ACTG 59: FRAUD EXAMINATION

Foothill College Course Outline of Record

<table>
<thead>
<tr>
<th>Heading</th>
<th>Value</th>
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<tbody>
<tr>
<td>Effective Term:</td>
<td>Summer 2022</td>
</tr>
<tr>
<td>Units:</td>
<td>5</td>
</tr>
<tr>
<td>Hours:</td>
<td>5 lecture per week (60 total per quarter)</td>
</tr>
<tr>
<td>Prerequisite:</td>
<td>ACTG 51A</td>
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<tr>
<td>Advisory:</td>
<td>Elementary Algebra or equivalent; demonstrated proficiency in English by placement via multiple measures OR through an equivalent placement process OR completion of ESLL 125 &amp; ESLL 249.</td>
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<tr>
<td>Degree &amp; Credit Status:</td>
<td>Degree-Applicable Credit Course</td>
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<tr>
<td>Foothill GE:</td>
<td>Non-GE</td>
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<tr>
<td>Transferable:</td>
<td>CSU</td>
</tr>
<tr>
<td>Grade Type:</td>
<td>Letter Grade (Request for Pass/No Pass)</td>
</tr>
<tr>
<td>Repeatability:</td>
<td>Not Repeatable</td>
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Student Learning Outcomes

- A successful student will be able to perform related calculations and demonstrate the ability to use methods and /or procedures to detect financial fraud.
- A successful student will be able to explain fraud examination terminology, principles, and concepts.

Description

This course covers important topics associated with modern forensic accounting and fraud examination. Topics include an examination of the various types of occupational fraud, as well as the techniques to prevent and detect fraud in organizations. In addition, students will learn principals of fraud examination including who and why individuals commit fraud.

Course Objectives

The student will be able to:

a. Identify the fraud triangle and explain why people and organizations commit fraud.
b. Discuss a variety of fraud schemes.
c. Identify internal controls that help detect and prevent fraud.
d. Explain how allegations should be investigated and resolved.
e. Explain the types of fraud fighting careers available today.

Course Content

a. Explain fraud
   i. Define fraud
   ii. Define abuse
   iii. Distinction between auditing, fraud examination, and forensic accounting
   iv. Explain the theory of the fraud triangle
b. Cash receipt schemes and other asset misappropriations
   i. Skimming schemes
   ii. Cash larceny schemes
   iii. Noncash misappropriation schemes
c. Cash disbursement schemes
   i. Billing schemes
   ii. Check tampering schemes
   iii. Payroll schemes
   iv. Expense reimbursement schemes
   v. Register disbursement schemes
d. Corruption
   i. Define corruption and bribery
   ii. Understand kickback and bid-rigging schemes
   iii. Understand conflicts of interest
e. Financial statement fraud
   i. Identify reasons why management might overstate/understate performance
   ii. Describe the ways in which financial statement fraud is committed
   iii. Understand financial statement analysis for detecting fraud
   iv. Understand the importance of SAS No. 99
f. Fraud investigations
   i. What circumstances would necessitate an investigation
   ii. The definition of evidence
   iii. Understand the importance of documentary evidence
   iv. Interviewing
   v. Report writing

Lab Content

Not applicable.

Special Facilities and/or Equipment

1. Access to a computer lab and Excel software.
2. When taught as an online distance learning section, students and faculty need ongoing and continuous internet and email access.

Method(s) of Evaluation

Methods of Evaluation may include but are not limited to the following:

Examinations
Quizzes
Computerized assignments
Written reports
Group activities

Method(s) of Instruction

Methods of Instruction may include but are not limited to the following:

Lecture
Electronic discussions
Group work
Case studies

**Representative Text(s) and Other Materials**

**Types and/or Examples of Required Reading, Writing, and Outside of Class Assignments**

a. Reading of corporate annual reports
b. Reading of *Journal of Accountancy*
c. Review of websites for discussion assignments:
   i. [https://www.justice.gov/fraudtaskforce](https://www.justice.gov/fraudtaskforce)
   ii. AICPA Auditing Standards - Au Sec 316 (SAS 99), on the AICPA website [https://www.aicpa.org/home](https://www.aicpa.org/home)

**Discipline(s)**
Accounting