



ACCG847

Forensic Accounting

S2 Evening 2019

Dept of Accounting & Corporate Governance

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Disclaimer

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General Information

Unit convenor and teaching staff

Convenor - Lecturer

Stefan Williams

Contact via ACCG847@mq.edu.au

Credit points

4

Prerequisites

ACCG611 or (admission to GradDipForAccg or 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:

Understand the role and character of forensic accounting and its relationship to the legal system including the legal, ethical and professional obligations of forensic accountants.

Recognize the nature of, and concepts relevant to, civil, criminal and administrative procedure.

Identify and interpret indicators of fraudulent activity and demonstrate knowledge of investigative processes and investigative techniques, and their application.

Analyse techniques in evidence collection and evaluation and develop the ability to present the results of the investigation in a legal context.

Evaluate and analyse the role of governance structures, internal controls and compliance

policies for the prevention of financial fraud.

General Assessment Information

| Expected Workload - Activities | Hours |
|--|-------|
| Seminars including preparation, and self-study | 50 |
| Assessment Task 1 (Participation) | 20 |
| Assessment Task 2 (Class Test 1) | 20 |
| Assessment Task 3 (Group Assignment) | 40 |
| Assessment Task 4 (Class Test 2) | 20 |
| TOTAL | 150 |

Assessment Tasks

| Name | Weighting | Hurdle | Due |
|----------------------|-----------|--------|---------|
| <u>Participation</u> | 20% | No | Weekly |
| <u>Class Test 1</u> | 20% | No | Week 6 |
| <u>Assignment</u> | 40% | No | Week 11 |
| <u>Class Test 2</u> | 20% | No | Week 13 |

Participation

Due: **Weekly**

Weighting: **20%**

Student participation is assessed by

- Attendance;
- Level and quality of engagement in class discussions, including by reference to topics and readings taught during the semester, and a willingness of students to make contributions in class at their own volition or when called upon; and
- Level and quality of engagement in class exercises.

See Assessment Guide on iLearn for more information.

Other than where a relevant application pursuant to the **Special Consideration** policy is approved, if a student attends less than 50% of the allotted classes the total available mark for class participation will be reduced by 50%.

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Class Test 1

Due: **Week 6**

Weighting: **20%**

The test will be administered in your seminar class in Week 6 of Session.

No extensions will be granted. This penalty does not apply for cases in which a **Special Consideration application** is made and **approved**.

See Assessment Guide on iLearn for more information.

On successful completion you will be able to:

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- Recognize the nature of, and concepts relevant to, civil, criminal and administrative procedure.
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Assignment

Due: **Week 11**

Weighting: **40%**

Group presentation **and** Individual Assignment

- **Weight:** 40% (Group presentation – 20% and Individual Assignment – 20%)

Due date: Week 12

Submission: Submission of the Individual Assignment via ILearn/Turnitin by 6pm on the day of the Week 12 class (**Thursday, 31 October 2019**). In addition, each group will also present on their selected topic during Week 12.

Task Overview: This task requires the following:

Group Presentation

- As a group, assume you have been approached to act as investigative consultants on either the *Operation Car Wash* investigation or the *1MDB* investigation (both of which will be discussed in class during the semester).
- Your presentation should be in the form of a 'pitch', setting out your proposed investigation plan, including priority tasks, key challenges, and how you intend to overcome those challenges.
- Groups will consist of approximately 5 students (depending on class size). Each group will then be required to present to the class for a maximum of 15 minutes.
- If PowerPoint is used, a hardcopy of this document should be provided to the Lecturer in Week 12.

Individual Assignment

- **Each student** must submit an Individual Assignment which will provide a fraud prevention analysis of the circumstances which resulted in the *Operation Car Wash* investigation or the *1MDB* investigation. The analysis should include the following: (1) Context of the alleged fraud; (2) Identification of risks; Analysis of the risks; (4) Evaluation of the risks, and (5) Treatment for the risks. This assignment should be between 1500 and 2000 words in length, not including references or the bibliography.

No extensions will be granted. Late tasks will be accepted up to 48 hours after the submission deadline. 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 for cases in which a **Special Consideration application** is made and **approved**.

See Assessment Guide on iLearn for more information.

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Class Test 2

Due: **Week 13**

Weighting: **20%**

The test will be administered in your seminar class in Week 13 of Session.

No extensions will be granted. This penalty does not apply for cases in which a **Special Consideration application** is made and **approved**.

See Assessment Guide on iLearn for more information.

On successful completion you will be able to:

- Understand the role and character of forensic accounting and its relationship to the legal system including the legal, ethical and professional obligations of forensic accountants.
- Recognize the nature of, and concepts relevant to, civil, criminal and administrative procedure.
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- Evaluate and analyse the role of governance structures, internal controls and compliance policies for the prevention of financial fraud.

Delivery and Resources

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|-----------------------|--|
| Required Text: | Prescribed Textbook: Rufus R J, Miller L S, and Hahn W - Forensic Accounting - Global Edition, 2015, Pearson. [referred to as 'Rufus' herein] |
| 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 |

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| 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. |
| Delivery Format and Other Details: | 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/ |
| Recommended Readings: | <p>Recommended Reference Books:</p> <p>Albrecht, W., Albrecht, C., Zimbelman, M. 2016. Fraud Examination. 5th edition.</p> <p>Crain, M., Hopwood, W., Pacini, C., Young G. 2015. Essentials of forensic accounting. Wiley [referred to as 'Crain' herein]</p> <p>Crumbley, D., LaGraize, W., Peters, C. 2016. Case Studies in Forensic Accounting and Fraud Auditing (2nd Edition), Wolters Kluwer.</p> <p>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</p> <p>Hopwood, W., Leiner, J., Young, G. 2012. Forensic accounting and fraud examination. 2nd edition, McGraw-Hill Irwin</p> <p>Nelson, B., Phillips, A., Steuart, C. 2015. Guide to Computer Forensics and Investigations. 5th edition, Cengage Learning</p> <p>Pedneault, S., Rudewicz, F. Silverstone H. and Sheetz M. 2012. Forensic Accounting and Fraud Investigation by Non-Experts, 3rd edition, John Wiley & Sons</p> <p>Journals:</p> <p>Forensic Accounting Review</p> <p>Journal of Forensic Accounting</p> <p>Journal of Forensic and Investigative Accounting</p> <p>Fraud Magazine</p> <p>Additional Resources:</p> <p>www.acfe.com</p> <p>There will be supplemental readings and materials available on the unit iLearn.</p> |

Unit Schedule

| | Topics | Readings |
|--------|--|------------|
| Week 1 | <p>The field and practice of forensic accounting</p> <ul style="list-style-type: none"> • Introduction • The legal, regulatory, professional environment and ethics • Professional roles of fraud and forensic accounting professionals | Rufus 1, 2 |
| Week 2 | <p>Fraud-related services</p> <ul style="list-style-type: none"> • Types of fraud • Fraud detection, prevention, deterrence, investigation, remediation • Fraudulent financial reporting | Rufus 6, 7 |

| | | |
|--------|--|------------------------|
| Week 3 | Fraud-related services <ul style="list-style-type: none"> • Misappropriation of assets | Rufus 6, 7 |
| Week 4 | Engagement management <ul style="list-style-type: none"> • Planning and managing an investigation • Case management and communication • Reporting and closure | Crain 7 Rufus 3 |
| Week 5 | Evidence collection <ul style="list-style-type: none"> • Types of evidence • Background research • Computer forensics • Documents • Interviewing • Surveillance • Evidence management | Rufus 4 |
| Week 6 | Transforming Data into Evidence - Data Analysis <ul style="list-style-type: none"> • The role of data analysis • Data sources • Data analysis tools | Rufus 8 |
| Week 7 | Financial analysis <ul style="list-style-type: none"> • Context of financial reporting • Foundations of financial analysis • Methods of financial analysis | Rufus 5 |
| Week 8 | Transforming Data into Evidence - Data and Digital Analysis <ul style="list-style-type: none"> • Descriptive statistics • Methods for displaying data • Data mining | Rufus 8, 9 |
| Week 9 | Evidence analysis <ul style="list-style-type: none"> • Financial analysis • Data and Digital forensic analysis • Analytics for forensic accountants • Forensic accounting in action | Rufus 4, 5 Crain 11 |

| | | |
|---------|--|----------|
| Week 10 | Commercial and economic damages <ul style="list-style-type: none"> • Damages litigation • Damages calculation | |
| Week 11 | Business valuation <ul style="list-style-type: none"> • Valuation fundamentals • Financial analysis • Business valuation reports | Rufus 11 |
| Week 12 | Accountant as an expert witness <ul style="list-style-type: none"> • Legal frameworks • Litigation support from accountants • Working with attorneys • Forensic accountant and the court | Rufus 10 |
| Week 13 | Special topics: <ul style="list-style-type: none"> • Introduction to cybercrime issues • Matrimonial forensics • Bankruptcy • Specialized areas (tax fraud, identity theft, anti-money laundering) • Insurance claims | Rufus 12 |

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](#) ([htt](#)

[ps://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 published on platform other than [eStudent](#), (eg. iLearn, Coursera etc.) 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 or if you are a Global MBA student contact globalmba.support@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) 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

If you are a Global MBA student contact globalmba.support@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/.

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

- Understand the role and character of forensic accounting and its relationship to the legal system including the legal, ethical and professional obligations of forensic accountants.
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- Evaluate and analyse the role of governance structures, internal controls and compliance policies for the prevention of financial fraud.

Assessment tasks

- Participation
- Class Test 1
- Assignment
- Class Test 2

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

- Recognize the nature of, and concepts relevant to, civil, criminal and administrative procedure.

- Identify and interpret indicators of fraudulent activity and demonstrate knowledge of investigative processes and investigative techniques, and their application.
- Analyse techniques in evidence collection and evaluation and develop the ability to present the results of the investigation in a legal context.
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Assessment tasks

- Participation
- Class Test 1
- Assignment
- Class Test 2

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

- Recognize the nature of, and concepts relevant to, civil, criminal and administrative procedure.
- Analyse techniques in evidence collection and evaluation and develop the ability to present the results of the investigation in a legal context.
- Evaluate and analyse the role of governance structures, internal controls and compliance policies for the prevention of financial fraud.

Assessment tasks

- Participation
- Class Test 1
- Assignment
- Class Test 2

Changes from Previous Offering

None.