



DOI: [10.71317/jgst.2.8\(s\).2026.430](https://doi.org/10.71317/jgst.2.8(s).2026.430)

Journal of Global Social Transformation

Journal homepage: <https://rjsaonline.org/index.php/JGST>



The Admissibility and Weight of Forensic Accounting Reports as Expert Evidence in Corporate Fraud Trials

Muhammad Zarak Khan¹

¹ Email: Kzarak323@gmail.com

ARTICLE INFO

Submission:

July 08, 2026

Revised:

July 24, 2026

Accepted:

August 06, 2026

Available Online:

August 21, 2026

Keywords:

Peace Education, Secondary School Curriculum, Teacher Perceptions, Conflict Resolution, Human Rights Education, Curriculum Integration, Balochistan

Corresponding author:

Muhammad Zarak Khan

Email:

Kzarak323@gmail.com

ABSTRACT

Corporate fraud is an issue now it has gotten a lot worse and is very complicated. This is because companies have structures they conduct business online, and they employ some clever accounting tricks. White-collar criminals who go to court do not need the usual audit report to prove their guilt, or liability, of their crimes. So the legal system needs to have a blend of accounting – accounting and auditing skills and knowledge and the knowledge of the law, for investigating. This helps to work out financial things and locate the cash that is illegal. The relationship between Law and Financial Forensics is examined in this research paper. It talks about two ideas: admissibility, which is the standard that a report has to meet to be used in court and weight which is how much a report is worth as evidence. The paper examines 'rules' and 'evidence' in the courts' decisions in the United States, United Kingdom, China and Pakistan as other countries do. It is clear that in order to be admitted into court, a report must comply with certain rules, but the weight to be given to the expert's conclusions depends much on the clarity of the expert's methods, the absence or presence of bias, and the ability of the expert to elucidate intricate financial information in a way that is comprehensible to the court. This paper discusses the nature of fraud and financial forensics, and their relationship with the law. It will reviews the rules applied to determine whether a report is sufficient to be relied on as evidence, as well as fraud and financial forensics as applied to investigate and prosecute crime.

Introduction

Background of study

Corporate fraud has undergone significant change in today's global economy". It's more complicated, structured and technologically advanced. Completely new methods exist for financial abuse; methods that go beyond the simple theft or fraudulent alteration of accounting records, they depend on subliminal schemes such as the alteration of accounting records, the use of cross-border transactions, the creation of shell companies and the hiding online of assets. These new methods make traditional auditing methods not enough to find and prove fraud. [1][2]

To cope with this, forensic accounting is considered a specialty.

Applies accounting, auditing, investigation techniques and legal knowledge. It is meant to reconstruct financial transactions, monitor illegal money transfers and act as evidence which can be presented in court. Engaging these forensic reports in court raises an important issue around courts and the use of expert financial evidence – how can judges consider and rely on expert financial evidence?

The two primary concerns when a courts rely on forensic accounting reports are whether the report is admissible and the weight it can be given.

The weight is considered when evaluating the trustworthiness and influence of a report in legal decisions, and the admissibility is analyzed to determine whether the report has the legal requirements necessary to be used in legal decisions. Financial data can be involved in a case and judges and juries don't always have the background to understand it, prompting the forensic accountant to be seen as an expert financial witness. However, details surrounding the accuracy, fairness and quality of these reports are important factors that courts scrutinize most closely.

In this research, the legislation rules determining whether or not forensic accounting reports can be used and what role they play in corporate fraud filings will be analyzed.

It is a comparison of these rules US, UK and Pakistan. It also explores practical and theoretical issues that arise in cases involving the integration of financial know-how into legal proceedings.

Central Research Question

What are courts looking for in forensic accounting reports for corporate fraud trials and what problems exist in a multi-jurisdictional environment?

This study focuses on court use of forensic accounting reports in corporate fraud trials on the question. The reports are extremely crucial in today's cases where financial offences are being reported as they aid in identifying hidden movement of funds, tracing illegal transfer of funds and deciphering complex financial transactions. Not every expert report is admissible to courts.

Rather, judges rely on legal standards to determine whether a report can be relied upon and become evidence.

This is an admissibility requirement and the set of rules related to it may differ across legal systems. Some of the standards utilized in the United States are the Daubert standard, those in the United Kingdom include the Ikarian Reefer principles and those in Pakistan are Article 59 of the Qanun-e-Shahadat Order, 1984.

After a report is admitted into evidence, the judge will then consider the extent to which it may impact the case. Depending on factors such as the clarity in the methods, independence of the expert, the quality of the data, and the ability of the results to withstand scrutiny.

This question also points to a bigger one; international law varies and there is no international standard of forensics accounting.

This makes it difficult for courts to unravel and treat these reports equally, particularly in cases involving fraud and digital currency, global transactions, high-tech methods of concealing financial activity and the like.

Theoretical Claim (Thesis Statement)

Although forensic accounting has emerged as a crucial, albeit hotly debated, aspect of today's corporate fraud cases, its reliability as legal evidence is not always guaranteed, the researchers found.

This is because there are not equal rules governing when such evidence can be presented, there has been various methods of forensic accounting, and judges will use expert opinion. How convincing a forensic accounting report is will depend more on the independence, openness, reliability of methods, than it will on just correctness in technical work.

Research Questions:

Main Research Question

1. To what extent are forensic accounting reports admissible and persuasive as expert evidence in corporate fraud trials?

Sub-Research Questions

1. What is the role of forensic accounting in investigating corporate fraud?
2. What legal standards govern the admissibility of forensic accounting reports?
3. How do courts assess the evidentiary weight of forensic accounting reports?
4. What are the similarities and differences between the United States, United Kingdom, and Pakistan regarding forensic accounting evidence?

Research Objectives

General Objective

1. To examine the admissibility and evidentiary weight of forensic accounting reports in corporate fraud trials.

Specific Objectives

1. To explore the concept and role of forensic accounting.
2. To carefully studies legal standards controlling expert evidence.
3. To figure out the worth, amount, or quality of) factors influencing law related reliance on careful, crime-solving, science-based) accounting reports.
4. To make a comparison of the legal system of USA, UK and Pakistan.
5. To recognize today's issues in fraud cases.
6. To make realistic recommendations for enhancing evidence for forensic accounting.

Scope and Limitation of study

Scope of study:

This study will look into the use of forensic accounting reports as expert evidence in corporate fraud cases. The aim of this study is to grasp the approaches taken by legal systems in the handling of these reports, particularly in relation to their use in court proceedings, how evidence strength attaches to them and how they inform court decisions.

The study will be organized into the following areas:

- To understand what forensic accounting is and how to apply it for the investigation of corporate fraud.
- The applicable laws affecting acceptance of expert evidence, including forensic accounting evidence, in various jurisdictions, including the United States, United Kingdom, and Pakistan.
- How judges view the value and reliability of forensic accounting reports in fraud investigations.
- Comprehending courts around the globe's assessment of the credibility and utility of forensic accounting reports.
- Modern challenges involving forensic accounting, such as internet-based fraud, and use of the block chain in investigations.

Limitation of the study:

While this research provides a comprehensive view of the forensic accounting reports that are included in corporate fraud cases, a few considerations need to be mentioned:

Using Secondary Information. The study primarily relies on the content of books, legal documents and published cases.

No direct interviews with judges, forensic accountants or investigators.

Focus on Specific Legal Systems

The research primarily focuses on the three nations – United States, United Kingdom, and Pakistan.

There is little coverage of other legal systems or variances in regions.

Changing Laws and Technology

Forensic accounting and financial crimes, such as cryptocurrency and block chain fraud, are subject to constantly changing laws.

This may indicate that some of the study's findings may not remain the same after a while.

Not Enough Access to Secret Case Files

A number of fraud situations are confidential, private financial investigations.

These aren't available to the public, so they couldn't be included in detail.

Methodology

The method employed in this study is qualitative doctrinal method, the main method is to observe law and judicial decisions, as well as legal textbooks.

This study's objectives are to gain an insight into corporate fraud case forensic accounting reporting as an expert evidence in different legal systems.

Research Design

This study is descriptive/analytical.

It outlines the legal principles surrounding expert evidence, and carefully reviews the types of considerations which are considered by courts in handing down decisions relating to forensic accounting reports.

Nature of Research

It is a doctrinal legal research that does not require you to go out in the field, talk to people, conduct experiments and so on.

This instead relies on existing written legal resources and opinions of academics.

Approach Used

A comparative legal approach is used to look at and compare the rules about evidence in the following countries:

- United States (Daubert Standard)
- United Kingdom (Ikarian Reefer principles and CPR rules)
- Pakistan (Qanun-e-Shahadat Order, 1984)

- China (Judicial Appraisal System)

Data Collection Method

- Secondary sources were used to gather data such as:
- Laws and Law Codes.
- Please cite previous court decisions and case law.
- Research journals and scholarly articles [3][4][5]
- Forensic accounting books and evidence law books
- Drawing on reports from international organizations such as UNODC, the OECD and FATF.

Analytical Method

Content analysis and comparative legal interpretation was used to analyze the data.

The focus was on:

- How expert evidence can be utilized in court. Expert evidence is used in court with certain rules.
- Imparting legal values to evidence; evidence as ideas.

The reliability and the methods used in forensic accounting reports.

Sources of Research

All the research done is secondary research.

These include:

Primary Sources

These are legitimate lawful documents like:

- Constitutions and laws (e.g., QSO 1984, FRE 702, CPR Part 35)
- Court cases (e.g., Daubert v. Merrell Dow Pharmaceuticals, Frye v. United States, Ikarian Reefer)
- International legal agreements and procedural codes

Secondary Sources

These explain and discuss the primary law, such as:

- The evidence and forensic accounting textbooks will be utilized. The textbooks used for evidence and forensic accounting will be utilized.
- Peer-reviewed journal articles
- Discussion of issues around legal commentaries and case analysis reports
- Academic theses and dissertations

Online and Institutional Sources

Legal research and law databases such as HeinOnline, Google Scholar, WestLaw (when available) [3][6][7]

Reports from:

- Financial Action Task Force (FATF)
- United Nations Office on Drugs and Crime (UNODC)
- OECD publications

Conceptual Framework: Forensic Accounting vs. Statutory Auditing

Meaning of Forensic Accounting

Forensic accounting is a specific area of accounting that mixes auditing, investigation, and legal knowledge to find, look into, and stop financial fraud and wrong doings. [3][8]

It includes monitoring monetary transactions and tracking illegal cash transfers and providing evidence that could be used in court. Forensic accounting is not just about maintaining accuracy, as seen in normal accounting, but also identifying any intentional misdeeds such as fraud, dishonesty, or criminal activity within financial frameworks.

Historical Development of Forensic Accounting

The history of forensic accounting dates back to the early olden ages as soon as individuals began to realize that there was fraud in business and trade.

The field grew more organized in the 1800's and early 1900's when industries were blossoming and companies growing, which brought an increasing amount of financial crime.

Partly because of large-scale examples of financial fraud such as the Enron and WorldCom corporate scandals of the early 2000s, "forensic accounting" is now a commonly used term.

The events highlighted a need to develop improved approaches in tackling issues related to finances. Forensic accounting has grown into a recognized and valid field of expertise, supported by rules, certifications and legal systems across the globe since that time.

Forensic Accounting and Corporate Fraud

Corporate fraud is when people or groups deceive investors or the government or the general public to obtain money. The accounting and the art of discovery of those fraudulent activities is vital and a part of Forensic Accounting. It can uncover aspects such as false records, the removal of business assets, bribery, questionable practices, money laundering, etc.

Forensic Accountants look at financial paperwork, review the records and investigate the potential control of funds to identify financial issues and evidence that can be used in cases.

They assist businesses in preventing, recovering and enhancing their business governance from fraud.

Forensic Accounting vs. Statutory Auditing

- Forensic accounting:
- Forensic accounting encompasses a variety of processes, including leveraging comprehensive investigation data analysis, running interviews, and re-constructing financial events. It is designed to every situation and is supported by good evidence.

Statutory Auditing:

There are standardized methodologies or processes that are followed by statutory auditing, including sampling, verifying information and checking compliance within a period of time.

Feature	Statutory Auditing	Forensic Accounting
1. Primary Objectives	To express an independent opinion on whether financial statement reflect a "true and fair" view of an entity's financial opinion	To investigate specific allegations of fraud, white collar crimes, or asset misappropriation for use in legal proceedings

2.Operational Stance	Professional skepticism grounded in a presumption of management honesty, unless proven otherwise	Investigate adversarial posture assuming potential non-compliance or active concealment
3.Scope and Method	Based on statistical sampling, testing of internal controls, and compliance with framework like IFRS or GAAP.	Comprehensive, exhaustive tracing of transactions, and reconstruction of falsified financial records
4.Legal Status	A statutory compliance requirement; rarely results in direct expert witness testimony unless failure is alleged.	Designed from inception to withstand cross-examination and meet standard judicial rules of evidence

Importance of Forensic Accounting in Litigation

Clear, correct and accepted financial information crucial in lawsuits – forensic accounting is very important. It assists judges, the legal profession and investigators in comprehending complex financial issues.

It can be particularly beneficial when you face a contract dispute, or collisions with business owners, in insurance claims or even in case of bankruptcy or fraud. Forensic accountants determine the extent of loss, recover lost assets and relate these to the circumstances in a language that is easy to understand by the legal community. The justice system is fairer with their skills, as money issues are clear and honest.

- How forensic accountant works?

Forensic accountants do a lot of work to find out what really happened. They look at all the information they can find. They compare what people are saying. They also look really closely at all the money transactions. Forensic accountants make reports that're very detailed and these reports are made to show if someone did something on purpose, which is called criminal intent and if someone was hurt financially which is called economic damage. Forensic accountants are trying to figure out if someone has intent and if there was economic damage.

The Judicial Gatekeeper: Statutory & Common Law Standards for Admissibility

So a court needs to figure out if a forensic accounting report is believable. First the report has to be allowed in court. This is called admissibility. The judge is like a guardian who makes sure the court does not get information from people who do not know what they are doing or, from methods that are not scientific. The judge has to do this in different places where courts are held.

The United States Paradigm: From Frye to Daubert [1][9]

The way that expert witnesses are allowed to testify in United States courts has become a standard for forensic accounting all around the world.

It moved from using one strict rule to using a more flexible system that looks at several things. Here's how this legal change unfolded.

The Frye Standard (1923)

The Frye Standard is derived from a 1923 federal Court case named Frye v. United States. This case involved the introduction in court of this early test model, which was a blood pressure test. [18]

The basic concept of the Frye Standard is that scientific methods which are accepted with general reliability within the scientific community must be given full credit in court.

Judges don't decide if the science is correct—they rely on what the experts in the field agree on.

Some key features of the Frye Standard include:

1. Conservative Approach:

It takes time before new scientific methods are accepted in court.

2. Single Question Test

It asks one main question about whether the method is accepted, rather than looking at all the details of the science.

3. Counting Scientists:

Some people say this method only counts how many experts agree, instead of checking if the science itself is good.

Legacy and Modern Status

Federal Rejection:

The U.S. Supreme Court replaced it in federal courts with the *Daubert* standard in 1993.

State Use:

A minority of U.S. states (such as California, New York, Illinois, Pennsylvania, and Washington) still use *Frye* or a modified version of it for state-level cases

The Daubert Revolution:

The Daubert Revolution refers to a major change in the U.S. legal system after the 1993 Supreme Court case *Daubert v. Merrell Dow Pharmaceuticals, Inc.* This decision ended the old *Frye* standard, which had been used for 70 years, and changed how courts look at scientific, technical, and specialized expert testimony. [3][4][6]

There has been a shift: judges are now doing more than just determining the reliability and relevance of expert testimony.

They cannot simply accept what's accepted by the scientific community. Rather they must look at how they arrive at the conclusions, as well as the conclusions.

Three of the most important Supreme Court cases bolstered this change, namely *Daubert* (1993), *General Electric Co. v. Joiner* (1997), and *Kumho Tire Co. v. Carmichael* (1999).

These cases had a great deal to do with the development of new rules.

Daubert (1993) set up:

Judges' role in quality controlling scientific evidence.

It also put in place a multi-factorial test to assess the credibility of evidence.

Joiner (1997) said that when:

The appellate court has to respect a trial judge's rulings on expert evidence, unless there is some clear error.

Judges can also exclude evidence if there is a "significant difference" between the data and the expert's theory.

"gatekeeper" is not solely a hard science rule; *Kumho Tire* 1999 was a case in which engineering/economics evidence was subject to the gatekeeper rule. [6][7]

This effected law suits significantly.

There was more jockeying for position in the pre-trial challenges over the experts, with both sides attacking one another. Attorneys on both sides saw increased attorney fees due to having to invest more funds in establishing the legs of their case, that their method was valid. It also helped to make the presentation of weak and yet to be proven evidence difficult in the court.

The United Kingdom Common Law Approach

The British Common Law Approach can be seen in the third option. The third option occurs in the British Common Law Approach.

There is a very well codified framework of dealing with financial and forensic accounting evidence in the United Kingdom, based on common law. The UK as a whole is missing a single, codified federal evidence statute, like what some civil law jurisdictions possess, and the rules have developed both historically through judicial precedents (case law) and more recently through procedural rules.

- The Core Criteria for Admissibility: The Turnbull and Bonython Guidance

That a financial report can be utilized in a trial depends on the judge's application of common law requirements for expert testimony prior to entering a finding of admissibility. This is the foundational case in the Australian jurisdiction from *King v Bonython* (1984) which was incorporated into the UK common law.

Within the scope of this approach, the court is asked two major questions:

Does the subject matter involve a requirement for expert knowledge, assistance or opinion by a judge or a jury? It is a question that is related to the way the objects are communicated; that is, does it transcend human experience and human knowledge?

Is the witness qualified, skilled or trained to help the court? [10][11]

This may not be satisfied by a standard accountant, particularly in an instance of highly complex asset tracing, shadow banking or labyrinthine offshore corporate networks, in corporate fraud trials. The Expert shall have special expertise/expertise in Forensics.

- The Overriding Duty: The *Ikarian Reefer* Precedent [19]

In the United Kingdom, the major characteristic of the common law approach to expert evidence is that there must be complete independence.

There was a problem in the past that would come between the experts and others known as the "hired gun syndrome" in which the hired experts made their reports to appeal to the form of payment.

That was remedied in an important case in which Mr. Justice Cresswell set out clear rules, in the case of *National Justice Compania Naviera SA v. Prudential Assurance Co Ltd* ("*The Ikarian Reefer*") [1993].

These rules are now included in the Civil Procedure Rules (CPR) Part 35 and Criminal Procedure Rules (CrimPR) Part 19: [19][20]

There is an 'Overriding duty' exercisable by an expert witness.

This duty is one above and beyond any they may have to another person or group that hired or paid for their services.

To be precise, these are some of the most important rules on *The Ikarian Reefer*:

Independent Evidence – The evidence given by the expert is free from bias and objective.

It should not be constrained by the stresses of the 'Case'.

Signing of a statement of truth: The forensic accountant is required to sign a statement of truth to a court confirming their duty to the court and compliance of that duty.

Problems with financial records or alternative conclusions a forensic accountant reaches about how he or she concludes a ledger entry relates to the case should always be identified in the report, if they cause injury to the client's reputation on his or her retainer.

They do not get to select only the information that will suit their client.

A judge may prohibit the entire report and/or impose more costs on the party that hired the forensic attorney if he or she "de facto served as a lawyer for his or her client" instead of acting independently of the court.

- Criminal vs. Civil Procedural Distinctiveness

In addition to the common-law principles, different rules of law would apply to the corporate fraud, depending on whether the case is being proceeded (or not) under the civil asset recovery or the criminal prosecution provisions:

- Civil Actions (Asset Tracing, Director Liability)

[3][4][6]

These are guided by CPR Part 35.

Typically the courts will prefer to have one expert in the person of what is called a 'Single Joint Expert' (SJE). usually, the judge will request both the person filing the action and the person who is being sued to agree on one independent forensic accountant and save time and costs. There is one expert with a single report to the court, unlike many experts who have different reports.

- Criminal Prosecutions (Serious Fraud Office - SFO cases)

These follow CrimPR Part 19.

This is because it deals with the freedom of people and the case can be presented by a forensic expert for the prosecution as well as the defense. However, due to lack of time, the parties may need the parties to attend a Pre-Trial Discussion of Experts; this will need to take place if the court deems it necessary. During this process, both experts meet without their lawyers to examine the financial information, share their workings and draft a joint statement where they agree and disagree.

The Chinese Approach to Accounting & Forensic Evidence

The Statutory Foundation and Core Terminology

The Chinese traditional attitude towards accounting and forensic evidence. [21][22]

Statutory Foundation and Core Terminology.

What Common Law has termed "forensic accounting report" is called a "Judicial Appraisal Opinion" in Chinese courts.

This system adopts the provisions of the PRC Civil Procedure Law and the Criminal Procedure Law as well as directly managed by the Ministry of Justice in the Decisions on the Management of Forensic Appraisal Problems.

The Court-Appointed Model Over Party-Driven Evidence [23]

The important thing about the Chinese system is that who ever is in a case doesn't control the process; the court does.

Expert witness: In China, the "expert witness" is not a person, but a state certified appraisal organization or lab.

A court order is issued to a licensed company that is listed on the government roster of licensed companies.

Administrative Neutrality:

The process of evaluation carried out by these institutions is subject to close surveillance by government authorities, and are officially recognized as part of the legal process and not a service provided by one party's legal representatives.

Admissibility Rules in Chinese Courts

There are definite rules that must be followed in Chinese courts for financial evidence to be introduced:

Pre-Trial Screening of Materials: The judge calls both sides together to examine the authenticity of financial documents before it is submitted to the appraisal company.

No ledger or bank statement can be used in the report unless it passes this check. [3][9][12]

Exclusion of Independent Private Reports: If a company hires a private accounting firm on its own to create a forensic audit report, Chinese courts do not consider it as expert evidence.

It is treated as regular "documentary evidence" and has much less legal weight.

How Chinese Courts Evaluate Evidentiary Weight

Presumption of Absolute Accuracy: Appraisal conducted by a court-appointed and government licensed institution, is viewed with great trust by Chinese judges.

The Role of Expert Assistants (Expert Advisors): If a party wishes to question a government sponsored financial appraisal an Expert Assistant (Expert Advisor) can be hired instead.

This advisor can't prepare their own report but can sit in court and help the lawyers spot any mathematical or methodological mistakes in the official report.

The Pakistani Legal Landscape: The Qanun-e-Shahadat Order, 1984

In Pakistan expert opinions are allowed in court only if they follow rules. These rules are written in the Qanun-e-Shahadat Order, 1984 (QSO) under Article 59. [24]

This article says that when the court needs to understand a point of law, science, art or to identify handwriting or finger impressions the opinions of people who are experts in that specific area are important.

The QSO Article 59 does not mention the word "accounting".

Because of this lawyers had trouble getting financial experts to testify in court under this rule. Recent court decisions have started to consider complex financial tracking, forensic auditing and anti-money laundering (AML) tracking as specialized areas of "science or art".

This change has made it easier for financial experts to be heard in court.

The courts now see these areas as needing expert opinions.

So financial experts like those in AML tracking are now more likely to be allowed to testify.

The QSO still guides the use of opinions in court.

Article 59 of the QSO remains key, to understanding what expert opinions are allowed.

There are a few laws being enacted by the government such as the National Accountability Ordinance (NAO) 1999, the Anti-Money Laundering Act (AMLA) 2010 etc. Such laws have caused forensic accounting to have huge significance for government use when prosecution a person. [25][26]

Special reports such as a forensic audit report are used for investigations conducted by Federal Investigation Agency (FIA) or the National Accountability Bureau (NAB) when it comes to fraud or some individuals hiding their funds. This report is similar to maps do which detail the origin and the concealment of money. The forensic audit report is crucial as it enables Federal Investigation Agency (FIA) and the National Accountability Bureau (NAB) to discover the facts. Forensic accounting is one aspect of this and plays a role in allowing the government to understand the forensic audit report, and subsequently use it to demonstrate that a party has done the wrong thing.

Evaluating the Judicial Weight of Forensic Accounting Reports

Clearing the admissibility hurdle does not mean that a case has been won. After the report is tendered as evidence it is read carefully by the judge, jury and/or decision makers to assess the significance of the report for the case. The weight accorded the report, unlike admissibility, is not a binary proposition (e.g., admit/exclude report), but is rather a matter of degree that is dependent upon the degree of trust the court is able to place in the report. A court can accept an expert report in full yet pay limited or no weight in the report if it is poorly reasoned, contains conflicting conclusions, is based on little or no reliable evidence or lacks explanation. So, the admissibility of such a forensic accounting report is nothing but its persuasive value, credibility and reliability.

Methodological Transparency and the Reconstructive Chain

The significance of the weight you can assign to a report greatly depends on the clear reconstruction of the data. [13][14][27]

- A forensic accountant may find patterns by automated data mining or special software and must record each one of the steps followed.
- However, if the defense team is able to follow through with evidence from the bank records, unverified digital copies or assumptions without proof regarding financial intentions, then the value of the entirety of the forensic accountant's report is greatly diminished.
- The expert must present a history of all digital and physical financial information that he/she relies on for her analysis.

Navigating the Independence and Cognitive Bias Challenge

The judicial weight of evidence is really at risk because of the way people think about bias. Forensic accountants usually get. Paid by one side in a dispute like the company that got hurt or the state prosecution. This can cause a lot of problems with bias. In how they think and in the context of the situation. Financial evidence is affected by this. So is the work of forensic accountants. The perception of bias is an issue for financial evidence and forensic accountants. [28][29]

- The way forensic accountants get paid can affect their work on evidence.
- The fact that one side hires them can cause bias in evidence. [13][14]
- This bias can be a problem, for the judicial weight of financial evidence and the work of forensic accountants.

Target Bias:

- The tendency to only look for proof that supports a plan.
- This happens when people ignore normal business reasons, for a strange transaction.
- They focus on finding evidence that confirms their idea of a scam.
- While ignoring commercial explanations.

Adversarial Bias:

- Subconsciously I tend to write the report in a way that favors the lawyer who hired me. [13][15]

- The tone and conclusions of the report might lean towards their story.
- If the other lawyer questions me and finds out that I left out some information or only looked at certain times to make it seem like there was fraud the judge will not trust my report.
- The judge might even ignore my report. Not take it seriously if I did not do a thorough job.
- The report's findings could be dismissed entirely if it seems I was not honest.

The "Expectation Gap" in the Courtroom

The "Expectation Gap" is considered in number 4.3. Number 4.3 deals with the "Expectation Gap" in the Courtroom.

One of the major issues in corporate fraud is the issue of lawyers vs. accountants. Analysts should tailor each accounting report to serve the purpose the lawyer needs for it, and this may not always be what accounting can deliver. In court lawyers have to prove things in a way that is similar to demonstrating that someone is definitely guilty and that they are responsible for something in light of the evidence.

Accounting isn't like that it is about getting numbers to tally and making prediction.

But an accountant, a specially trained type of accountant, can't determine that people meant to do bad—that is a matter for the judge or the jury. This accountant has the capability to demonstrate designs, such as a person in charge who simply kept redrawing the regulations or established a hidden account just before the business collapsed. This aids the court in determining the cause of the accident. In the corporate fraud case, if the person who committed an act intentionally was a company's top man - the defendant - and the court could refer to the forensic report and apply it to come to a decision regarding the defendant, who did that willfully.

Comparative Jurisdictional Analysis

To show how the rules of evidence and the importance of evidence work in countries the table below points out the differences, in how things are done in the United States, the United Kingdom, Pakistan and China.

Jurisdiction	Primary Governing Statute	Gatekeeper rule for admissibility	Key factors affecting weight
UNITED STATES	Federal rule of evidence 702; Daubert standard	Strict judicial gatekeeping based on scientific testing, peer review, and known error rates.	Practical consistency of methodology clarity of data visualizations, and resilience under cross-examination
UNITED KINGDOM	CPR Part 35; CrimPR Part 19; The Ikarian Reefer precedent	Strict focus on the experts documented independence and overriding duty to the court over the client	Demonstrable neutrality, clarity of technical language, and alignment with recognized accounting standards
PAKISTAN	Article 59 of Qanoon-e-Shahadat Ordinance, 1984	The expert must qualify as "specially skilled" within recognized area of science, art, or specialized knowledge	Corroboration by primary bank statements, explicit paper trails, and compliance with local statutory procedures
CHINA	PRC CIVIL/CRIMINAL Procedure laws, MOJ Judicial Appraisal Rules	Administrative gate keeping based on official institutional licensing and registration with the ministry of justice	Presence of official institutional stamp(chop), procedural adherence to state protocols, and technical alignment with national

			appraisal standards
--	--	--	---------------------

[13][14]

Deep-Dive Jurisdictional Comparison

- Pakistan: The Person-Centric, Statutory Model

Pakistan's approach to expert financial evidence is strictly based on Article 59 of the Qanun-e-Shahadat Order, 1984 (QSO).

The Individual Threshold: Unlike the Western or Chinese models that focus on peer-reviewed accounting science or corporate structures, Pakistani courts place strong emphasis on the individual.

The witness must personally convince the judge that they have special skills in the relevant financial or investigative area.

The Weight Conundrum: In cases involving corporate fraud or white-collar crimes handled by agencies like the Federal Investigation Agency (FIA) or National Accountability Bureau (NAB), a forensic report is not usually accepted at face value.

Because of high levels of distrust within the system, Pakistani judges rely heavily on direct evidence. If a forensic report describes an asset-layering scheme, the court will require to see the original, certified bank records and actual transaction receipts along with the report.

China: The Institutional, Administrative Model

The People's Republic of China avoids the party-led "battle of the experts" by treating forensic accounting as a government administrative task.

- **Judicial Appraisal (Judicial Appraisal Opinion):**

According to the PRC Civil and Criminal Procedure Laws, a forensic accounting report is officially referred to as a Judicial Appraisal Opinion. [16][17]

If a court needs a company's financial records checked to find out if money was stolen, the judge picks a state-approved Judicial Appraisal Institution from a government list.

- **Administrative Weight:**

The report is very accurate in a Chinese court, as it has the company seal which is from a government approved institution.

The New Evidence Rules can allow the defense to call an Expert Assistant to come out onto the court and question the report's math, but an out-of-government report will be accepted as ordinary evidence and not deemed much more important.

5.3 United Kingdom: The Common Law Model Focused on Independence

Great attention is paid to ensuring there is no bias when the accountant is paid by one party in a lawsuit in the UK.

- The Main Responsibility:

This has been established in a large case, *The Ikarian Reefer* [1993] and included in CPR Part 35.

The number one priority of the forensic accountant is to the court, before his client. They are required to identify any issues with their clients' finances.

- Single Joint Experts (SJE):

Judges in the UK will preemptive of expense in corporate fraud cases often request the parties to appoint a single forensic accountant.

During the process of the prosecution of a criminal fraud "by the Serious Fraud Office" (SFO), representatives of the prosecution and the defence have to hold a secret meeting before the criminal trial. They go over each other's score sheets, verify scores and exchange a short list of what they agree on, and what they don't, to save the court time.

United States: The Methodological, Jury-Centric Model

An effective, well-watched system of checking technical expertise exists in the US legal system, one of its strongest and most problematic.

This is supposed to prevent juries from being misled or deceived by unreliable or bogus science.

The Daubert Standard:

The important case of *Daubert v. Merrell Dow Pharmaceuticals* (1993) imposes a rigorous standard for the trial judge to decide whether expert testimony may be admitted.

In the case of a forensic accounting report, the judge will look at the accounting process applied. They pose questions such as: Has the data-mining algorithm been checked by other experts? What is the rate of error assuming the software performs asset-reconstruction? Do most accountants accept the method used?

Weight by Fire:

After the report is allowed, it's up to the jury to decide how much weight to give it.

Juries consist of ordinary citizens and the ability of the expert to make his presentation clear and convincing is of paramount importance. To effectively meet the challenges of vigorous questioning from the opposing attorney, an American forensic accountant must be capable of articulating in court and clearly presenting data.

Challenges and Contemporary Deficiencies in Fraud Litigation

While the intersection of law and forensic accounting may prove to be a fertile one in the areas where they overlap, there are numerous practical and practical system issues that present real challenges in successfully prosecuting frauds.

The Technical Capacity Gap in the Judiciary

In white-collar crime cases, one big issue is the judges and lawyers lack understanding of the complexities of dealing with financial matters. Many of them did not attend school and learn about accounting, corporate taxes, data analysis.

You may not understand a report ranging from 500 pages where they're detailing all the different nuances in money moving around and accounting transposition.

This can indirectly make them look very much towards the expertise of the expert rather than examining their techniques.

- It makes it difficult to determine the actual quality of the evidence.
- Technical capacity gap is a concern in this case.
- It is important for judges and lawyers to become familiar with the reports and make their decision based on them.
- They are not obliged to believe what he says he is, they must check into his methodology
- This way they can accurately assess the evidence.

The Rise of Decentralized Finance (DeFi) and Blockchain Analytics

Not only cryptocurrencies, smart contracts and other decentralized financial platforms have gained huge popularity, but they also gained enormous money. The thing here is that these crypto currencies, smart contracts and others decentralized monetary platforms are quite popular and quick. It has occurred so rapidly that traditional rules and managings for accounting and the collection of evidence have not caught up. In the case of assets on private blockchains, we need to employ totally novel tools to investigate and learn about that which are not necessarily aligned with accounting concepts.

Courts have a time figuring out if they should allow the use of special block chain analytics software as evidence because the companies that make this software often keep the details of how it works and any mistakes it might make secret which creates a lot of new problems for the legal system and, for cryptocurrencies and smart contracts and decentralized financial platforms.

The Absence of Global Forensic Standardization

Forensic accounting is different from accounting. Traditional accounting uses standardized frameworks like the International Financial Reporting Standards. Forensic accounting does not have a methodology that everyone follows. [30][31]

The techniques that forensic accountants use can be very different. This is because the techniques depend on the investigators background and professional credentials. The techniques also depend on the practices where the investigator is from.

This means that forensic reports can be easily challenged. During cross-examination the other side can bring in an expert who uses a methodology. This expert can look at the data and come up with a different conclusion. Forensic accounting reports are vulnerable, to these challenges because there is no way of doing things. Forensic accounting lacks a methodology that everyone agrees on.

Strategic Recommendations for Legal Practitioners and Forensic Experts

To have the chance that a forensic accounting report is accepted and considered very important in a corporate fraud trial the people working on the case and the financial experts should do the following things:

- They should work together to make sure the forensic accounting report is done really well.

- The forensic accounting report is what the whole case is going to be based on.
- So the people working on the case and the financial experts should make sure they follow some rules to make the forensic accounting report strong.
- This will help the forensic accounting report to be accepted by the court.
- The forensic accounting report will be very important in the corporate fraud trial.
- The people working on the case and the financial experts should remember that the main goal is to make the forensic accounting report perfect. [13][14]
- This will help the court to trust the accounting report and consider it very important.
- The forensic accounting report is the key, to winning the corporate fraud trial.

So the people working on the case and the financial experts should do everything they can to make the forensic accounting report the best it can be.

When we start an investigation the legal team should work with accountants from the very beginning. This is important because it makes sure that we collect information in the right way following the rules for handling evidence. We need to do this so that our evidence's valid from the start.

Forensic accountants should write their reports in a way that's easy for everyone to understand. They should avoid using accounting terms that might confuse people. The report should be written in language and also includes things such as charts and diagrams to help explain the financial information. This way judges can easily understands the data.

Strict rules on what evidence shall be/will be accepted in court in some countries such as Pakistan. That means the report should be formatted so as to clearly adhere to these rules. The lawyers must demonstrate that the forensic accountant is an expert and that they have applied the laws of fraud in arriving at their conclusions. That is, linking the financial data with those portions of the law which define "fraud.

The report can be submitted to someone else with expertise outside of the courts for consideration. The review should be conducted separately from the writer and the reader should not know the name of the writer of the report. It makes it easier for us to detect any inaccuracies or flaws in the report before it goes to trial in court. It's a litmus test to ensure that this report is solid and accurate, and will withstand close inspection. The company's forensic accountants should undertake this review to ensure that the report is good.

Conclusion and Recommendations

Conclusion

This study looked at how acceptable and how much weight forensic accounting reports carry as expert evidence in cases of corporate fraud. It demonstrated the forensic accounting, its value and trending importance in the arena of detection, investigation and prosecution of complex financial crimes. However, the effectiveness of this evidence is not simply dependent on its correct technical application but also upon the application of legal rules which will decide whether it can be used in court, and how it will be judged by judges.

A side by side analysis of Pakistan and the United States legal systems indicates that there are varying perspectives on expert financial evidence for each country. This comparison of the United States, United Kingdom, Pakistan and China legal systems reveal that there are varied views on handling expert financial evidence in each country.

Although there are distinctions, there are some common concepts, such as the requirement to have dependable information, stick to very obvious processes, have the autonomy of the specialist and also possess a proper set of skills as well as knowledge.

With the evolving nature of financial crimes due to the advent of new technology and global relationships, courts, legislators and forensic experts must coordinate their efforts to ensure and foster the continual evolution of high-quality and trusted information produced by forensic accounting.

The close collaboration of legal and financial is effective in making fair judgements in court, in making companies more responsible, and in preventing corporate fraud.

Recommendations for Legal Practitioners:

Forensic accountants play a crucial role in fraud investigations and should be engaged early in the process, particularly by the legal profession. This ensures that financial data is correctly captured, stored, and processed. Early collaboration increases the ability of the forensic accounting reports to be accepted in court and trusted. [19][32]

For all lawyers, it's also beneficial to familiarize yourself with forensic accounting and the procedures used to conduct a financial investigation.

This would assist them to gauge the demeanor of expert witnesses, challenge any equivocal technique and elucidate complex financial evidence in a manner that is plausible and comprehensible.

In addition, legal practitioners need to make sure that forensic reports clearly relate to the legal aspects of the fraud claim.

Reports which detailed the financial findings with the court's legal criteria and requirements are more likely to be regarded as persuasive evidence by the court.

Recommendations for Forensic Experts:

In all cases, the forensic accountant's highest moral, ethical and objective obligations are to be fulfilled regarding independence and objectivity. It can undermine their findings if anyone is not sure they are fair.

Experts should approach and treat clearly and openly and maintain records of their information sources, analysis and assumptions.

When they clearly record the situation, it more easily has credibility.

Additionally, forensic accountants need to compose reports that are easily interpretable.

They need to be able to explain complex financial concepts on charts, tables, and other exhibits to judges and lawyers not necessarily schooled in financial matters.

They should also continue to educate themselves on additional topics such as cryptocurrency, blockchain, artificial intelligence, and digital forensics, to be aware of the latest advancements.

Policy Recommendations:

The Governments and the regulatory authorities should establish strict regulations on the work of forensic accountants and expert reports. Establishment of a set of rules, standardized procedures or protocols will ensure that forensic evidence is consistent, reliable, and accepted in the courts. [33][34]

Additionally, training programmes for judges to increase their awareness of financial crimes, the techniques employed by forensic accounting, and emerging financial crimes incorporating technology, should be introduced.

It could also enable the establishment of special courts for commercial and financial crimes, which would help the courts to deal with complex frauds more effectively.

Forensic accountants who provide the legal community with services, should be certified and maintain their certification with continuing education from professional accounting organizations.

This will ensure that they are competent and keep up high standards in their work.

References and Authorities

1. Hopwood, William S., Jay J. Leiner & George R. Young, *Forensic Accounting and Fraud Examination*, 2nd ed. (McGraw-Hill, 2012).
2. Bologna, G. Jack & Robert J. Lindquist, *Fraud Auditing and Forensic Accounting: New Tools and Techniques*, 2nd ed. (John Wiley & Sons, 1995).
3. Federal Rules of Evidence, Rule 702 (Testimony by Expert Witnesses), 28 U.S.C. App. Fed. R. Evid. (2023).
4. *Daubert v. Merrell Dow Pharmaceuticals, Inc.*, 509 U.S. 579 (1993).
5. *Kumho Tire Co. v. Carmichael*, 526 U.S. 137 (1999).
6. *General Electric Co. v. Joiner*, 522 U.S. 136 (1997).
7. *Frye v. United States*, 293 F. 1013 (D.C. Cir. 1923).
8. United States Supreme Court, *Daubert*, *Joiner* and *Kumho Tire* decisions, principles governing judicial gatekeeping of expert evidence.
9. Rezaee, Zabihollah, 'Forensic Accounting Practices, Education, and Certifications', *Journal of Forensic Accounting*, Vol. 3 (2002), pp. 207-224.
10. DiGabriele, James A., Lester E. Heitger & Richard Riley Jr., 'A Synthesis of Non-Fraud Forensic Accounting Research', *Journal of Forensic Accounting Research*, Vol. 5, No. 1 (2020), pp. 257-277.
11. International Financial Reporting Standards Foundation, IFRS Standards and related financial reporting materials.
12. United Nations Office on Drugs and Crime (UNODC), publications and guidance concerning corruption, financial crime and asset recovery.
13. HM Courts & Tribunals Service / Ministry of Justice (UK), Civil Procedure Rules, Part 35 – Experts and Assessors.
14. HM Courts & Tribunals Service / Ministry of Justice (UK), Practice Direction 35 – Experts and Assessors.
15. *National Justice Compania Naviera SA v. Prudential Assurance Co Ltd (The Ikarian Reefer)* [1993] 2 Lloyd's Rep. 68.
16. HM Government, Criminal Procedure Rules, Part 19 – Expert Evidence.
17. China International Commercial Court, Civil Procedure Law of the People's Republic of China (revised 2017), Chapter VI – Evidence, including Articles 63, 76-78.
18. Supreme People's Procuratorate of China, 'First members unveiled for judicial appraisal expert pool' (2025), noting forensic accounting among judicial appraisal disciplines.
19. Qanun-e-Shahadat Order, 1984 (Pakistan), Article 59 – Opinions of experts.
20. Government of Pakistan, National Accountability Ordinance, 1999.
21. Securities and Exchange Commission of Pakistan, Anti-Money Laundering Act, 2010.
22. Government of Pakistan, Anti-Money Laundering Act, 2010 (Act No. VII of 2010).

23. Tang Wei-jian & Xu Xiao-xiong, 'The Opinions of Civil Judicial Appraisal and Its Evaluation', Chinese Journal of Forensic Medicine / Chinese Journal of Judicial Expertise (2018).
24. Pakistan Code, Qanun-e-Shahadat Order, 1984 and related evidence-law materials.
25. Financial Action Task Force (FATF), publications and guidance on financial crime, money laundering and beneficial ownership.
26. Organisation for Economic Co-operation and Development (OECD), publications on corporate integrity, financial crime and anti-corruption.
27. Rezaee, Zabihollah & related forensic accounting literature concerning forensic evidence gathering, fraud and financial statement manipulation.
28. Relevant literature on cognitive bias and expert evidence, read together with the independence requirements in CPR Part 35 and Practice Direction 35.
29. Justice UK, Practice Direction 35, paras. 2.1–3.3, concerning independence, objectivity, disclosure of material facts, methodology and statement of truth.
30. International Financial Reporting Standards Foundation, IFRS Standards; used in the research for comparison with the absence of a single global forensic-accounting methodology.
31. DiGabriele, James A., Lester E. Heitger & Richard Riley Jr. (2020), discussion of forensic accountants' qualifications, work product, communication skills and emerging technologies.
32. HM Justice / Civil Procedure Rules, Part 35, including the overriding duty of experts to the court and the possibility of a single joint expert.
33. Financial Action Task Force (FATF), guidance on digital finance, virtual assets and financial crime risks.
34. United Nations Office on Drugs and Crime (UNODC), resources concerning financial investigations, corruption and asset recovery.



2026 by the authors; Journal of Global Social Transformation (JGST). This is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC-BY) license (<http://creativecommons.org/licenses/by/4.0/>).