

DEREE COLLEGE SYLLABUS FOR: AF 4244 FORENSIC ACCOUNTING

UK LEVEL: 6
UK CREDITS: 15
US CREDITS: 3/0/3

(Updated Spring 2021)

PREREQUISITES:

AF 2007 Financial Accounting
AF 3131 Intermediate Accounting or
AF 3104 Financial Reporting I

CATALOG DESCRIPTION:

Detecting and correcting fraudulent financial reporting. Use technology in optimally accomplishing forensic accounting objectives.

RATIONALE:

Global research indicates that accounting fraud cases are increasingly appearing resulting in catastrophic business failures, leading to the importance of forensic accounting.

Forensic Accounting identifies areas of financial risk, develops internal control policies and procedures and establishes methods for detecting and investigating financial fraud. Students are also becoming familiar with technological solutions (Computer Assisted Audit Techniques) in fighting fraudulent financial reporting and become acquainted with principles for the role of an auditor in a courtroom. Finally a discussion of notorious fraudulent reporting cases (e.g. WorldCom and HealthSouth) will allow a practical perspective on ethics in financial reporting.

LEARNING OUTCOMES:

As a result of taking this course, the student should be able to:

1. Demonstrate critical understanding of the nature of fraudulent financial reporting and explain the reasons why it appears in profit, non-profit organizations
2. Recognize and assess warning signs from the internal environment of the organization that should alert for manipulations of financial reporting.
3. Select among alternative approaches in fraud investigation and use Computer Assisted Audit Techniques in detecting and investigating fraudulent financial reporting
4. Use judgment on ethical dilemmas involved in the preparation of financial statements.

METHOD OF TEACHING AND LEARNING:

In congruence with the teaching and learning strategy of the college, the following tools are used:

- Class lectures and seminar-style class discussion.
- Use of case studies to ensure knowledge is presented in the most practical way possible.
- Office hours: students are encouraged to make full use of their instructor's office hours.
- Use of blackboard.
- Use of e-book will be promoted as means of advancing the use of Blackboard as an educational resource.

ASSESSMENT:

Summative:

First Assessment: Case Analysis
(1,400-1,600 words, individual project) or

40%

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| | <table><tr><td>ACL data analysis</td><td></td></tr><tr><td>Second Assessment: Two-hour closed-book, in-class examination (problems/essays/scenarios combination)</td><td>60%</td></tr></table> <p>Formative:</p> <table><tr><td>Two quizzes</td><td>0</td></tr></table> <p>The formative quizzes aim to prepare students for the examination and ensure that student effort will be wide-spread throughout the training period.</p> <p>The first assessment tests Learning Outcomes 1, 2, and 4</p> <p>The second assessment tests Learning Outcomes 1, 2, 3, 4, emphasis placed on 3</p> <p>The final grade for this module will be determined by averaging all summative assessment grades, based on the predetermined weights for each assessment. If students pass the comprehensive assessment that tests all Learning Outcomes for this module and the average grade for the module is 40 or higher, students are not required to resit any failed assessments.</p> | ACL data analysis | | Second Assessment: Two-hour closed-book, in-class examination (problems/essays/scenarios combination) | 60% | Two quizzes | 0 |
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| Two quizzes | 0 | | | | | | |
| INDICATIVE READING: | <p>REQUIRED MATERIAL:</p> <p>Singleton, T. W. and Singleton, A. J. (2010). <i>Fraud Auditing and Forensic Accounting</i>. John Wiley & Sons, Inc., 4th edition.</p> <p>RECOMMENDED READING:</p> <ul style="list-style-type: none">• ACFE (2013). How to Detect and Prevent Financial Statement Fraud. <i>Association of Certified Fraud Examiners</i>• Daniel, B., Janes, T. and Samuel L. T. (2014). The Role that Fraud has on Bankruptcy and Bankruptcy Emergence. <i>Journal of Forensic & Investigative Accounting (JFIA)</i>, vol 6.• Lynn H. Clements, T. Shawver, J. (2015). The Effects of Emotions on the Moral Judgments and Intentions of Accountants. <i>Journal of Forensic & Investigative Accounting (JFIA)</i>, vol 7.• Silverstone, H. and Sheetz, M. (2007). <i>Forensic Accounting and Fraud Investigation for Non-Experts</i>. John Wiley & Sons Inc., 2nd ed. | | | | | | |
| INDICATIVE MATERIAL: (e.g. audiovisual, digital material, etc.) | N/A | | | | | | |
| COMMUNICATION REQUIREMENTS: | Participation in class discussions and written work should be delivered in a professional manner, using appropriate terminology. | | | | | | |
| SOFTWARE REQUIREMENTS: | ACL (Audit Command Language): students will become familiar with ACL software use and special routines for detection of fraudulent financial reporting (red flags) | | | | | | |
| WWW RESOURCES: | <p>a. www.acfe.com Association of Certified Fraud Examiners</p> <p>b. www.fbi.gov Federal Bureau of Investigation</p> <p>c. www.nysscpa.org New York State Society of Certified Public Accountants.</p> <p>d. http://fvs.aicpa.org/Resources/Antifraud+Forensic+Accounting American Institute of Certified Public Accountants.</p> <p>d. http://www.acfei.com/about_forensics/crfa.php American College of Forensic Examiners</p> | | | | | | |

INDICATIVE CONTENT:

- Fraud Principles
- Fraud Schemes (with emphasis on fraudulent financial reporting)
- Ethical dilemmas associated with financial reporting
- Red flags identification and assessment
- Fraud Risk Assessment
- Fraud Prevention
- Fraud Detection
- Fraud Response
- Fraud and the Accounting Information System
- Principles of obtaining and evaluating Non-Financial evidence in a Fraud Examination.