Syllabus

ACCT 4235, version 1.2

Updated: May 20, 2016

ACCT 4235—Fraud Auditing and Forensic Accounting

Course Description: Proactive and reactive fraud auditing including audit committee and liability related issues; investigative decision-making for prevention, detection, investigation and reporting of fraud.

Textbooks and Other Materials

ODL is *not responsible* for student purchases that result in *the receipt of the wrong materials. It is the responsibility of the student to* order the correct textbook materials. Courses are written to specific textbook editions; edition substitutions *are not allowed*.

Textbook

W. Steve Albrecht, Chad O. Albrecht, Conan C. Albrecht, and Mark F.
     Zimbleman. *Fraud Examination.* Fifth edition. Boston, MA: Cengage
     Learning, 2016.
     ISBN-10: 1-305-07914-0
     ISBN-13: 978-1-305-07914-4

Ordering Information

Please review the following tips for ordering your course materials:

1. Do not purchase your textbooks until your enrollment is approved. During the processing period, a new section may be opened that could require a different textbook or edition.
2. *Always order by the ISBN*. Publishers and vendors often offer the same textbook title under different ISBNs. You must have the correct ISBN to access your online website.

4. If you are having problems locating a textbook, contact us at
   Answers@outreach.lsu.edu for assistance.

Other Materials and Resources

Students should access the Textbook Companion Website for Fraud
Examination, 5th Edition. This website provides resources and additional study
tools. The website can be accessed as follows:

> http://www.cengagebrain.com/cgi-
> wadsworth/course_products_wp.pl?fid=M20b&product_isbn_issn=9781
> 305079144&token=6786FD49FD00CA6BD093468BF58EA48F0E1DBC67A
> EF57BC7213B519C6E6E67ED59D4E8C0F5F042B7EE7C7970F6FF66F4411
> 22D1B05793FB2

Publisher PowerPoint Presentations may be included in various modules on the
course site to supplement reading and module lectures.

Software: Web Browser, Adobe Flash Player, Adobe Shockwave Player, Adobe
Acrobat Reader, MS Word, PowerPoint, Excel.

> It is recommended that you use Mozilla Firefox or Google Chrome as
> your web browser. Internet Explorer is not compatible with your Moodle
> course site.

> Adobe Flash and Adobe Shockwave player are required for online
> testing. Adobe Acrobat Reader is required to view PDF document files.

Hardware and ProctorU® System Requirements: Desktop computer or
laptop (not tablet), Web cam with a microphone (built-in or external),
headphones or working speakers, and high speed internet (at least 3 Mbps
download speed and 3 Mbps upload – test internet speed at http://
www.speedtest.net), Browser with pop-up blocker disabled

> Your exams are completed online and are proctored by a service
> called ProctorU gives you the flexibility to schedule exams at your
> convenience and take them wherever and whenever you want.

> **Accessing the system:**
>
> - You can access ProctorU through Moodle.
> - Log into Moodle course site and read the section labeled '2.
>   Create ProctorU Profile,' in the Getting Started Module.

Recommend review of the software, hardware, and system requirements listed above will ensure that you have the necessary resources available, prior to enrolling in this course.

Nature and Purpose of the Course

Course Outcomes: Upon completion of this course, students are expected to be able to:

1. Define fraud and explain the types of fraud
2. Describe the types of people who commit fraud
3. Describe the fraud triangle and explain the fraud scale
4. Explain the different ways that organizations fight fraud, including fraud prevention and detection techniques
5. Recognize symptoms and indicators (red flags) of different types of fraud
6. Describe the fraud investigation process and appropriate investigation methods
7. Describe the litigation process in the United States and differentiate between the civil and criminal litigation processes

The focus of this course is on fraud prevention, detection, and investigation. Most organizations are affected to some degree by the occurrence of fraud, whether or not reported. According to *The 2014 Global Fraud Study, Report to the Nations on Occupational Fraud and Abuse* by The Association of Certified Fraud Examiners (ACFE), it is estimated that U.S. organizations lose roughly 5 percent of their annual revenues to fraud.

This course provides an introduction to the profession of fraud examination and may be used for undergraduates majoring in accounting or individuals satisfying educational requirements for the CPA examination. As well, professionals may be interested in taking the course because it provides current information on a topic of critical importance in the business community.

Modules 01 and 02 provide an introduction and overview to fraud. Fraud prevention is covered in Module 03, while fraud detection is discussed in modules 04 and 05. Modules 06 and 07 begin the discussion of fraud investigation and conclude the material covered in the mid-course exam.

The remaining eight modules will be included on the final exam. Coverage begins with Module 08, which concludes the discussion of fraud investigation by looking at inquiry methods and fraud reporting. Modules 09, 10, and 11 discuss the various types of management fraud. Other types of fraud are detailed in modules 12, 13, and 14. The final module reviews the legal follow-up process and resolution of fraud.

Working with the Course Materials

Remember, this course covers an entire semester of work or the equivalent of a classroom course lasting 15 weeks. That means that each module in this course equals nearly a week of course work and will require the same time and effort on your part. *Do not expect to complete each module in a single study session. Understand, too, that if you choose to submit assignments at a very high pace, your instructor may not be able to grade your work at the same rate.*

Each module contains information, activities, and assignments organized under a consistent series of headings. Get familiar with how the module is organized. Each module in this course is organized into the following sections: the Module Learning Objectives, the Reading Assignment, the graded Module Assignment, and the graded Quiz. You should work through these parts of the module in order. Specific recommendations are provided in a link to the course module instructions, which you should review before beginning the first module. Completing the following sequence is strongly encouraged for each module:

1. Complete the **Reading Assignment** from the textbook and then review the **Module Lecture Material**. (Publisher PowerPoint's may be provided for review)

2. You may also choose to visit the **Textbook Companion Website** to review the key terms in the glossary.

3. Complete and submit your **Module Assignment**.

4. Take the **Module Quiz**.

Suggested Study Techniques

1. Carefully review the module objectives to help you focus on the information that will be covered on the exams.
2. Concentrate on the reading assignments, the module lecture material, and any additional resources provided. This review should include a detailed examination of any illustrative problems and examples. After an assignment has been completed, a rapid re-reading of the related text and other materials is strongly recommended.
3. Put yourself on a definite schedule. Set aside a certain block of hours per day or week for this course and work in a place where distractions are minimal.

4. Try to submit one assignment each week or at least every two weeks. Delays in submitting assignments usually result in lagging interest and the inability to complete the course.
5. Review your module assignments after they have been graded, paying special attention to any instructor feedback provided. (We suggest that you wait for assignment feedback before you submit subsequent assignments.)
6. Regardless of how you complete your graded assignments, keep in mind that module completion should not be your sole preparation for your exams. As with any college course, you should study for your exams.

Reading Assignments

The reading assignment is key to understanding the course material. Take time to read the material and highlight key terms and concepts. The publisher's PowerPoint slides, if provided in your modules or on the Textbook Companion Website, provide an outline of key concepts and serve as a supplement to the chapter content. These slides should not substitute for the reading assignment.

To do well in this course, it is essential that you read and study all the course materials that precede the module assignment. Do not begin the module assignment until you have done so. For each type of document you prepare for this course, follow carefully the guidelines provided in the textbook and in the Moodle course site.

You will read an average of 25 pages per module. Specific reading assignments will be given in each module.

Topic Outline

This course covers the following specific topics:

Module	Topic
01	The Nature of Fraud
02	An Overview to Fighting Fraud
03	Preventing Fraud
04	Recognizing the Symptoms of Fraud
05	Data-Driven Fraud Detection

06	Investigating Theft Acts and Concealment
07	Conversion Investigation Methods
	Mid-Course Examination
08	Inquiry Methods and Fraud Reports
09	Financial Statement Fraud
10	Financial Statement Frauds: Revenue and Inventory
11	Liability, Assets, and Inadequate Disclosure Frauds
12	Fraud Against Organizations and Consumer Fraud
13	Bankruptcy, Divorce, and Tax Fraud
14	Fraud in E-Commerce
15	Resolution of Fraud: Legal Follow-Up
	Final Examination

Module Assignments

Each module assignment is worth 20 points and is to be submitted through Moodle. Each module assignment will consist of two to four short-answer or case-type questions, depending on the content of the chapter. The questions can be found at the end of each chapter in the textbook.

Your work should be neat and arranged in a logical order. Answers should be presented using proper grammar and punctuation. Complete sentences and paragraphs should be used to answer the questions. One-word or single-sentence solutions will not be accepted. Answers should be typed in the space provided following each question. You may consider typing your answer in MS Word and copying into the online text area in Moodle (In Moodle: Use *'Ctrl+c'* to copy, and *'Ctrl+v' to paste*).

Carefully study the textbook material before you begin to prepare the module assignments. This study should include a detailed examination of the illustrative problems and examples, as well as the assigned reading. It is suggested that you complete the Module Assignment prior to attempting the quiz.

You should submit each module assignment as soon as it is completed. Some courses have restrictions that require that a grade be received before you can submit additional assignments. Specific information on assignment submission is included in the Module Instructions. Please be sure to follow these instructions.

You must have a *grade posted in the Moodle grade book for the Module 15 Assignment in order to unlock access to the Final Exam.* Please allow at least

seven days for the final assignment grade to be posted in the gradebook.

Once you *submit* an assignment, you cannot revise it, so be sure to check your work. Your instructor will normally post a grade for your assignment within *seven calendar days.* Understand that occasional delays will occur, such as during holidays and semester breaks or if you submit several module assignments within the same week. You must have been enrolled in the course for *at least three weeks*, regardless of when the modules and other exams are completed.

Do not rely too heavily on your textbook or other resource material when preparing your assignments. If you do, you may not realize until exam time that the perfect response you prepared for an assignment was only possible because you referred to resource material without really learning or understanding the material and concepts. Therefore, *you should attempt each assignment without referring to the resource material,* and if you find it necessary to look up an answer, be sure you have actually learned the concept and material rather than merely reflecting it in the answer.

Module Quiz

Each quiz is worth 10 points and will consist of 10 questions. You will be given 20 minutes to complete each quiz and will have one attempt to answer each question. Quizzes will cover key concepts of the module.

Academic Integrity

Students in Online Distance Learning (ODL) courses must comply with the *LSU Code of Student Conduct.* Suspected violations of the academic integrity policy may be referred to LSU Student Advocacy & Accountability (SAA), a unit of the Dean of Students. If found responsible of a violation, you will then be subject to whatever penalty SAA determines and will forfeit all course tuition and fees.

Plagiarism

Students are responsible for completing and submitting their own course work and preparing their own modules. All work submitted in the course modules must be the student's own work unless outside work is appropriate to the assignment; all outside material must be properly acknowledged. It is also unacceptable to copy directly from your textbook or to use published answer keys or the teacher's edition of a textbook.

Collaboration

Unauthorized collaboration constitutes plagiarism. Collaborative efforts that

extend beyond the limits approved by the instructor are violations of the academic integrity policy. Students who study together are expected to prepare and write their own individual work for submission and grading.

For more information and links to the *LSU Code of Student Conduct* and the SAA website, go to the ODL Academic Integrity policy on our website.

Examinations and Grading Policy

There will be two course examinations. The examinations will be similar in format to module quizzes and will include approximately 50 multiple-choice questions. The Mid-Course Exam covers the material presented in modules 01-07 and follows Module 07. The Final Examination covers material presented in modules 08-15 and follows Module 15. No dictionaries, books, or aids are allowed during the exam.

You will have a maximum of *three* hours to complete the exam.

- Module assignments count 20 points each.
- Quizzes are 10 points each.
- Exams are 100 points each.
- Course grade = average of module assignments + average of quizzes + exam scores. Each component is weighted by predetermined percentages.

The course grade is computed according to the following table:

Component	Weight (%)
Average of Module Assignments	25%
Average of Quizzes	15%
Mid-Course Exam	30%
Final Exam	30%

The following grading scale applies for students who complete the course on or after October 15, 2015. Prior to that date, the scale will be the same, except that pluses and minuses will be dropped from the grade posted in the student's permanent record and transcript.

      97%–100% = A+
        93%–96% = A
        90%–92% = A-
        87%–89% = B+
        83%–86% = B
        80%–82% = B-

77%–79% = C+
73%–76% = C
70%–72% = C-
67%–69% = D+
63%–66% = D
60%–62% = D-
0%–59% = F

YOU MUST EARN A PASSING AVERAGE ON THE EXAMINATIONS IN ORDER TO PASS THE COURSE.

IMPORTANT: The final exam cannot be taken until you meet the following requirements. Under no circumstances may the final exam be taken earlier.

1. You must have been enrolled in the course for *at least three weeks*, regardless of when the modules and other exams are completed.

2. You must have a *grade posted in the Moodle grade book for the Module 15 Assignment in order to unlock access to the Final Exam.* Please allow at least *seven* days for the final assignment grade to be posted in the gradebook.

To read the full exam policy and other policy statements, visit http://www.outreach.lsu.edu/Extended-Campus/Online-Distance-Learning/Guidelines-Policies/Policies. Go to Continuing Education's homepage. Click on *Extended Campus,* select *Online Distance Learning*, and then click the link for *Guidelines and Policies*.

Taking Your Examinations

You are *required* to create a Louisiana State University ODL ProctorU account and to take your examinations through ProctorU, a remote proctoring service that allows you to take exams anywhere with internet access. Information on creating your ProctorU account can be found in the *Getting Started* module.

The ProctorU website provides links you can use to find out how ProctorU works and to check your computer to see that it meets the technical requirements. In addition, to test using ProctorU, you need *access to a web cam with a microphone (built-in or external), headphones or working speakers*, and *high speed internet* to use this service. A complete list of technical requirements is available from the ProctorU website.

You should schedule your exams about a week before you are ready to take them in order to avoid any additional charges.

Transcript Information

After you have completed this course, your grade will be filed with the Office of the University Registrar. If a transcript is needed, it is your responsibility to make a request to the registrar. If you would like to order a transcript, visit the Office of the University Registrar Transcript Requests page to view your options (http://sites01.lsu.edu/wp/registraroffice/student-services/transcript-request/).

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