

J. Sargeant Reynolds Community College
Course Content Summary

Course Prefix and Number: ACC 240

Credits: 3

Course Title: Fraud Examination

Course Description: Covers the principles and methodology of fraud detection and deterrence. Provides an introduction to the various ways fraud and occupational abuses occur, methods to identify the risk of exposure to loss from fraud, and appropriate prevention, detection, and investigation approaches. Also, covers recent developments in e-commerce and consumer fraud and the legal options for victims of fraud. Lecture 3 hours per week.

General Course Purpose: This course is an introduction to the field of forensic accounting and the role it plays in preventing fraud from occurring and discovering fraud after it has occurred. Students are introduced to forensic accounting practices as they relate to private sector accounting, public accounting, and governmental accounting. Researching and writing about fraudulent issues encourage understanding of real-world occurrences. The course may be used as an elective in the Accounting AAS degree program.

Course Prerequisites and Co-requisites:

None

Course Objectives:

Upon completing the course, the student will be able to

- a. Distinguish forensic accounting from fraud auditing;
- b. Understand the definition of forensic accounting;
- c. Understand how public auditing trends may have led to accounting scandals;
- d. Describe career opportunities in forensic and investigative accounting;
- e. List ways financial statements are manipulated with fraudulent intent;
- f. Describe types of financial statement fraud schemes;
- g. Identify financial fraud risk factors;
- h. Identify characteristics of white-collar criminals who conduct fraudulent financial accounting;
- i. Explain the role of AICPA's guidance on fraud detection in financial statement audits;
- j. Identify the different roles and responsibilities of those involved in financial reporting;
- k. Describe the major types of financial statement fraud;
- l. Recognize fraud schemes;
- m. Understand reasons employees commit fraud;
- n. Discuss practices aimed at fraud prevention;
- o. Assess the financial health of various governments;
- p. Distinguish which indirect methods the IRS may use to reconstruct income;
- q. Define money laundering;
- r. Describe the parties involved and the role of the banking system in money laundering;
- s. Learn the standards of conduct for performing litigation services;
- t. Understand the rules of evidence and their importance to one's work as a litigation consultant;
- u. Discuss the types of damages claims;
- v. Identify the common components of the damage calculation found in a personal injury case;
- w. Describe Internet protocols related to finding IP addresses, identity of e-mail senders, etc.;
- x. Describe the models used for cyber fraud and unauthorized system access;
- y. Identify the types of tangible and intangible losses that can occur during a cyber-attack;
- z. Define business valuations; and

- aa. Understand the nature of a forensic engagement and describe the steps in the investigative process from engagement to conclusion.

Major Topics to Be Included:

- a. Complex financial investigations
- b. Compliance and financial audit techniques
- c. Money laundering
- d. Net worth analysis
- e. Psychology of white collar crime
- f. Financial statement fraud and its elements
- g. Psychological and other characteristics of those who engage in fraudulent practices
- h. Money laundering as it relates to organized criminal activities
- i. Cybercrime and fraudulent accounting practices in e-business
- j. Steps in conducting a forensic engagement
- k. Legal options for victims of fraud

Effective Date of Course Content Summary: January 1, 2015