9 Glossary**

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| **analytical procedures** | Methods such as tests that often involve making comparisons and using ratios to determine whether account balances, line items in financial statements, and other financial information appear reasonable. |
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| **Bates numbers** | Unique identifying numbers, letters, or both assigned to documents so that the documents can be easily located and tracked. |
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| **curtilage** | Area that a person inhabits in which the person can reasonably expect privacy. |
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| **deposition** | Sworn testimony taken before a trial begins that is a record of answers given to questions asked by opposing attorneys. |
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| **document examiners** | Fraud investigators who examine documents to determine whether they have been altered and the validity of claims made about them; often use an exemplar to determine authorship of a handwriting sample in their examination. |
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| **exemplar** | Sample of a known person's handwriting. |
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| **financial statement fraud** | Intentional misstatement of financial statements so that they do not present fairly the financial position, results of operations, and cash flows of an entity. |
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| **horizontal analysis** | Comparison of line items (or accounts) across time periods; for example, comparing the amount of the current year balance of sales to the amount of sales for each of the five previous years. |
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| **invigilation** | Investigation technique that notifies suspects that they (and others) will be watched for a period of time; thus, three periods of activity are generated for comparison: the period prior to the notice, the period in which the activity of notice occurs, and the period that begins after the persons are told they are not being watched. |
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| **link analysis** | Method used to establish a connection between information in databases and files. |
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| **net worth method** | Indirect method used to determine unsubstantiated increase in wealth that could be from fraudulent activities. |
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| **search warrant for financial records** | Authorization of law enforcement personnel to search for books and records believed to be involved in a financial fraud. |
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| **skimming** | Taking cash receipts before they are deposited or reflected in any way in the financial records. |
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| **statistical sampling** | Applying statistical theory to select, interpret, and project results from a subset of a population to the entire population so that a decision about the population can be made. |
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| **subpoena** | Written order issued by a court to compel a person to give a deposition, testify in court, or submit documents or records. |
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| **surprise count** | Process of making an unexpected count of inventory or other assets; used to document unexplained differences between the physical assets and the accounting records. |
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| **surveillance** | Observation—both visual and auditory—usually done to obtain evidence for which no documentary trail is available. |
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| **tracing** | Act of comparing information in the accounting records (e.g., ledgers and journals) to information in the financial statements or reports. |
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| **Vertical analysis** | Comparison of accounts within a financial statement to a base account by restating each account in terms of the base account (e.g., if sales is used as the base account, it is assigned a value of 100 and all other accounts are stated relative to that account). |
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| **vouching** | Comparing information in the financial statements or reports to information contained in the accounting records (e.g., ledgers and journals). |