Southeast Missouri State University

Department of Accounting

Course No.: AC650

Title of Course: Fraud Examination & Forensic Accounting

New Course: Spring 2012

I. Catalog Description and Credit Hours of Course:
In-depth fraud examination with focus on causes of fraud, controls to prevent fraud, and company management and the auditor's role in deterring and detecting fraud. (3)

II. Prerequisite(s): MBA status or permission of instructor.

III. Purposes or Objectives of the Course: To further the students' understanding of:
A. How and why fraud is committed.
B. How fraud can be prevented.
C. The roles of company management, internal auditors, external auditors, government regulators, and whistleblowers in exposing fraud.
D. Methods of investigating suspected fraud.
E. The basics of litigation support and courtroom testimony.
F. Common ways fraud events are resolved.

A. HCOB MBA Goals and Objectives (MBA):
   1. Proficiency in effective communication and team work
   2. Advanced knowledge of accounting, finance, business law, MIS, marketing, management, and economics
   3. Application of critical thinking and advanced research skills to solve business problems and ethical dilemmas
   4. Development of upper level management and leadership skills in a diverse and global environment
   5. Executive Management level (knowledge) mastery of technology

B. Upon completion of this course a student will have developed:
   1. An enhanced understanding of auditors’ ethical responsibilities & potential legal liability in the context of a fraud examination (MBA 3).
   2. An enhanced understanding of audit related pronouncements & how these are applied in a fraud investigation (MBA 2,3).
   3. An enhanced understanding of electronic technologies used to expose fraud, including ACL, IDEA, and the Internet (MBA 3,5 and US).
   4. An enhanced appreciation for the CPA profession's knowledge and skill in a fraud examination (MBA 2,3).
   5. An enhanced skill in oral & written communications skills in the context of a fraud examination, i.e., interviewing and other investigative techniques (MBA 1).
   6. An enhanced skill in working as a member of a team (MBA 1).

IV. Student Learning Outcomes:

Upon completion of this course the student should be able to:
A. Perform a fraud risk assessment;
B. Demonstrate an understanding of elements of the fraud triangle;
C. Effectively use electronic technologies to perform research associated with fraud;
D. Characterize fraud events.

V. Expectations of Students:

A. To gain the level of understanding of fraud issues necessary to participate successfully as a team leader in the conduct of a fraud examination.
B. To understand the legal and ethical responsibilities of a professional auditor in a fraud examination.
C. To know the most prominent auditing standards, industry guides, and computer aided audit techniques (CAATS) software available for the practice of fraud auditing.
D. To be able to communicate orally and in writing at a level commensurate with a professional fraud examiner.
E. To be able to use electronic databases and the Internet for searches of fraud topics.

VI. Course Content or Outline (time includes time for exams):

| A. Professional Ethics and Legal Liability | 3 hrs |
| B. Relationship of Internal & External Auditors | 3 hrs |
| C. Use of technology to prevent and detect fraud | 6 hrs |
| D. Role of controls in preventing Fraud | 3 hrs |
| E. Auditor Responsibility to Detect Fraud | 9 hrs |
| F. Audit Procedures in specific fraud events | 12 hrs |
| G. Litigation support and expert testimony | 3 hrs |
| H. Audit Research in fraud cases | 6 hrs |
| **Total** | **45** |

VII. Textbook(s) and/or Other Required Materials or Equipment:


VIII. Basis for Student Evaluation:

A. Performance on examinations.
B. Homework.
C. Quizzes.
D. Case Presentations.

Grading Scale

- 90 – 100 = A
- 80 – 89 = B
- 70 – 79 = C
- 69 and lower = F