

ACCT G220: FORENSIC ACCOUNTING, INTRODUCTION

Item	Value
Curriculum Committee Approval Date	10/19/2021
Top Code	050200 - Accounting
Units	3 Total Units
Hours	54 Total Hours (Lecture Hours 54)
Total Outside of Class Hours	0
Course Credit Status	Credit: Degree Applicable (D)
Material Fee	No
Basic Skills	Not Basic Skills (N)
Repeatable	No
Grading Policy	Standard Letter (S), • Pass/No Pass (B)

Course Description

This course is identical to CJ G220. This course provides an introduction to forensic accounting. The course examines the application of investigative accounting skills to collect, analyze, and evaluate evidential matter, as well as the interpretation and communication of such evidentiary findings in a court of law or other business or administrative venue. Topics include fraud detection, fraud investigation techniques, the legal environment surrounding forensic accounting, business valuation, and professional ethics and responsibilities. Enrollment Limitation: CJ G220; students who complete ACCT G220 may not enroll in or receive credit for CJ G220. Transfer Credit: CSU.

Course Level Student Learning Outcome(s)

1. Course Outcomes
2. Summarize the fraud triangle and the components and conditions that can increase the risk of fraud.
3. Apply methods of detection, prevention, and prosecution of financial crimes.
4. Examine the legal and ethical implications and responsibilities of a forensic accountant.
5. Define the elements and objectives of a fraud investigation.

Course Objectives

- 1. Explore the practice of forensic accounting in the current business, legal, and technological environment.
- 2. Define internal control, identify the elements of internal control, and demonstrate its purpose and placement in organizations and their business processes.
- 3. Summarize the steps of a fraud investigation - from the incident, engagement, evidence gathering and analysis, litigation, to loss recovery.
- 4. Describe various types of white-collar crimes - money laundering, financial statement fraud, tax schemes and fraud, organized crime, and terrorism financing.
- 5. Examine forensic accounting techniques and issues in specific engagement settings such as financial fraud, financial statement misrepresentation, bankruptcy, damages, matrimonial disputes, business valuation, and digital forensics.

- 6. Identify and analyze the types of risk as they pertain to risk assessment and forensic risk management.

Lecture Content

Forensic accounting legal environment Legal system roadmap Civil and criminal procedure Common law crimes Federal financial crimes Internal controls and business processes Internal control elements Types of controls Audit assertions Test of controls Evidence collection in a fraud investigation engagement Types of evidence Fraud theory approach Physical evidence Documentary evidence and records Observational evidence Analytical procedures Interview and interrogation methods Law enforcement databases and networks (fingerprint systems) Occupational fraud Employee fraud Accounts receivable schemes, accounts payable schemes Vendor fraud Payroll fraud Asset misappropriation Skimming, larceny, embezzlement Inventory, fixed assets Financial statement fraud Revenue recognition Manipulation of liabilities SOX (Sarbanes-Oxley Act) compliance Consideration of fraud in a financial statement audit Insider trading Tax fraud Tax evasion schemes Willful attempt to evade or defeat the imposition of tax Interference with tax law Forcible rescue of seized property Termination and jeopardy assessments Civil tax fraud Indicia, evidence, and penalties Statute of limitations Methods of proof Other types of fraud Bankruptcy fraud Divorce fraud Identity theft Organized crime Racketeer Influenced And Corrupt Organizations Act (RICO) Foreign Corrupt Practice s Act (FCPA) of 1977 Money laundering Terrorism and counter-terrorism Risk management Fraud prevention Information security management systems (ISMS) Data-driven fraud detection IT security assurance Enterprise risk management Business valuation Basic valuation theory Market-based valuation approach Asset-based valuation approach

Method(s) of Instruction

- Lecture (02)
- DE Live Online Lecture (02S)
- DE Online Lecture (02X)

Instructional Techniques

Lecture Readings Current articles Participatory discussions Case studies Documentary videos

Reading Assignments

Current readings, periodicals, journals Websites

Writing Assignments

Written discussion assignments on the topic of study Case studies and analyses

Out-of-class Assignments

Canvas assignments: quizzes, discussions, etc. Additional adaptive exercises, readings, and videos as appropriate

Demonstration of Critical Thinking

Case studies require students to recognize systemic control weaknesses and opportunities and rationalization for fraud. Students have to demonstrate a comprehension of how all the fraud components led to the execution of fraudulent activity, the resulting consequences, and make recommendations for mitigation and monitoring.

Required Writing, Problem Solving, Skills Demonstration

Writing assignments that explore the practice of forensic accounting, its legal and business implications, and the ethical roles of forensic accountants. Exams, quizzes, and assignments that assess the elements of internal control, fraud, and risk. Qualitative and quantitative assessment methods that demonstrate investigative audit and accounting techniques.

Eligible Disciplines

Accounting: Masters degree in accountancy or business administration with accounting concentration OR bachelors degree in business with accounting emphasis or business administration with accounting emphasis or economics with an accounting emphasis AND masters degree in business, business administration, business education, economics, taxation, or finance OR the equivalent. Masters degree required. (NOTE: A bachelors degree in accountancy or business administration with accounting concentration, with a CPA license is an alternative qualification for this discipline)

Other Resources

1. Journal of Accountancy: monthly publication for 11 issues per year with combined April/May issue 2. CPA Letter Daily: weekly publication of news stories in accounting, business, and finance.