



Level 5 Diploma in Accounting & Finance (519)
167 Credits



Unit: Forensic Accounting	Guided Learning Hours: 200
Exam Paper No.: 6	Number of Credits: 20
Prerequisites: Knowledge of accounting concepts covered in Level 4 Accounting Principles (Cert in BA) and Level 5 Accounting (Dip in BA).	Corequisites: A pass or higher in Diploma in BA & Computer Systems or equivalence.
<p>Aim: This unit will cover a variety of facets related to Information Technology (IT) Auditing and Forensic Accounting especially fraud audits, from simple to complex computer systems. The unit will present tools, concepts, and techniques necessary to properly audit IT. Learners will look at key legal principles and courtroom procedures relevant to forensic accounting, and survey of related topics - criminology theories, evidence management, and litigation services. Forensic accounting is the application of accounting principles, theories, and techniques to facts or hypotheses at issue in a legal dispute. Forensic Accounting is one of the fastest growing areas in the profession today. Because forensic accountants must look beyond the numbers to grasp the underlying substance of business activities, they have been described as private investigators with a financial sixth sense. The unit will cover the basic concepts of forensic accounting; including examining documents, using sources of information, testifying in court as an expert, writing reports, identifying high-risk signs, and how to prevent fraud, the principles of law related to forensic accounting. It will cover criminology theories, forensic evidence, and how to be an expert witness in court. In general, help to prepare learners understand the advanced forensic accounting concepts with a primary focus on occupational fraud and abuse - its origins, perpetration, prevention, and detection.</p>	
Required Materials: Recommended Learning Resources.	Supplementary Materials: Lecture notes and tutor extra reading recommendations.
Special Requirements: The unit requires a combination of lectures, demonstrations and discussions.	
<p>Intended Learning Outcomes:</p> <p>1 The Forensic Accounting profession, knowledge, skills, opportunities and international forensic accounting organisations.</p> <p>2 Relationship between the forensic accounting legal environment and the UK legal systems.</p> <p>3 The implementation of Information Systems in forensic accounting; the use of computer forensics in today's digital world.</p>	<p>Assessment Criteria:</p> <p>1.1 Define forensic accounting</p> <p>1.2 Outline basis and characteristics of ethics in Accounting</p> <p>1.3 Analyse Accountants code of conduct</p> <p>1.4 Describe how forensic accounting differs from other types of accounting</p> <p>2.1 Illustrate the process of civil and criminal investigations</p> <p>2.2 Describe the UK legal system and jurisdiction</p> <p>2.3 Compare and contrast civil vs criminal cases</p> <p>2.4 Describe the main players in investigations and legal cases</p> <p>2.5 Outline the arrest and pre-trial processes</p> <p>2.6 Demonstrate the rules of evidence</p> <p>2.7 Describe common law financial crimes</p> <p>2.8 Define moral intent</p> <p>3.1 Describe an organisation's internal control system</p> <p>3.2 Analyse the types of Business Information Systems</p> <p>3.3 Describe the Financial Supply Chain Management</p> <p>3.4 Describe the Procurement and Inbound/Outbound logistics</p>

<p>4 The relationship between forensic accounting and auditing; the similarities between the work of the auditor and that of the forensic accountant.</p>	<p>3.5 Describe the Produce Manufacturing and Deployment processes 3.6 Analyse Sales and Services processes 4.1 Describe the objectives of audit 4.2 Explain why auditors are not asked to do forensic audit 4.3 Describe Benford detection analysis 4.4 Explain the subdivisions of forensic science; the controversies, questions and assumptions behind forensic science disciplines 4.5 Analyse the part played by forensic science today 4.6 Outline the steps in forensic investigation 4.7 Explain the forensic law enforcement 4.8 Describe forensic databases and networks</p>
<p>5 The importance of compliance; outlining the UK Corporate Governance Code; including the role of the Information Security Management System (ISMS) and the emphasis on security factors including confidentiality, integrity and availability</p>	<p>5.1 Analyse the UK governance regulations 5.2 Describe the UK Corporate Governance Code 5.3 Describe the U.S. Sarbanes-Oxley Act 5.4 Compare and contrast rules vs principles-based approaches 5.5 Outline the COBIT framework 5.6 Describe ISO/IEC 27002 framework 5.7 Describe the objectives of ISMS 5.8 Illustrate asses and risk assessment 5.9 Describe threats in information security 5.10 Outline Information Technology security assurance</p>
<p>6 The ways companies can mislead the public and investors by publishing fraudulent financial statements.</p>	<p>6.1 Define Financial Statement Fraud 6.2 Demonstrate fictitious revenue and sales schemes 6.3 Explore schemes involving overstating of assets 6.4 Explore schemes involving improper accounting treatment 6.5 Describe the prevention of Financial Statement fraud 6.6 Outline indications of possible financial statement fraud 6.7 Define earnings management</p>
<p>7 Understand how the HM Revenue & Customs carry out fraud, VAT, personal tax return and other investigations.</p>	<p>7.1 Research current cases of suspected serious fraud 7.2 Describe the statute of limitations on the assessment and collection of tax 7.3 Describe how poor compensation, corporate financial problems, hostile work environment, excessive pressure to perform and bad management leads to corporate fraud. 7.4 Explain cash processing frauds 7.5 Describe accounts receivable frauds 7.6 Describe expenditure cycle frauds 7.7 Explain vendor frauds</p>

<p>8 The challenges facing forensic accounting regarding organised crime, money laundering and terrorism investigations; various bankruptcy, divorce and identity theft frauds; no-cost measures to protect against identity theft and fraud.</p> <p>9. Understand different types of internet frauds that; how to protect users and online safety.</p>	<p>7.8 Explore information system employee frauds</p> <p>8.1 Analyse the problems of analysing financial records relating to criminal organisation</p> <p>8.2 Explain the problems of tracing financial transactions through financial and banking system</p> <p>8.3 Describe the problems of identifying criminal and terrorist activities</p> <p>8.4 Explain the problems of witness compliance in identifying organised crime</p> <p>8.5 Describe the UK Money Laundering Regulations 2007</p> <p>8.6 Research on bankruptcy frauds</p> <p>8.7 Describe the UK bankruptcy/insolvency lay</p> <p>8.8 Describe the U.S. bankruptcy law</p> <p>8.9 Describe divorce vs bankruptcy issues</p> <p>8.10 Analyse why identity theft is one of the fastest growing crime</p> <p>8.11 Describe problems in valuing businesses</p> <p>13.1 Describe bank account fraud</p> <p>13.2 Define phishing, malware and mandate fraud</p> <p>13.3 Describe mobile banking fraud schemes</p> <p>13.4 Examine and analyse online frauds</p>
<p>Methods of Evaluation: A 2½-hour written examination paper with five essay questions, each carrying 20 marks. Candidates are required to answer all questions. Candidates also undertake project/coursework in Forensic Accounting with a weighting of 100%.</p>	

Recommended Learning Resources: Forensic Accounting

<p>Text Books</p>	<ul style="list-style-type: none"> • Fraud Auditing and Forensic Accounting by Tommie W. Singleton, Aaron J. Singleton, G. Jack Bologna and Robert J. Lindquist. ISBN-10: 0471785911 • Forensic Accounting and Fraud Examination by William Hopwood, George Richard Young and Jay Leiner. ISBN-10: 0071289321 • Forensic Accounting and Fraud Investigation for Non-Experts by Howard Silverstone. ISBN-10: 0471784877
<p>Study Manuals</p> 	<p>BCE produced study packs</p>
<p>CD ROM</p> 	<p>Power-point slides</p>
<p>Software</p> 	<p>None</p>