Year and Session: Session 1, 2012
Unit convenor: Renee Radich

[Prerequisites / Corequisites:] There are no formal prerequisites or co-requisites for this unit however students are assumed to have a thorough knowledge of accounting procedures and systems and of corporate structures; It will be beneficial if you also have some understanding of Auditing.

Credit points: 4 Credit points

Students in this unit should read this unit guide carefully at the start of session. It contains important information about the unit. If anything in it is unclear, please consult one of the teaching staff in the unit.

ABOUT THIS UNIT

This unit examines various techniques of financial fraud prevention, investigation and detection. Topics will include: motivations for financial fraud, symptoms of financial fraud, financial statement fraud, evidence collection and evaluation, legal report writing, interviewing witnesses and perpetrators, fraud prevention. Case studies will be used

Forensic accounting differs from financial accounting, management accounting and auditing in terms of its purpose and context. Financial accounting involves data collection, recording and classification and summarising economic events in a logical manner in order to report those matters in financial language to decision makers, many of whom are external to the firm. Financial accounting is constrained as to reporting formats used by the need to conform to Accounting Standards. Management accounting provides relevant information to insiders in the company so that activities of divisions within a company and profitability of operations can be monitored and enhanced. There are no standard formats for such management reports and they may contain considerable amounts of data not addressed in financial reports.

The purpose of Auditing is to provide assurance as to the reliability or otherwise of reports generated by the systems at a macro level. The reason is simple: if decisions are based on sound information the chance of wrong decisions being made is reduced. Hence, the underlying objective of financial statement audit is to assist decision makers by providing a degree of quality control over the information through ensuring that the financial statements issued are free from material error. It confirms final positions shown but may not reveal the side tracks leading to those results.

Forensic Accounting is concerned with specific problems, frequently dispute resolution and entails detailed investigation of evidence rather than with compiling

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reports from the basic data. It is interpretive and thus has more in common with auditing than with other branches of accounting.

TEACHING STAFF

Convenor: Renee Radich
Room: E4A 330
Phone: 9850 8534
Email: renee.radich@mq.edu.au

CONTACTING STAFF

- Consultation times
Consultation hours will be Wednesday 4-6 pm. Please note that staff will only respond to emails that are sent by students from their Macquarie University email address.
You are encouraged to seek help at a time that is convenient to you from a staff member teaching on this unit during their regular consultation hours. In special circumstances, an appointment may be made outside regular consultation hours. Staff will not conduct consultations by email. You may, however, phone staff during their consultation hours.

In order to gain access to staff located at levels 1, 2 and 3 of building E4A during their consultation hours please ring the staff member from the phones available in the lobby (phone numbers of relevant staff members will be provided on Blackboard and are available next to the phones). Students experiencing significant difficulties with any topic in the unit must seek assistance immediately.

CLASSES

Students are required to attend one 3 hours face-to-face seminar per week. This will be held in C5A 304 on Wednesdays between 6pm and 9pm.

The timetable for classes can be found on the University web site at:
http://www.timetables.mq.edu.au/

PRIZES

- Prizes for this unit (if applicable).
  http://www.businessandeconomics.mq.edu.au/undergraduate_degrees/prizes_scholarships

REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

The following text is available from the Co-op Bookshop:

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This text will be supplemented with readings available on the unit web site.

The following Journals and texts are useful as additional references:

Recommended journals:

- Journal of Forensic Accounting
- Auditing, Fraud and Risk (JFA)
- Computer Fraud and Security
- Forensic Science
- Forensic Science International
- Environmental Forensics

Recommended Texts:

- Technology and Required

Students are expected to have:

- Proficiency in Word, Excel and PowerPoint
- Knowledge of Macquarie University iLearn – for downloading lecture materials, etc
- Knowledge of the library research databases – for accessing additional research material.

UNIT WEB PAGE

Course material is available on the learning management system (iLearn)
The web page for this unit can be found at:
http://mq.edu.au/iLearn/index.htm

LEARNING OUTCOMES

The learning outcomes of this unit are:

1. Respond to issues associated with an allegation of fraud
2. Identify risk and management weakness from a fraud perspective
3. Appreciate the social/legal context of fraud
4. Conduct preliminary examination of documents, assemble evidence and write reports
5. Understand and use sources of information
6. Develop and implement an organisational policy to minimise fraud

GRADUATE CAPABILITIES

In addition to the discipline-based learning objectives, all academic programs at Macquarie seek to develop the capabilities the University's graduates will need to develop to address the challenges, and to be effective, engaged participants in their world.

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This unit contributes to this by developing the following graduate capabilities:

1. Discipline Specific Knowledge and Skills as indicated above in the section of learning outcomes;
2. Critical, Analytical and Integrative Thinking: for example, the ability to analyse and implement a fraud prevention and detection mechanisms;
3. Problem Solving and Research Capability: for example, the group assignment will require students to learn how to solve specific problems with respect to a forensic accounting scenario and requires research skills;
4. Creative and Innovative: for example, in order to make a clear and interesting presentation of the seminar questions, creative and innovative thinking will be required;
5. Effective Communication: is crucial for both written and oral assessment tasks;
6. Engaged and Ethical Local and Global citizens: the unit is based on fraud prevention and detection and intrinsically linked to ethical issues;
7. Capable of Professional and Personal Judgement and Initiative: this skill will be developed through seminar discussions and group assignment and assessed in the exams.

**LEARNING AND TEACHING ACTIVITIES**

The normal format for each 3 hour seminar class will be as follows:

- (a) Brief lecture / interactive discussion
- (b) Review of pre-assigned practice questions
- (c) Group discussions

(a) Brief lecture / interactive discussion – each week, the lecturer will lead discussion covering the key points of the relevant material. The format and approach for this session will vary but may include a question and answer session where students will be asked to participate. This will require students to have pre-read the material.

(b) Preparation and review of practice questions – students will be expected to complete, and contribute to discussion concerning, various practice questions. The amount of time spent on these questions and the seminar in which they are completed will be at the discretion of the lecturer and will depend upon the time available. Accordingly, students should bring a copy of these questions to every seminar.

A week-by-week list of the topics to be covered is at the end of the unit guide.

**RESEARCH AND PRACTICE**

This unit uses research from external sources (references) and gives you practice in applying research findings in your assignments.
## Relationship Between Assessment and Learning Outcomes

<table>
<thead>
<tr>
<th></th>
<th>Assessment Task 1</th>
<th>Assessment Task 2</th>
<th>Assessment Task 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Title/Name</strong></td>
<td>Class Participation</td>
<td>Case Study</td>
<td>Final Examination</td>
</tr>
<tr>
<td><strong>Description</strong></td>
<td>Individuals will be required to contribute to assigned class activities and discussions each week</td>
<td>Case study for a group of 4/5 students</td>
<td>see notes below</td>
</tr>
<tr>
<td><strong>Due date</strong></td>
<td>In class each week</td>
<td>23 May</td>
<td>The University Examination period in First Half Year 2012 is from 12 June to 29 June.</td>
</tr>
<tr>
<td><strong>% Weighting</strong></td>
<td>20%</td>
<td>20%</td>
<td>60%</td>
</tr>
<tr>
<td><strong>Grading method</strong></td>
<td>Quality of your arguments, frequency of participation and communication skills see appendix</td>
<td>A marking guide provided will represent marking standards</td>
<td>Marking guide will be provided to qualified examiners as standard marking criteria</td>
</tr>
<tr>
<td><strong>Submission method</strong></td>
<td>In person, in seminar</td>
<td>A hard copy to class on Monday 23 May and email a soft copy to the lecturer 5pm of that day.</td>
<td>Written hard copy submitted during the exam time</td>
</tr>
<tr>
<td><strong>Feedback (type, method, date)</strong></td>
<td>Immediately via lecturer and peer feedback</td>
<td>Feedback will be provided on the return of group assignments</td>
<td>Not applicable</td>
</tr>
<tr>
<td><strong>Estimated student workload (hours)</strong></td>
<td>On average, students will need to spend 2-3 hours per week</td>
<td>1.5hrs/week</td>
<td>3.0hrs/week</td>
</tr>
<tr>
<td>Learning outcomes assessed</td>
<td>Assessment Task 1</td>
<td>Assessment Task 3</td>
<td>Assessment Task 4</td>
</tr>
<tr>
<td>----------------------------</td>
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<td>------------------</td>
</tr>
<tr>
<td>1. Respond to an allegation of fraud</td>
<td>x</td>
<td></td>
<td></td>
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<tr>
<td>2. Identify risk and management weakness</td>
<td>x</td>
<td>x</td>
<td></td>
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<tr>
<td>3. Appreciate the social/legal context of fraud</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>4. Conduct preliminary examination of documents, assemble evidence and write reports</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<tr>
<td>5. Understand and use sources of information</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<tr>
<td>6. Develop and implement policy to minimise fraud.</td>
<td>x</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Graduate capabilities assessed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Discipline Specific Knowledge and Skills</td>
<td>x</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>2 Critical, Analytical and Integrative Thinking</td>
<td>x</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>3 Problem Solving and Research Capability</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>4 Creative and Innovative</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Effective Communication</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>6 Engaged and Ethical Local and Global citizens</td>
<td>x</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>7 Capable of Professional and Personal Judgement and Initiative</td>
<td>x</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>
CLASS PARTICIPATION

Class participation is essential for achieving learning outcomes in this course. It is expected that you will prepare for each class by going through the specified readings. You are required to actively share with the class your perspectives and experiences on the topics taken up for discussion in the class and respond to the views expressed by others in the class. The lecturer may also ask you to participate in other learning activities (e.g. role play, debates etc.). Marks will be assigned based on your contributions to the class discussions and other learning activities. Please see iLearn for marking guidelines.

The aim is for you to develop higher order skills that you are able to apply in a range of contexts. As such, the memorization of answers and definitions from the text will not be adequate for you to pass this subject. Accordingly, solutions will not be released on the subject website. A suggested strategy for dealing with the subject material is as follows:

- Attend seminars each week and make notes,
- Prepare for seminars by completing the assigned reading
- Attempt all activity questions
- Make a note of any questions you have about the material
- Refer back to readings and lecture notes for potential answers to your questions
- Come along to seminars prepared and ready to ask questions and contribute to discussions
- If questions are still unresolved then make use of the staff consultation times

CASE STUDY:

An assignment is to be completed as part of a group and is due in 23 May. This is to be a concise word processed document and English expression is very important in this task. Details will be distributed in week 4. The written component will be graded out of 15. Late assignments will incur a 10% penalty per day. **Note that non-submission of the assignment will result in an automatic fail grade for the unit.**

In addition, your group will present your major findings during the seminar in that week. This presentation is expected to be no longer than 10 minutes per group and will be graded out of 5.

In order to grade the assignment, an Individual Contribution sheet must be filled out by each student and submitted at the same time as the assignment. The individual sheets can remain confidential and do not have to be shown to the other students in your team.

A copy of the individual contribution sheet is provided on iLearn. As can be seen, you should note down the percentage contribution of each member of the group (including yourself) to the finally completed assignment. For example, if you believe all 4 students in your group contributed equally to the assignment, you should allocate 25% next to each of the 4 students. The sheet of every member of the group will be used in determining the grade for the assignment.

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FINAL EXAMINATION:
A final examination is included as an assessment task for this unit to provide assurance that:
   i) the product belongs to the student and
   ii) the student has attained the knowledge and skills tested in the exam.

A 3 hour (plus 10 minute reading time) final examination for this unit will be held during the University Examination period.

The University Examination period in First Half Year 2012 is from 12 June to 29 June.

You are expected to present yourself for examination at the time and place designated in the University Examination Timetable. The timetable will be available in Draft form approximately eight weeks before the commencement of the examinations and in Final form approximately four weeks before the commencement of the examinations.

http://exams.mq.edu.au/

The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for Special Consideration. The University’s policy on special consideration process is available at http://www.mq.edu.au/policy/docs/special_consideration/policy.html

If a Supplementary Examination is granted as a result of the Special Consideration process the examination will be scheduled after the conclusion of the official examination period. (Individual Faculties may wish to signal when the Faculties’ Supplementary Exams are normally scheduled.)

The Macquarie university examination policy details the principles and conduct of examinations at the University. The policy is available at: http://www.mq.edu.au/policy/docs/examination/policy.htm

ACADEMIC HONESTY

The nature of scholarly endeavour, dependent as it is on the work of others, binds all members of the University community to abide by the principles of academic honesty. Its fundamental principle is that all staff and students act with integrity in the creation, development, application and use of ideas and information. This means that:

- all academic work claimed as original is the work of the author making the claim
- all academic collaborations are acknowledged
- academic work is not falsified in any way
- when the ideas of others are used, these ideas are acknowledged appropriately.

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Further information on the academic honesty can be found in the Macquarie University Academic Honesty Policy at

University Academic Honesty Policy at http://www.mq.edu.au/policy/docs/academic_honesty/policy.html

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**GRADES**

Macquarie University uses the following grades in coursework units of study:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>HD</td>
<td>High Distinction</td>
</tr>
<tr>
<td>D</td>
<td>Distinction</td>
</tr>
<tr>
<td>CR</td>
<td>Credit</td>
</tr>
<tr>
<td>P</td>
<td>Pass</td>
</tr>
<tr>
<td>F</td>
<td>Fail</td>
</tr>
</tbody>
</table>

Grade descriptors and other information concerning grading are contained in the Macquarie University Grading Policy which is available at:


All final grades in the Department of Accounting and Corporate Governance are determined by a grading committee and are not the sole responsibility of the Unit Coordinator.

Students will be awarded one of these grades plus a Standardised Numerical Grade (SNG). The SNG is not necessarily a summation of the individual assessment components.

The final grade and SNG that are awarded reflect the corresponding grade descriptor in the Grading Policy.

In addition, there is a requirement to pass the final examination to be awarded a final grade of a Pass or a higher grade.

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**SPECIAL CONSIDERATION**

The University is committed to equity and fairness in all aspects of its learning and teaching. In stating this commitment, the University recognises that there may be circumstances where a student is prevented by unavoidable disruption from performing in accordance with their ability. A special consideration policy exists to support students who experience serious and unavoidable disruption such that they do not reach their usual demonstrated performance level. The policy is available at:

http://www.mq.edu.au/policy/docs/special_consideration/procedure.html

Special Consideration will only be given when there has been satisfactory progress (that is a score of at least 45%) in the course work.
STUDENT SUPPORT SERVICES

Macquarie University provides a range of Academic Student Support Services. Details of these services can be accessed at http://www.student.mq.edu.au.

IT CONDITIONS OF USE

Access to all student computing facilities within the Faculty of Business and Economics is restricted to authorised coursework for approved units. Student ID cards must be displayed in the locations provided at all times.

Students are expected to act responsibly when utilising University IT facilities. The following regulations apply to the use of computing facilities and online services:

● Accessing inappropriate web sites or downloading inappropriate material is not permitted. Material that is not related to coursework for approved unit is deemed inappropriate.
● Downloading copyright material without permission from the copyright owner is illegal, and strictly prohibited. Students detected undertaking such activities will face disciplinary action, which may result in criminal proceedings.

Non-compliance with these conditions may result in disciplinary action without further notice.

Students must use their Macquarie University email addresses to communicate with staff as it is University policy that the University issued email account is used for official University communication.
## DETAILED COURSE GUIDE:

<table>
<thead>
<tr>
<th>Week</th>
<th>Tuesday</th>
<th>Topic</th>
<th>Textbook Chapter(s)</th>
</tr>
</thead>
</table>
| 1    | 29 February | Course overview  
An introduction to Forensic Accounting  
The roles of Forensic Accountants  
The social and legal context. White collar and corporate crime | 1 KPMG Fraud Survey 2010 |
| 2    | 2 March | An overview of fraud: what it is and who gets involved  
The Fraud Triangle | 2 |
| 3    | 7 March | Fraud reduction principles | 3&4 |
| 4    | 14 March | Fraud detection & concealment | 5&6 |
| 5    | 21 March | Fraud investigation  
Theft and concealment | 7&8 |
| 6    | 4 April | Financial statement fraud – overview,  
Mid-Session break | 11 |
| 7    | 2 May | Financial statement fraud –, revenue & inventory related | 12 |
| 8    | 9 May | Financial statement fraud – liability & asset related | 13 |
| 9    | 16 May | Fraud against organisations | 14 |
| 10   | 23 May | Consumer Fraud  
Fraud in e-Commerce | 15  
17 |
| 11   | 30 May | Group Presentations | |
| 12   | 6 June | Interview skills | 10 |