AC 670  
Fraud Examination & Auditing  
Fall 2017 Syllabus

Instructor: Dr. Beck  
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Office hours: To Be Determined  

Contact: Please use Canvas when contacting me (see the first course announcement in Canvas for assistance). Canvas will be used for any course announcements, etc., regarding this course – it is your responsibility to check Canvas regularly (you can set your Canvas notifications to make this easier, especially for Announcements and Conversations). Should Canvas be down at a time when I need to make a course announcement, I will use your Avila email account to make the announcement.

Class Meetings: Tuesday 6:00 p.m. – 9:20 p.m. (3 credit hours); DAL 800


First Assignment: See page 5 for the assignment to be completed prior to the first meeting.

Prerequisite: AC 370 Auditing

Course Description: The course will cover the major methods employees use to commit occupational fraud. Students will learn how and why occupational fraud is committed, how to assess where an organization is at the greatest risk for fraud, how fraudulent conduct can be deterred, and how allegations of fraud should be investigated and resolved.

Intended Learning Outcomes / Course Objectives: Students will be able to demonstrate through the use of exams, homework, and classroom discussion the ability to:

1. Develop an understanding of how and why occupational fraud is committed,
2. Identify how fraud risk can be assessed and fraudulent conduct may be deterred,
3. Determine how allegations of fraud should be investigated and resolved, and
4. Formulate and solve problems through systematic analysis.
**Higher-Level Thinking Intended Learning Outcomes:** Solutions will focus primarily on identifying problems, developing viable solutions, and making decisions based upon appropriate criteria. Skeptical, evaluative and logical approaches will be utilized in processing information and drawing conclusions.

**Attendance:** Attendance is required. Attendance is defined as being present and engaged for the entire lecture/discussion. Thus, if you arrive after the lecture/discussion has begun, or if you leave prior to the end of the lecture/discussion, or if you leave during the lecture/discussion and return later, this will be considered an absence. Likewise, if you are present but not engaged for a portion of the lecture/discussion (e.g., if you are checking email, texting, etc. during a video), this will be considered an absence. If the absence (as defined here) relates to missing no more than 5 minutes of a lecture/discussion, it will be counted as half of an absence for the first two (2) such occurrences. After three (3) absences (as defined here), each additional absence will result in a one letter grade reduction in relation to the course grade. Should you be forced to miss all or part of a class for any reason, it is your responsibility to acquire the information presented during that class meeting from another student (including any information regarding upcoming exams). It is recommended that you make such arrangements with one or more other students as soon as possible. This attendance policy does not apply to examination class meetings.

**Course Method:** Class meetings will generally consist of one or more of the following: review of material covered in the previous class meeting (if needed); discussion of new material; review of selected chapter exercises and/or problems; exams; group discussion of cases assigned, and group discussion of videos viewed. While in class, you are expected to participate actively; it is to your benefit to ask questions when you do not understand material. The policy of Avila University concerning cheating and plagiarism will be strictly followed. Actions that the instructor determines to be in violation of these policies will result in the imposition of a penalty. The minimum penalty imposed by the instructor will be the receipt of zero points and an additional penalty equal to the number of possible points on the related material. The maximum penalty imposed by the instructor will be the assignment of an “F” for the course and dismissal from the course. Any violation will also be reported to the Academic Affairs office, which may impose additional penalties.

Suggestions:
- Plan and allow for 8 to 10 hours per week (outside of class) for reading, homework, etc.
- Print any handouts prior to arriving on campus
- Read assigned chapters prior to the related class meeting.
- Attempt assigned homework on your own. Seeing someone else work the problem is VERY different than being able to work the problem yourself.
- Participate in class. If you do not understand something, please ask questions.
- Do not fall behind. If you allow yourself to fall behind the class, it can be almost impossible to catch-up.

**Classroom Assistance:** Success in this class is dependent upon communication between the student and the instructor. If the student is having issues with a particular subject matter, it is the student’s responsibility to advise the instructor of these issues. If you have a disability and require accommodations, please contact the office of Disability Services early in the semester so that your learning needs may be appropriately met. You will need to provide documentation of your disability to the Disability Services before any accommodations are arranged. The office is located in the Hodes Center. Call 816-501-3666 (voice and TTY) for more information.
Course Evaluation:

<table>
<thead>
<tr>
<th>Grading Scale</th>
<th>Grading Criteria</th>
<th>Total Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>90 - 100.0%</td>
<td>A</td>
<td>195</td>
</tr>
<tr>
<td>80 - 89.9%</td>
<td>Exams (3)</td>
<td>96</td>
</tr>
<tr>
<td>70 - 79.9%</td>
<td>Case Discussions (12, 8 points each)</td>
<td>9</td>
</tr>
<tr>
<td>60 - 69.9%</td>
<td>Chapter 1 Homework</td>
<td></td>
</tr>
<tr>
<td>Below 60.0%</td>
<td>F</td>
<td>300</td>
</tr>
</tbody>
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Should circumstances require that some material not be covered in the course, related examination and/or Case Discussion points will be adjusted accordingly.

Examinations. There will be three (3) examinations during the term. The dates and points available for each exam are listed in the class schedule included later in this syllabus. Make-up exams will not be offered for any reason, except potentially for university closure (see comments below regarding “re-takes”). In addition, you may re-take either Exam 1 or Exam 2 (including a missed exam) during the final class session (which will last 2 hours). The score earned on a “re-take” will replace the original score on the related exam, even if the re-take score is lower. If you are absent for the final class meeting for any reason, a make-up re-take exam will not be offered (your original score will be retained). If a student misses the third exam, a make-up exam will be administered only if both of the following apply: (a) your inability to take the final exam is due to unforeseeable and severe circumstances; and (b) you provide acceptable and sufficient documentation of these circumstances no later than 48 hours after the scheduled exam period. Determination of whether or not the circumstances warrant an exception, and whether or not the documentation is acceptable and sufficient, will be based solely on the judgment of the instructor. No cell phones, PDAs, Blackberries, MP3 players, electronic dictionaries, or any other electronic devices not expressly approved by the instructor can be used during an exam; use of any of these electronic items during an examination will be a violation of the policy of Avila University concerning cheating and plagiarism.

Cases. Cases will be posted in Canvas (under Modules). Prior to the class meeting during which a case will be discussed, students are expected to read the case and prepare a TYPED draft response to any questions listed at the end of the case. Points are not awarded for these draft responses, but the draft responses are necessary for the student to be eligible to earn discussion points for the given case. If a student has not completed the draft responses for a given case, he/she may still participate in the discussion, but cannot earn discussion points for that given case. The TYPED draft responses are due at the beginning of class (note that “1 minute after the beginning of class” is not the same as “at the beginning of class”). If you are concerned that you may be late to class, you can email the draft responses to me prior to the start of class. For each case discussed, up to 8 points may be earned for discussion of that case. The key advantage of class participation is that it forces each student to be well prepared and thus become an active, rather than passive, learner. Participation also provides you with the opportunity to gain from the experiences and talents of everyone in the class. You should feel free to ask questions, provide supportive comments, or challenge constructively what has been said. It is important to note that it is not the person who speaks most often that will necessarily get the higher score. The lowest discussion score for each student will be dropped at the end of the term.

Homework. Although textbook homework will not be explicitly assigned or graded (except for Chapter 1), you are strongly encouraged to utilize this resource to master the material presented in the assigned chapters and to enhance your understanding of classroom discussions. While selected textbook questions will be discussed in class, it would be very inaccurate to conclude that failure to complete the remaining questions (not specifically discussed in class) will have no negative impact on your performance in this class. Success in accounting has a very high correlation to the amount of homework that the student does.
The following class schedule is tentative and subject to change. This is a plan, not a promise.

<table>
<thead>
<tr>
<th>NO.</th>
<th>DATE</th>
<th>TOPIC</th>
<th>VIDEOS</th>
<th>CASES</th>
</tr>
</thead>
</table>
| 01  | 09/05  | Ch. 1 – Introduction  
Ch. 2 – Skimming                                                        |                                             |         |
| 02  | 09/12  | Ch. 3 – Cash Larceny  
Ch. 4 – Billing Schemes                                                   | Inside the Fraudster’s Mind                  | 1, 2    |
| 03  | 09/19  | Ch. 5 – Check Tampering                                                 | Making Crime Pay: How to Locate Hidden Assets | 3, 4    |
| 04  | 09/26  | EXAM (75 points)                                                        |                                             |         |
| 05  | 10/03  | Ch. 6 – Payroll Schemes  
Ch. 7 – Expense Reimbursement Schemes                                     | Other People’s Money, The Basics of Asset Misappropriation | 5, 6    |
| 06  | 10/10  | Ch. 9 – Noncash Assets  
Ch. 10 – Corruption                                                         | Corporate Con: Internal Fraud and the Auditor | 7, 8    |
| 07  | 10/17  | Ch. 11 – Accounting Principles and Fraud                                  | Cooking the Books: What Every Accountant Should Know About Fraud | 9, 10   |
| 08  | 10/24  | EXAM (75 points)                                                        |                                             |         |
| 09  | 10/31  | Ch. 12 – Financial Statement Fraud Schemes  
Ch. 13 – External Fraud Schemes                                             | How To Detect and Prevent Financial Statement Fraud | 11, 12  |
| 10  | 11/07  | Ch. 16 – (optional, not on exam)  
Interviewing Witnesses  
Ch. 17 – Occupational Fraud and Abuse: The Big Picture                    | Finding the Truth: Effective Techniques for Interview and Communication | 13      |
| 11  | 11/14  | EXAM (45 points)                                                        |                                             |         |

If a class meeting must be cancelled, the make-up class meeting will be held on 11/21/2017 (unless University scheduling requires otherwise).
AC670 – Fraud Examination & Auditing – First Assignment

Prior to our first class meeting, you should:

1. Login to Canvas and (a) upload a picture; (b) update your contact methods; and (c) set your notification settings. For guidance, login to canvas, click “Help” in the upper right corner and select “Go to the Avila University Support Site” in the window that opens. Note that on the Avila help page (prior to the step-by-step instructions section) there is a link to a video to help you with Canvas settings. If you simply cannot upload a picture prior to the first class, please do so as soon as possible.

2. Study Chapter 1 and Chapter 2 in the textbook;

3. For Chapter 1, complete Review Questions 3, 9, 10 (pages 46-47) and complete Discussion Issue questions 1, 2, 5, 6, 8 (page 47). These will be handed-in.

4. You should also complete the remaining questions for Chapter 1 and all questions for Chapter 2. You will NOT be submitting your responses for these questions, and there will be no course points associated with the completion of these questions. So, why should you spend the effort to do this? Please see the discussion under “Homework” on page 3 of this syllabus.

Canvas Note: Go to the Avila University homepage (www.avila.edu) and click on the “A” icon on the right portion of the page, then click on “Canvas.” If you have not used Canvas, contact IT Services for login information (816-501-2900). Note that if you have used other Avila services (email, etc.) your username and password for Canvas should already work and be the same as for your other Avila services.