

Certificate in Investigative and Forensic Accounting

Program Description

Fraud risk is becoming more prevalent as corporate and government organizations face changing economic, regulatory, and competitive challenges across industries and countries. Moreover, technology makes it both easier and harder to engage in fraudulent activity. According to the Financial Times, a recent survey by the Economic Intelligence Unit uncovered increasing fraud in five industry sectors, led by financial services.

This program is designed to help professionals develop expertise and competency in the area of forensic accounting examinations. The certificate will concentrate on the core skills required to identify, detect, and prevent fraud. Courses survey fraud schemes and address fraudulent financial reporting, misappropriation of assets, and corruption. Participants will learn how to develop evidence to support a fraud case through litigation support and expert testimony techniques.

Program Objectives

Program participants will:

- Develop skills to identify and detect fraud
- Understand common fraud schemes and fraudulent financial reporting
- Recognize misappropriation of assets
- Develop evidence to support a fraud case through litigation support and expert testimony techniques
- Design internal systems that minimize or mitigate the potential for fraud

Designed For

- Internal auditors
- Accountants
- Human resource professionals
- Fraud investigators
- Loss prevention professionals
- Attorneys
- Ethics officers

Program Materials

Most program materials are included. Textbooks are not required, though students are strongly encouraged to purchase the most recent edition of *Fraud Examination* by W Steve as a reference guide throughout the program. The book is also available in IFAP library.

Principles of Forensic Accounting Examinations

Course Description

This course explores the process for conducting forensic examinations. Forensic examiners typically serve as either consultant to attorneys or as expert witnesses. Course participants will be prepared through activities, lectures, and readings to conduct a forensic examination in either role.

Course topics will include:

- Conducting a forensic examination as a consultant
- Serving as an expert witness
- Roles and responsibilities of the forensic examiner

Course objectives

At the completion of the course, a successful student will be able to

- Define and explain the difference between fraud and abuse.
 - Describe contributions by Edwin H. Sutherland and Donald Cressey to forensic accounting.
 - Explain the Donald Cressey method, the 3 attributes that make the "fraud triangle."
 - Give examples of non-shareable problems that contribute to fraud.
 - Understand how perceived opportunity and rationalization contribute to fraud.
 - Explain W. Steve Albrecht's "fraud scale."
 - Summarize the conclusions of the Hollinger–Clark study.
 - Understand the basic processes in litigation support and expert testimony
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Criminal Investigative Techniques

Course Description

Fraudulent financial reporting has received significant press in recent years with the well publicized failures or frauds at Enron, MCI, and Adelphia. This class addresses key criminal investigative and evidence building techniques used by law enforcement officers. Criminal Investigative Techniques will teach students investigative techniques employed by law enforcement officers to build evidence in a fraud case.

Course topics will include:

- Evidence collection
- Interviewing techniques
- Public records and data analysis
- Discovery

Course objectives

At the completion of the course, a successful student will be able to:

- Explain the goals of interviewing a fact witness versus a suspect.
 - Describe the five common interviewing issues.
 - Outline 3 criminal investigative techniques.
 - Outline 3 evidence building techniques.
 - Provide guidance to conduct an interview.
 - Assess the meanings of conflicting signals.
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Fraud in the Governmental Environment

Course Description

Fraudulent financial reporting, misappropriation of assets, bribery, abuse of power, and corruption--forensic examiners need to learn the particularities of these abuses in the governmental environment.

General course topics include:

- Corruption
- Bribery
- Abuse
- Government procurement
- Common fraud schemes

Course objectives

At the completion of the course, a successful student will be able to

- Describe the four attributes that make the government environment prone to fraud, waste, and abuse.
 - Define corruption, bribery, extortion, and illegal gratuities.
 - Describe the six most common fraud methods in government procurement cycle.
 - Explain the government procurement cycle, basic appropriation law and "parking money" risk.
 - Describe the basic principles of the Anti-Deficiency Act and Bona Fide Needs Statute.
 - Define Best Value: Tradeoff process vs. lowest price technically acceptable.
 - Describe the types of abuses that are committed at each stage of the government procurement cycle, including during the competitive bidding process.
 - Define elements and indicators of defective pricing, product substitution, cost mischarging, progress payment fraud, and price fixing.
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Fraudulent Financial Reporting

Course Description

Fraudulent financial reporting has received significant press in recent years due to the well publicized failures and frauds at Enron, MCI and Adelphia. These financial fraud schemes have ranged from basic to complex ploys to mislead investors by improving financial results. In this course, students will be introduced to common fraudulent reporting schemes and methods to detect and document the fraud.

Course topics will include:

- Review of SAS 99
- Common fraudulent financial reporting schemes
- Detecting fraudulent schemes
- Financial fraud indicators

Course objectives

At the completion of the course, a successful student will be able to:

- Describe fraudulent schemes used by CUC/Cendent, Infomix, Waste Management and Lucent.
 - Explain the 4 significant changes to the financial reporting community after the Enron bankruptcy.
 - Outline three major components of SAS 99.
 - Describe the 5 major causes for financial reporting fraud.
 - Explain the major components of financial statements.
 - Explain the significance of the loan to deposit ratio and maturity matching concept.
 - Create a simple Statement of Cash Flows.
 - Explain common financial relationships between A/R turnover, Inventory turnover, and A/P turnover.
 - List the 7 liquidity stress indicators.
 - Describe 4 common fraudulent financial reporting schemes.
 - Explain differences between four common accountant's reports: audit, review, compilation, and disclaimer.
 - Perform basic financial analysis.
 - Describe common financial reporting schemes revenues (11 types) and expenses (4 types).
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Fraud Examination: Detecting Misappropriation

Course Description

This class concentrates on common misappropriation schemes and detection methods. Successful forensic examiners need to understand how these schemes are perpetrated and detected. Students will learn how to identify, detect, and document misappropriation schemes. Interviewing techniques in addition to evidence gathering techniques will be taught.

Course topics will include:

- Skimming and cash larceny
- Schemes including billing, check tampering, payroll, expenses reimbursement, register disbursement, and non-cash asset.

Course objectives

At the completion of the course, a successful student will be able to

- List and understand the two principal categories of skimming schemes.
 - Explain the 5 common types of cash misappropriation.
 - Describe the 9 common schemes involving sales skimming.
 - Define what "lapping" is and how it is used to hide skimming schemes.
 - Define cash larceny, billing schemes, check tampering, and ghost employee.
 - Define what a shell company is and outline the common process by which it is formed.
 - List and understand six common ways billing schemes are committed.
 - Understand the five principal categories of check tampering.
 - Differentiate between forged maker and forged endorsement schemes.
 - List and explain the two main categories of payroll fraud.
 - Explain the types that constitute expense reimbursement fraud.
 - Review four methods by which employees commit commission schemes.
 - Explain the elements that constitute a register disbursement and a non-cash asset scheme.
 - Be able to provide high-level guidance on the many controls and procedures that can be used to prevent and detect various schemes.
 - Explain the four basic steps of interviewing.
 - Describe the structured Interview and Neuro Linguistic Programming.
 - Provide instructional guidance on methods to document schemes.
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Internal Controls: Proper Design and Detection

Course Description

The first and last line of defense against fraud, internal controls should be preventative and detective. This class provides an understanding of the role of internal controls in today's corporate environment and their importance to a forensic examination.

Course topics include:

- COSO Framework
- Sarbanes Oxley Act
- Internal Control Theory

Course objectives

At the completion of the course, a successful student will be able to:

- Describe 5 common controls used by supermarkets, banks, and restaurants.
 - Define internal controls and its 3 categories.
 - Define basic internal control theory.
 - Explain the role of internal controls as part of a forensic examination.
 - Communicate a conceptual understanding of the COSO framework, including its 5 components.
 - Explain the three major audit requirements from Sarbanes-Oxley Act.
 - Apply a visual methodology to assess the strength of internal controls.
 - List 6 financial attributes of integrity.
 - Explain the Foreign Corrupt Practices Act.
 - Perform an assessment of an internal control cycle.
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Advanced Forensic Techniques

Course Description

This class will concentrate on advanced tools used to detect fraud. The emphasis will be on computer assisted forensic techniques. Statistical techniques, data quality/integrity, and computer recovery methodologies will be reviewed.

Course objectives

At the completion of the course, a successful student will be able to

- Explain the complexities of finding fraud in a computer-based environment.
 - Describe the six activities of a computer forensic expert.
 - Be able to provide instructional guidance on methods for conducting a data examination on a financial system (i.e., to have executable knowledge to lead an data examination).
 - Describe the storage structure of relational databases (table/file, field, record).
 - List and explain the five types of legal evidence.
 - Describe the chain of custody and best evidence rule.
 - Describe the five differences between Computer Assurance and Crime Scene Investigation.
 - Explain the difference in processes for computer recovery and data quality integrity.
 - Define manual controls and automated/computer controls.
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