



ACCG847

Forensic Accounting

S2 Day 2018

Dept of Accounting & Corporate Governance

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Disclaimer

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General Information

Unit convenor and teaching staff

Moderator

Rahat Munir

rahat.munir@mq.edu.au

Michael Quilter

michael.quilter@mq.edu.au

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%.

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. 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 an application for Special Consideration 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 Special Consideration Policy.

Assessment Tasks

Name	Weighting	Hurdle	Due
<u>Assignment 1 - 2500 word essay</u>	15%	No	Week 4
<u>Investigative interview</u>	20%	No	Week 7
<u>Group work - case study</u>	25%	No	Week 10
<u>Group work - presentation</u>	25%	No	Week 12
<u>Class test</u>	15%	No	Week 13

Assignment 1 - 2500 word essay

Due: **Week 4**

Weighting: **15%**

Select an organisation for which you are familiar or use one that has been mentioned in class. Identify three issues you think will most likely impact on fraud, bribery and/or corruption in that organisation. For each of the issues you identify, using appropriate references;

- Write a description of the importance of the issue;
- Identify how it impacts on fraud and corruption;
- Thinking about social, economic and legal impact, describe the consequences if these issues are left unresolved.

On successful completion you will be able to:

- Demonstrate an appreciation of the role of an independent accountant in uncovering fraudulent activity.
- Demonstrate knowledge of investigative processes and investigative techniques, and identify situations for their application.
- Evaluate the role of governance structures, internal controls and compliance policies for the prevention of financial fraud.

Investigative interview

Due: **Week 7**

Weighting: **20%**

Students have received a client request in week 5.

Working by themselves, students are to imagine they are hired by the company to investigate an internal fraud that has occurred.

Using the PEACE model, you are to conduct an investigative interview with a witness and employee of that company. Your planning documents should include: a 4 square plan; a 9 square plan; a detailed engage and explain; and blank topic sheets.

After the interview is complete, you are to upload the following documents into iLearn as one document:

- a completed and signed witness statement with the information you obtained through the investigative interview;
- a completed 4 square plan;
- a completed 9 square plan; and
- completed topic sheets.

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

Group work - case study

Due: **Week 10**

Weighting: **25%**

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.

Upload your business proposal and presentation plan to iLearn this week.

Presentations will be 20 minutes for each group and occur during week 12.

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.

Group work - presentation

Due: **Week 12**

Weighting: **25%**

In their groups, 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.

Student presentations will be 20 minutes for each group and can use one or all members of the group in the delivery.

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.

Class test

Due: **Week 13**

Weighting: **15%**

A 1 hour written test will be held in class and designed to assess a student's knowledge .

Extension:

No extension will be granted. No supplementary test will be offered except in cases in which an application is made and approved under the University's Special Consideration Policy.

Penalties:

A mark of ZERO will be assigned for not sitting the examination.

On successful completion you will be able to:

- Demonstrate knowledge of investigative processes and investigative techniques, and identify situations for their application.
- Evaluate the role of governance structures, internal controls and compliance policies for the prevention of financial fraud.

Delivery and Resources

CLASSES

Students are required to attend one 3 hours face-to-face seminar per week. This will be held in 11WW 150 on Mondays between 9am and 12pm.

The timetable for classes can be found on the University web site at:

<http://www.timetables.mq.edu.au/>

REQUIRED TEXT

Iyer, N., & Samociuk, M. (2016). *Fraud and Corruption : Prevention and Detection*. (1st ed.). London: Taylor & Francis Group. (available through Dymocks)

Manning, G. (2005). *Financial Investigation and Forensic Accounting*. Boca Raton: CRC Press. (available as e-book)

RECOMMENDED TEXTS AND/OR MATERIALS

College of Policing: Investigative Interviewing. <https://www.app.college.police.uk/app-content/investigations/investigative-interviewing/>

Connors, M., & Mooney, R. (2011). Business valuation applications to economic damages for lost profits. *Utah Bar Journal*, 24(1), 25.

Edmonds, R. (1995). Commercial plaintiffs and the quest for pure economic damages under strict liability. *For the Defense*, 37(4), 22–30.

Gaughan, P. (2009). *Measuring business interruption losses and other commercial damages*. (2nd ed.). Hoboken: John Wiley & Sons

[Matthew Hollow](#), (2014) "Money, morals and motives: An exploratory study into why bank managers and employees commit fraud at work", *Journal of Financial Crime*, Vol. 21 Issue: 2, pp.174-190, <https://doi.org/10.1108/JFC-02-2013-0010>

McDermott, Hugh. (2014). *Investigation and prosecution of financial crime : international readings*. Pyrmont, NSW : Thomson Reuters (Professional) Australia Limited

Sakurai Y & Smith R. 2003. *Gambling as a motivation for the commission of financial crime*. Trends & issues in crime and criminal justice No. 256. Canberra: Australian Institute of Criminology. <https://aic.gov.au/publications/tandi/tandi256>

Wells, J. (2014). *Principles of fraud examination* (Fourth edition.). Hoboken, New Jersey: Wiley & Sons, Inc.

NEWS ARTICLES

<https://www.smh.com.au/business/companies/leighton-holdings-former-executive-alleges-corruption-20160422-gock2o.htm>

<https://www.theguardian.com/australia-news/2016/apr/22/former-leighton-holdings-executive-alleges-corruption-over-15m-payment>

<https://thenewdaily.com.au/news/national/2016/04/24/afp-failing-fight-foreign-bribery-whistleblower/>

<https://www.smh.com.au/business/building-giant-leighton-ripe-with-corruption-claims-20131002-2ut2e.html>

<http://www.worldbank.org/en/news/press-release/2013/06/13/world-bank-sanctions-australian-company-ghd-pty-ltd-for-fraudulent-practices>

<https://www.afr.com/leadership/careers/federal-police-investigating-ghd-over-indonesia-fraud-20130613-jyilx>

<http://www.abc.net.au/news/2013-09-26/ghd-on-world-bank-banned-list/4981558>

Also refer to:

Criminal Code (Cth) 1995: http://www8.austlii.edu.au/cgi-bin/viewdoc/au/legis/cth/consol_act/cca1995115/sch1.html

Corporations Act 2001: <https://www.legislation.gov.au/Details/C2018C00275>

Evidence Act 1995: http://www5.austlii.edu.au/au/legis/cth/consol_act/ea199580/

Proceeds of Crime Act 2002: http://www8.austlii.edu.au/cgi-bin/viewdb/au/legis/cth/consol_act/po-ca2002160/

AUSTRAC: <http://austrac.gov.au/>

AIC: <https://aic.gov.au/>

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

Week	Topics	Readings
1	Overview and introduction to forensic accounting and fraud	Iyer, N., & Samociuk, M. (2016)
2	Fraud-related services <ul style="list-style-type: none">Types of fraudFraud detection, prevention, deterrence, investigation, remediationFraudulent financial reporting	Iyer, N., & Samociuk, M. (2016) Manning, G. (2005) Matthew Hollow , (2014) Sakurai Y & Smith R. 2003.
3	Fraud-related services <ul style="list-style-type: none">Misappropriation of assets	Wells, J. (2014) Proceeds of Crime Act 2002
4	Evidence collection <ul style="list-style-type: none">Types of evidenceBackground researchComputer forensicsDocumentsInvestigative Interviewing (PEACE)Surveillance Assignment 1 due	Iyer, N., & Samociuk, M. (2016) Manning, G. (2005) College of Policing: Investigative Interviewing Evidence Act 1995 Criminal Code 1995

Week	Topics	Readings
5	Engagement management <ul style="list-style-type: none"> • Planning and managing an investigation • Case management and communication • Reporting and closure 	Iyer, N., & Samociuk, M. (2016)
6	Financial analysis <ul style="list-style-type: none"> • Context of financial reporting • Foundations of financial analysis • Methods of financial analysis • Investigative Interviewing refresher 	Manning, G. (2005) College of Policing: Investigative Interviewing
7	Investigative interview scenarios and planning documents uploaded Transforming Data into Evidence - Data Analysis <ul style="list-style-type: none"> • The role of data analysis • Data sources • Data analysis tools 	Manning, G. (2005)
8	Transforming Data into Evidence - Data and Digital Analysis <ul style="list-style-type: none"> • Descriptive statistics • Methods for displaying data • Data mining 	Iyer, N., & Samociuk, M. (2016) Manning, G. (2005)
9	Evidence analysis Financial analysis <ul style="list-style-type: none"> • Data and Digital forensic analysis • Analytics for forensic accountants • Forensic accounting in action 	Manning, G. (2005) News paper articles: Leighton Holdings (CIMIC) GHD
10	Business valuation <ul style="list-style-type: none"> • Valuation fundamentals • Financial analysis • Business valuation report Group case study due online	Manning, G. (2005)
11	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 	Manning, G. (2005)

Week	Topics	Readings
12	Group case study presentation Commercial and economic damages <ul style="list-style-type: none"> • Damages litigation • Damages calculation 	Connors, M., & Mooney, R. (2011) Edmonds, R. (1995) Gaughan, P. (2009)
13	Class test Special topics - Cybercrime <ul style="list-style-type: none"> • Introduction to cybercrime issues • Types and actors • Cybercrime loss valuations • Bankruptcy • Specialized areas (tax fraud, identity theft, anti-money laundering) • Insurance claims 	Iyer, N., & Samociuk, M. (2016) Manning, G. (2005)

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](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>).

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.

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

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 - Capable of Professional and Personal Judgment and Initiative

Our postgraduates will demonstrate a high standard of discernment and common sense in their professional and personal judgment. They will have the ability to make informed choices and

decisions that reflect both the nature of their professional work and their personal perspectives.

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

- Investigative interview
- Group work - case study
- Group work - presentation

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

Assessment tasks

- Assignment 1 - 2500 word essay
- Investigative interview
- Group work - case study
- Class test

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 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

- Assignment 1 - 2500 word essay
- Investigative interview
- Group work - case study
- Class test

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 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.

Assessment tasks

- Assignment 1 - 2500 word essay
- Group work - case study

- Class test

PG - Effective Communication

Our postgraduates will be able to communicate effectively and convey their views to different social, cultural, and professional audiences. They will be able to use a variety of technologically supported media to communicate with empathy using a range of written, spoken or visual formats.

This graduate capability is supported by:

Learning outcomes

- 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.

Assessment tasks

- Investigative interview
- Group work - case study
- Group work - presentation

PG - Engaged and Responsible, Active and Ethical Citizens

Our postgraduates will be ethically aware and capable of confident transformative action in relation to their professional responsibilities and the wider community. They will have a sense of connectedness with others and country and have a sense of mutual obligation. They will be able to appreciate the impact of their professional roles for social justice and inclusion related to national and global issues

This graduate capability is supported by:

Learning outcomes

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

- Investigative interview
- Group work - case study
- Group work - presentation

Changes from Previous Offering

Assessment items changed from previous session.

Introduction and welcome

Hello and welcome to ACCG847 Forensic Accounting.

My name is Adam Marsden and I am excited to be delivering a mix of theory and practical to enhance your skills in fraud investigation and forensic accounting.

During this semester you will learn how to investigate and analyse allegations of fraud, and also have the opportunity to practice those skills in a learning and controlled environment.

I will be reaching out to my colleagues in the field of forensic accounting and will hopefully have the chance to introduce them during our sessions. This will give you the chance to network and ask the questions you need if you are considering a role in forensic accounting in the future.

If you have any questions during the semester, please do not hesitate to email me:

Adam.Marsden@mq.edu.au

Thank you and good studies.