



# ACCG847

## Forensic Accounting

S1 Evening 2018

*Dept of Accounting & Corporate Governance*

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#### **Disclaimer**

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## General Information

Unit convenor and teaching staff

Moderator

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Credit points

4

Prerequisites

ACCG611 or (admission to MAdvProfAcc or MCyberSec)

Corequisites

Co-badged status

Unit description

This unit examines various techniques of financial fraud prevention, investigation and detection. Topics will include: motivations for financial fraud, symptoms of financial fraud, financial statement fraud, evidence collection and evaluation, legal report writing, interviewing witnesses and perpetrators, and fraud prevention. Case studies will be used to provide essential forensic accounting skills.

## Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at <https://www.mq.edu.au/study/calendar-of-dates>

## Learning Outcomes

On successful completion of this unit, you will be able to:

Demonstrate an appreciation of the role of an independent accountant in uncovering

fraudulent activity.

Demonstrate an ability to identify, analyse and interpret indicators of fraudulent activity.

Demonstrate knowledge of investigative processes and investigative techniques, and identify situations for their application.

Skilfully apply techniques in evidence collection and evaluation and present the results of the investigation in a legal context.

Evaluate the role of governance structures, internal controls and compliance policies for the prevention of financial fraud.

## General Assessment Information

To complete this unit satisfactorily, students must attempt all components of the assessments and obtain a minimum aggregate grade of 50%.

### LATE SUBMISSIONS

No extensions will be granted. There will be a deduction of 10% of the total available marks made from the total awarded mark for each 24 hour period or part thereof that the submission is late (for example, 25 hours late in submission – 20% penalty). This penalty does not apply to cases in which an application for disruption of studies is made and approved. No submission will be accepted after solutions have been posted.

### EXTENSIONS

You are expected to submit written assessment tasks by the published due date unless you have received written permission to submit your work at a later date from the Unit convenor. No extensions will be granted. This penalty does not apply to cases in which an application for disruption of studies is made and approved. No submission will be accepted after solutions have been posted. Details of how the University defines serious and unavoidable disruption to studies, and information about the processes involved, are contained in the Disruptions to Studies Policy.

## Assessment Tasks

Name	Weighting	Hurdle	Due
<u>Class participation</u>	10%	No	Weekly
<u>Homework assignments</u>	10%	No	Weekly
<u>Group case work</u>	20%	No	Week 13
<u>Final Examination</u>	60%	No	University Exam Period

### Class participation

Due: **Weekly**

Weighting: **10%**

Participation includes attendance, contribution to class discussion, and surprise class quizzes.

On successful completion you will be able to:

- Demonstrate an appreciation of the role of an independent accountant in uncovering fraudulent activity.
- Demonstrate an ability to identify, analyse and interpret indicators of fraudulent activity.
- Demonstrate knowledge of investigative processes and investigative techniques, and identify situations for their application.

## Homework assignments

Due: **Weekly**

Weighting: **10%**

Students will be required to submit weekly homework assignments through iLearn. No extensions will be granted.

On successful completion you will be able to:

- Demonstrate an appreciation of the role of an independent accountant in uncovering fraudulent activity.
- Demonstrate an ability to identify, analyse and interpret indicators of fraudulent activity.
- Demonstrate knowledge of investigative processes and investigative techniques, and identify situations for their application.
- Skilfully apply techniques in evidence collection and evaluation and present the results of the investigation in a legal context.
- Evaluate the role of governance structures, internal controls and compliance policies for the prevention of financial fraud.

## Group case work

Due: **Week 13**

Weighting: **20%**

Students will be allocated a small group to work in Week 5 and will be assigned a client request.

The task is to determine how you as a forensic accountant can assist them and win this engagement.

You will be required to:

- obtain additional information from “the client” (the lecturer),
- prepare a business proposal in the form of a presentation with your understanding of the situation and analysis how you can assist the client’s case,

- prepare a presentation to convince the client. Presentations will be 15 minutes for each group (one presenter from each group).

Presentations will occur during the final week.

On successful completion you will be able to:

- Demonstrate an appreciation of the role of an independent accountant in uncovering fraudulent activity.
- Demonstrate an ability to identify, analyse and interpret indicators of fraudulent activity.
- Demonstrate knowledge of investigative processes and investigative techniques, and identify situations for their application.
- Skilfully apply techniques in evidence collection and evaluation and present the results of the investigation in a legal context.

## Final Examination

Due: **University Exam Period**

Weighting: **60%**

Short and long answer questions covering all topics from the Unit. Case studies and calculations may be present.

On successful completion you will be able to:

- Demonstrate an appreciation of the role of an independent accountant in uncovering fraudulent activity.
- Demonstrate an ability to identify, analyse and interpret indicators of fraudulent activity.
- Demonstrate knowledge of investigative processes and investigative techniques, and identify situations for their application.
- Skilfully apply techniques in evidence collection and evaluation and present the results of the investigation in a legal context.
- Evaluate the role of governance structures, internal controls and compliance policies for the prevention of financial fraud.

## Delivery and Resources

Students are required to attend one 3 hours face-to-face seminar per week. The timetable for classes is on the University website at <http://www.timetables.mq.edu.au/>

### REQUIRED TEXTS AND MATERIALS

Prescribed Textbooks:

Crumbley, D., Heitger, L., Smith, G. 2017. Forensic and Investigative Accounting (8th Edition), Wolters Kluwer. ISBN: 9780808046240

### Recommended Reference Books:

Albrecht, W., Albrecht, C., Zimbelman, M. 2016. Fraud Examination. 5th edition.

Crain, M., Hopwood, W., Pacini, C., Young G. 2015. Essentials of forensic accounting. Wiley

Crumbley, D., LaGraize, W., Peters, C. 2016. Case Studies in Forensic Accounting and Fraud Auditing (2nd Edition), Wolters Kluwer.

Hahn, B., Rufus, R., Miller, L. 2015. Forensic Accounting, Global Edition, Pearson Australia.

Hoffman, R., Finney, W., Cox, P., Cooper, K. 2013. The Accountant as an Expert Witness: A Basic Guide to Forensic Accounting, 2nd edition, CCH Australia

Hopwood, W., Leiner, J., Young, G. 2012. Forensic accounting and fraud examination. 2nd edition, McGraw-Hill Irwin

Nelson, B., Phillips, A., Steuart, C. 2015. Guide to Computer Forensics and Investigations. 5th edition, Cengage Learning

Pedneault, S., Rudewicz, F. Silverstone H. and Sheetz M. 2012. Forensic Accounting and Fraud Investigation by Non-Experts, 3rd edition, John Wiley & Sons

### Journals:

Forensic Accounting Review

Journal of Forensic Accounting

Journal of Forensic and Investigative Accounting

Fraud Magazine

### Additional Resources:

[www.acfe.com](http://www.acfe.com)

There will be supplemental readings and materials available on the unit website.

### TECHNOLOGY USED AND REQUIRED

Students are expected to have: Proficiency in Word, Excel and Powerpoint Knowledge of Macquarie University iLearn - for downloading lecture materials, etc. Knowledge of the library research databases - for accessing additional research material. Access to a personal computer to be able to access iLearn and submit completed assessment material online.

### UNIT WEB PAGE

Course content is available in the learning management system (iLearn). The web page for this unit is at <http://mq.edu.au/iLearn/index.htm>

## Unit Schedule

Topics	Readings
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Week 1	<p>The field and practice of forensic accounting</p> <ul style="list-style-type: none"> <li>• Introduction</li> <li>• The legal, regulatory, professional environment and ethics</li> <li>• Professional roles of fraud and forensic accounting professionals</li> </ul>	Crumbley 1, 2
Week 2	<p>Fraud-related services</p> <ul style="list-style-type: none"> <li>• Types of fraud</li> <li>• Fraud detection, prevention, deterrence, investigation, remediation</li> <li>• Fraudulent financial reporting</li> </ul>	Crumbley 3, 4
Week 3	<p>Fraud-related services</p> <ul style="list-style-type: none"> <li>• Misappropriation of assets</li> </ul>	Crumbley 5
Week 4	<p>Engagement management</p> <ul style="list-style-type: none"> <li>• Planning and managing an investigation</li> <li>• Case management and communication</li> <li>• Reporting and closure</li> </ul>	Crain 7 Rufus 3
Week 5	<p>Financial analysis</p> <ul style="list-style-type: none"> <li>• Context of financial reporting</li> <li>• Foundations of financial analysis</li> <li>• Methods of financial analysis</li> </ul>	Rufus 5
Week 6	<p>Evidence collection</p> <ul style="list-style-type: none"> <li>• Types of evidence</li> <li>• Background research</li> <li>• Computer forensics</li> <li>• Documents</li> <li>• Interviewing</li> <li>• Surveillance</li> </ul>	Crumbley 9, 13 Rufus 4
Week 7	<p>Transforming Data into Evidence - Data Analysis</p> <ul style="list-style-type: none"> <li>• The role of data analysis</li> <li>• Data sources</li> <li>• Data analysis tools</li> </ul>	Rufus 8
Week 8	<p>Transforming Data into Evidence - Data and Digital Analysis</p> <ul style="list-style-type: none"> <li>• Descriptive statistics</li> <li>• Methods for displaying data</li> <li>• Data mining</li> </ul>	Rufus 9

Week 9	Evidence analysis <ul style="list-style-type: none"> <li>• Financial analysis</li> <li>• Data and Digital forensic analysis</li> <li>• Analytics for forensic accountants</li> <li>• Forensic accounting in action</li> </ul>	Crumbley 6, 14, 18 Crain 11
Week 10	Commercial and economic damages <ul style="list-style-type: none"> <li>• Damages litigation</li> <li>• Damages calculation</li> </ul>	Crumbley 10, 12
Week 11	Business valuation <ul style="list-style-type: none"> <li>• Valuation fundamentals</li> <li>• Financial analysis</li> <li>• Business valuation reports</li> </ul>	Crumbley 17
Week 12	Accountant as an expert witness <ul style="list-style-type: none"> <li>• Legal frameworks</li> <li>• Litigation support from accountants</li> <li>• Working with attorneys</li> <li>• Forensic accountant and the court</li> </ul>	Crumbley 8 Hoffman
Week 13	Special topics - Cybercrime <ul style="list-style-type: none"> <li>• Introduction to cybercrime issues</li> <li>• Types and actors</li> <li>• Cybercrime loss valuations</li> <li>• Matrimonial forensics</li> <li>• Bankruptcy</li> <li>• Specialized areas (tax fraud, identity theft, anti-money laundering)</li> <li>• Insurance claims</li> </ul> Group presentations	Crumbley 7, 11, 15, 16

## Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central \(https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central\)](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central). Students should be aware of the following policies in particular with regard to Learning and Teaching:

- [Academic Appeals Policy](#)
- [Academic Integrity Policy](#)
- [Academic Progression Policy](#)



- [Assessment Policy](#)
- [Fitness to Practice Procedure](#)
- [Grade Appeal Policy](#)
- [Complaint Management Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#) (**Note:** *The Special Consideration Policy is effective from 4 December 2017 and replaces the Disruption to Studies Policy.*)

Undergraduate students seeking more policy resources can visit the [Student Policy Gateway](https://students.mq.edu.au/support/study/student-policy-gateway) (<https://students.mq.edu.au/support/study/student-policy-gateway>). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

If you would like to see all the policies relevant to Learning and Teaching visit [Policy Central](http://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<http://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central>).

## Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: <https://students.mq.edu.au/study/getting-started/student-conduct>

## Results

Results shown in *iLearn*, or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the University. Once approved, final results will be sent to your student email address and will be made available in [eStudent](#). For more information visit [ask.mq.edu.au](http://ask.mq.edu.au).

## Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

## Learning Skills

Learning Skills ([mq.edu.au/learningskills](http://mq.edu.au/learningskills)) provides academic writing resources and study strategies to improve your marks and take control of your study.

- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module for Students](#)
- [Ask a Learning Adviser](#)

## Student Services and Support

Students with a disability are encouraged to contact the [Disability Service](#) who can provide appropriate help with any issues that arise during their studies.

## Student Enquiries

For all student enquiries, visit Student Connect at [ask.mq.edu.au](http://ask.mq.edu.au)

## IT Help

For help with University computer systems and technology, visit [http://www.mq.edu.au/about\\_us/offices\\_and\\_units/information\\_technology/help/](http://www.mq.edu.au/about_us/offices_and_units/information_technology/help/).

When using the University's IT, you must adhere to the [Acceptable Use of IT Resources Policy](#). The policy applies to all who connect to the MQ network including students.

## Graduate Capabilities

### PG - Discipline Knowledge and Skills

Our postgraduates will be able to demonstrate a significantly enhanced depth and breadth of knowledge, scholarly understanding, and specific subject content knowledge in their chosen fields.

This graduate capability is supported by:

#### Learning outcomes

- Demonstrate an appreciation of the role of an independent accountant in uncovering fraudulent activity.
- Demonstrate an ability to identify, analyse and interpret indicators of fraudulent activity.
- Demonstrate knowledge of investigative processes and investigative techniques, and identify situations for their application.
- Skilfully apply techniques in evidence collection and evaluation and present the results of the investigation in a legal context.
- Evaluate the role of governance structures, internal controls and compliance policies for the prevention of financial fraud.

#### Assessment tasks

- Class participation
- Homework assignments
- Group case work
- Final Examination

### PG - Critical, Analytical and Integrative Thinking

Our postgraduates will be capable of utilising and reflecting on prior knowledge and experience, of applying higher level critical thinking skills, and of integrating and synthesising learning and knowledge from a range of sources and environments. A characteristic of this form of thinking is the generation of new, professionally oriented knowledge through personal or group-based

critique of practice and theory.

This graduate capability is supported by:

### **Learning outcomes**

- Demonstrate an ability to identify, analyse and interpret indicators of fraudulent activity.
- Demonstrate knowledge of investigative processes and investigative techniques, and identify situations for their application.
- Skilfully apply techniques in evidence collection and evaluation and present the results of the investigation in a legal context.
- Evaluate the role of governance structures, internal controls and compliance policies for the prevention of financial fraud.

### **Assessment tasks**

- Class participation
- Homework assignments
- Group case work
- Final Examination

## **PG - Research and Problem Solving Capability**

Our postgraduates will be capable of systematic enquiry; able to use research skills to create new knowledge that can be applied to real world issues, or contribute to a field of study or practice to enhance society. They will be capable of creative questioning, problem finding and problem solving.

This graduate capability is supported by:

### **Learning outcomes**

- Demonstrate an ability to identify, analyse and interpret indicators of fraudulent activity.
- Skilfully apply techniques in evidence collection and evaluation and present the results of the investigation in a legal context.
- Evaluate the role of governance structures, internal controls and compliance policies for the prevention of financial fraud.

### **Assessment tasks**

- Class participation
- Homework assignments
- Group case work
- Final Examination

## Changes since First Published

Date	Description
23/02/2018	Unit schedule and topics amended.