Class Hours: 3.0  Credit Hours: 3.0
Laboratory Hours: .0  Revised: Fall 2014

Catalog Course Description:
This course provides a comprehensive introduction to fraud detection and accounting forensic practices.

Entry Level Standards:

Prerequisites:
ACCT 1010

Textbook(s) and Other Course Materials:

I. Week/Unit/Topic Basis:

<table>
<thead>
<tr>
<th>Week</th>
<th>Chapter(s)</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chpt. 1</td>
<td>Core Foundation of Fraud and Forensic Accounting</td>
</tr>
<tr>
<td>2</td>
<td>Chpt. 2</td>
<td>Careers in Forensic Accounting</td>
</tr>
<tr>
<td>3</td>
<td>Chpt. 3</td>
<td>Criminology</td>
</tr>
<tr>
<td>4</td>
<td>Chpt. 4</td>
<td>Effective Interviewing Techniques</td>
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<tr>
<td>5</td>
<td>Chpt. 1-4</td>
<td>Exam 1 Chapters 1-4</td>
</tr>
<tr>
<td>6</td>
<td>Chpt. 5</td>
<td>Legal, Regulatory and Professional Environment</td>
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<tr>
<td>7</td>
<td>Chpt. 6</td>
<td>Ethics</td>
</tr>
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</table>
II. Course Goals*

The course will

A. Provide a foundation to fraud and forensic accounting. I, II, VI

B. Expand understanding of basic accounting and auditing principles. I, II, VI

C. Expand understanding of basic information technology currently used for accounting systems. I, II, III, V, VI

D. Guide students to a better understanding of business legal and ethical issues. I, II, V, VI

E. Enhance understanding of how computer software can be used as a tool to solve accounting fraud issues. I, III, V, VI

F. Guide students to learn to locate, analyze and integrate accounting information to detect fraud in financial statements. I, II, III, VI

G. Enhance students’ ability to analyze a company using publicly available resources. III, V

H. Enhance understanding of how the global nature of business impacts all business disciplines. II, VII

I. Enhance students’ ability to function effectively as a member of a team. IV, VI

J. Enhance students’ understanding of basic work ethics such as professionalism, preparedness, punctuality, honesty, cooperation, dependability, contribution, effectiveness, good manners, etc. I, II, IV, VI

K. Enhance development of teamwork, leadership, and followership skills by incorporating course assignments such as team discussion; team case studies; experiential exercises; oral, written and PowerPoint enhanced presentations and traditional and internet research. I, II, III, IV, V, VI.

L. Enhance students’ understanding of career paths available to them. II, VI
III. Expected Student Learning Outcomes*:

Students will be able to:

1. Define fraud and identify a potentially fraudulent situation. A
2. Differentiate between fraud and abuse. A
3. Define financial forensics and identify an appropriate methodology for a given financial forensic fact pattern. A
4. Differentiate the roles of auditing, fraud examination, and financial forensics. A,B
5. List the legal elements of fraud. A,D
6. Identify common fraud schemes. A
7. Give examples of non-fraud forensics and litigation advisory engagements. A,D
8. Describe the fraud examiner/financial forensic professional’s approach to investigations. A
9. Explain fraud examination methodology. A
10. Identify employment opportunities for fraud examination and financial forensics specialists and other related professions. A,B,L
11. Define the role of fraud examination and financial forensic skills related to management and those charged with corporate governance responsibilities. A
12. Discuss international opportunities in fraud examination and financial forensics. A,H
13. Describe the role of education in fraud examination and financial forensics. A
14. Describe occupational fraud and abuse. A
15. Compare and contrast theories of crime causation. D
16. Discuss the essence of organizational crime. D
17. Give examples of behavioral or other environmental indications of fraud. D
18. Explain the relationship between an employee’s position and the level of theft (according to Hollinger and Clark’s research). G
19. Analyze the role of corporate governance mechanisms in fraud prevention. A
20. Describe corporate governance breakdowns in the facilitation of historical fraudulent acts. G
21. Identify ethical issues, conflicts of interest, and noncompliance with corporate policies and procedures in the context of a specific case. D,I,K
22. Discuss alternative courses of action in a given scenario within the framework of appropriate ethical conduct. D,I
23. Discuss the role of the computer in cybercrime. C,E

*Roman numerals after course objectives reference goals of the BCT program.
24. Differentiate between computer fraud and computer crime. C,E
25. Describe the methods and indications of insider computer fraud. C,E
26. Discuss various ways that a hacker may access and manipulate a computer for illegal purposes. C,E
27. Discuss why Internet fraud is particularly difficult to investigate. C,E
28. Compare and contrast the remedies available in the civil and criminal justice systems. D
29. Explain what constitutes “good cause” in the discharge of an employee. D
30. Discuss the different approaches used by investigators to obtain documents. D
31. Describe what is meant by demonstrative evidence and give examples. D
32. Explain the discovery process. D
33. Discuss the primary purpose of the Sarbanes-Oxley Act of 2002. B
34. Describe management’s primary responsibilities. J
35. Discuss methods used to address management override and collusion. J
36. Describe the role of the external auditor in the financial reporting process. B,F
37. Explain the concept of materiality. B
38. Compare and contrast earnings management and fraud. B
39. Recognize red flags for fraud. A
40. Identify behavioral red flags. K
41. Discuss the components that frame the fraud risk assessment process. K
42. Describe the benefits of strong interviewing and interrogation skills. K
43. Discuss the reasons why interviews in fraudulent financial statements and tax returns are handled differently than interviews in other fraud examinations. B,F
44. Identify some verbal clues to deception. K
45. Describe some nonverbal clues to deception. K
46. Discuss the two major approaches for testing IT system controls. C,E
47. Describe CAATTs and explain what they are used for. C,E
48. Explain the purpose of computer forensics. C,E
49. Identify some computer functions that can make recovering deleted files more difficult. C,E
50. Describe how e-discovery rules impact the storage of e-mail and other electronic files. C,E
51. Discuss how case management software may be used in an investigation. C,E
52. Explain the techniques used to detect cash larceny. B
53. Give examples of noncash misappropriation schemes. B
54. Describe what is meant by the misuse of noncash assets. B
55. Discuss how inventory shrinkage is concealed. B
56. Explain the techniques used to detect noncash misappropriations. B

* Capital letters after Expected Student Learning Outcomes reference the course goals listed above.

IV. Evaluation:

A. Testing Procedures: 60% of grade

Exams may include objective and essay questions, as well as short cases.

B. Laboratory Expectations:

N/A

C. Field Work: 15% of grade

Team analysis of actual case studies – paper and oral presentation (15%)

D. Other Evaluation Methods: 25% of grade

- Homework will be assigned throughout the semester (cases assigned as homework, current events articles & other activities assigned by the instructor) (15%)
- Quizzes (10%)

E. Grading Scale:

<table>
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<tr>
<th>Score Range</th>
<th>Grade</th>
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<tbody>
<tr>
<td>92 – 100</td>
<td>A</td>
</tr>
<tr>
<td>89 – 91</td>
<td>B+</td>
</tr>
<tr>
<td>82 – 88</td>
<td>B</td>
</tr>
<tr>
<td>79 – 81</td>
<td>C+</td>
</tr>
<tr>
<td>72 – 78</td>
<td>C</td>
</tr>
<tr>
<td>65 – 71</td>
<td>D</td>
</tr>
<tr>
<td>Below 65</td>
<td>F</td>
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V. Policies:

A. Attendance Policy:

Pellissippi State expects students to attend all scheduled instructional activities. As a minimum, students in all courses (excluding distance learning courses) must be present for at least 75 percent of their scheduled class and laboratory meetings in order to receive credit for the course. Individual departments/programs/disciplines, with the approval of the vice president of Academic Affairs, may have requirements that are more stringent. In very specific circumstances, an appeal of the policy may be addressed to the head of the department in which the course was taken. If further action is warranted, the appeal may be addressed to the vice
B. Academic Dishonesty:

Academic misconduct committed either directly or indirectly by an individual or group is subject to disciplinary action. Prohibited activities include but are not limited to the following practices:

- Cheating, including but not limited to unauthorized assistance from material, people, or devices when taking a test, quiz, or examination; writing papers or reports; solving problems; or completing academic assignments.
- Plagiarism, including but not limited to paraphrasing, summarizing, or directly quoting published or unpublished work of another person, including online or computerized services, without proper documentation of the original source.
- Purchasing or otherwise obtaining prewritten essays, research papers, or materials prepared by another person or agency that sells term papers or other academic materials to be presented as one’s own work.
- Taking an exam for another student.
- Providing others with information and/or answers regarding exams, quizzes, homework or other classroom assignments unless explicitly authorized by the instructor.
- Any of the above occurring within the Web or distance learning environment.

Please see the Pellissippi State Policies and Procedures Manual, Policy 04:02:00 Academic/Classroom Conduct and Disciplinary Sanctions for the complete policy.

C. Accommodations for disabilities:

Students that need accommodations because of a disability, have emergency medical information to share, or need special arrangements in case the building must be evacuated should inform the instructor immediately, privately after class or in her or his office. Students must present a current accommodation plan from a staff member in Disability Services (DS) in order to receive accommodations in this course. Disability Services may be contacted by sending email to disabilityservices@pstcc.edu, or by visiting Alexander 130. More information is available at http://www.pstcc.edu/sswd/.

D. Other Policies:

**Computer Usage Guidelines:**

College-owned or –operated computing resources are provided for use by students of Pellissippi State. All students are responsible for the usage of Pellissippi State’s computing resources in an effective, efficient, ethical and lawful manner.