FACULTY OF COMMERCE

SCHOOL OF ACCOUNTING & FINANCE
HTTP://WWW.UOW.EDU.AU/COMMERCE/ACCY

ACCY 953 INVESTIGATIVE PROCESSES 6 CP

http://uow.edu.au/webct/homearea/homearea?

SEMESTER 1 WOLLONGONG

Lecturers

DR ANNAMARIA KURTOVIC (SUBJECT COORDINATOR – SEE BELOW)  School of Accounting & Finance

DR KATHIE COOPER  School of Accounting & Finance
Room 40.324
Ph 4221 3392
kathie_cooper@uow.edu.au

MS JUDITH MARYCHURCH  Faculty of Law
Room 67.205
Ph 4241 4653
judithm@uow.edu.au

Subject Coordinator

DR ANNAMARIA KURTOVIC  School of Accounting & Finance
Room 40.321
Ph 4221 4619
kurtovic@uow.edu.au
SECTION A: GENERAL INFORMATION

LECTURE TIMES

<table>
<thead>
<tr>
<th>Day</th>
<th>Date</th>
<th>Room</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friday</td>
<td>April 7</td>
<td>Room</td>
<td>9am to 5 pm</td>
</tr>
<tr>
<td>Saturday</td>
<td>April 8</td>
<td>40.130</td>
<td>9am to 5 pm</td>
</tr>
<tr>
<td>Sunday</td>
<td>April 9</td>
<td>40.130</td>
<td>9am to 5 pm</td>
</tr>
</tbody>
</table>

WEEKLY LECTURE NOTES AND READING GUIDES

ACCY 953 adopts a flexible delivery approach using self paced learning incorporating lecture notes, readings, assessment details and other aids posted on a University of Wollongong WebCT Vista site devoted to ACCY 953; and a three day intensive held at the University of Wollongong campus. It is envisaged that students will complete prescribed readings and assessment tasks prior to attending the intensive program. The aim being that the material covered prior to the intensive is re-enforced and final subject areas completed during the course of the intensive. This preparatory work plus material covered during the intensive will assist students to complete remaining assessment tasks and successfully complete the course. Lecture notes and prescribed readings will be provided for session weeks following the intensive.

BRIEF SUBJECT OUTLINE AND OBJECTIVES

ACCY 953 is an introduction to investigative processes used by forensic accountants to identify and assess fraudulent and other dysfunctional activities. The subject aims to teach forensic accounting investigators the necessary elements required to adequately undertake financial investigations. The subject will focus on quantitative and qualitative investigative procedures, with particular reference to investigative interviewing and data mining techniques. The legal issues arising in the context of the investigation and investigative interviewing will also be addressed. This will lead on to an examination of the potential legal liability of a forensic accounting investigator examining such issues as breach of contract, due diligence and communication with the board and management.

On successful completion of this subject, students will be able to:

1. Select and conduct appropriate analytical review procedures, including scanning of financial statement data, ratio and trend analysis, reasonableness tests and regression analysis in order to detect operating and financial difficulties or anomalies;
2. Demonstrate an understanding of basic interviewing techniques, including statement and behavioural analysis.
3. Demonstrate an awareness of the legal issues that may arise in the content of the investigation and investigative interview;
4. Develop appropriate mechanisms to ensure integrity of evidence obtained in an investigation, including aspects of record keeping.
5. Identify and understand the sources of potential legal liability of a forensic accounting investigator such that appropriate mechanisms can be put into place to guard against breaches of the duties of an investigator.

6. Understand the fundamentals and structure of the fraud investigation process

ATTENDANCE REQUIREMENTS

Attendance at the three day intensive seminar is a compulsory requirement for successful completion of the course.

PERFORMANCE LEVEL

To be successful in this subject, students must:
1. Attend and participate in a three (3) day intensive seminar;
2. Undertake and review all prescribed readings, lecture notes and other aids;
3. Prepare and present a short presentation during the intensive based on a chosen research topic and report;
4. Sit for class test;
5. Submit by the due date the major research essay (based on the initial research report and outcome of the seminar presentation and feedback) and achieve a mark of at least 50%

Required Text(s), Professional Standards/Guidelines and Articles
3. ** APS 11 Statement of Forensic Accounting Standards, Issued July 2002
* All textbooks are available online from the University Bookshop at http://unishop.uow.edu.au/textbooks/
** available at SAAF - [ACCY950-ACCY952-ACCY953]- Master of Forensic Accounting Resources
*** UOW library database details for these prescribed readings plus others that students may find useful are available at SAAF - [ACCY950-ACCY952-ACCY953]- Master of Forensic Accounting Resources. Prescribed articles for each subject are indicated eg: prescribed reading for ACCY950.

RELEVANT LEGISLATION

This is not an exhaustive list, it is indicative only of legislation that may be relevant to your studies. Additional material may be found at SAAF - [ACCY950-ACCY952-ACCY953]- Master of Forensic Accounting Resources
RECOMMENDED BACKGROUND AND FURTHER READING

A list of books held by the UOW Library and articles available through the Library databases is posted at SAAF - [ACCY950-ACCY952-ACCY953]: Master of Forensic Accounting Resources. Additional readings may be added during the session in order to capture current events. All prescribed and recommended reading material should be read in conjunction with Lecture slides.

ELECTRONIC READINGS AND WEBCT VISTA

WebCT Vista will be used extensively throughout the semester, please check the MFA WebCT Vista website regularly as any announcements or updates for this subject, including lecture notes and additional readings will be posted on this website. The website will include the following:

- Subject outline - a copy of the subject outline will remain on the Webct Vista site for your reference.
- Lecture notes – will be posted on WebCT Vista on a regular basis.
- Electronic readings – a list of suggested (but not exhaustive) electronic readings will be provided where relevant.
- Assessment – details and directions for completion of assessments.
- Review questions (if appropriate) – for students to attempt and answers will also be posted.
- Student Questions and Answers – provides students with an area where they can ask questions. Any questions received by students will be answered on this website so that all students can have access to the answer; chances are if you are unsure about something, you’re not the only one.
- Communication – any announcements regarding the subject will be posted on this website.

SECTION B: ASSESSMENT

<table>
<thead>
<tr>
<th>Assessment 1:</th>
<th>Research Report and Presentation</th>
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</thead>
<tbody>
<tr>
<td>Topic</td>
<td>Case study – clearly identify red flags; create fraud hypothesis based on initial evaluation of material and identification of red flags; identify and explain the investigative processes you would instigate to resolve issues you have identified that indicate wrong doing</td>
</tr>
</tbody>
</table>

ACCY 953 Investigative Processes
Dr Annamaria Kurtovic
Autumn Session 2006
<table>
<thead>
<tr>
<th>Length</th>
<th>1500 words</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marking criteria</td>
<td>1.</td>
</tr>
<tr>
<td>Weighting:</td>
<td>Report 30%</td>
</tr>
<tr>
<td>Due date</td>
<td>April 7 2006 (day 1 of the intensive for this subject)</td>
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### Assessment 2: Class Test

<table>
<thead>
<tr>
<th>Topics</th>
<th>Weeks 1 to 6</th>
</tr>
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<tbody>
<tr>
<td>Length:</td>
<td>1 ½ hours</td>
</tr>
<tr>
<td>Weighting:</td>
<td>20%</td>
</tr>
<tr>
<td>Due date</td>
<td>7 April 2006 (day 2 of the intensive)</td>
</tr>
<tr>
<td>Style</td>
<td>Open book, short answer, essay style</td>
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</tbody>
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### Assessment 3: Major Research

<table>
<thead>
<tr>
<th>Topic</th>
<th>Data mining based on Minor Research Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question</td>
<td></td>
</tr>
<tr>
<td>Length</td>
<td>3500 words</td>
</tr>
</tbody>
</table>
Marking criteria: The Major Research Project will be assessed in accordance with the following guidelines:
1. content, including the quality the literature review and clear and precise identification and evaluation of relevant issues and arguments raised and bases for conclusion(s) and recommendation(s) made.
2. logical and coherent presentation (headings may be used to facilitate this requirement)
3. writing style, including English expression, spelling and grammar
4. evidence of appropriate and sufficient review of the relevant literature and understanding of the issues and arguments raised
5. overall quality of presentation

Weighting: 50%

Due date: COB Friday 26 May 2006

NOTE: The examination format cannot be changed from that stated above without the written consent of all students enrolled in this subject.

SUMMARY OF ASSESSMENTS

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Weighting</th>
<th>Due Date</th>
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<tbody>
<tr>
<td>Minor Research Project and</td>
<td>30%</td>
<td>7 April 2006 (first day of intensive)</td>
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<tr>
<td>Presentation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class Test</td>
<td>20%</td>
<td>8 April 2006 (second day of intensive)</td>
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<tr>
<td>Major Research</td>
<td>50%</td>
<td>26 May 2006</td>
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PERFORMANCE GRADES

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<tr>
<th>Grade</th>
<th>Description</th>
<th>Percentage</th>
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<tr>
<td>HD</td>
<td>High Distinction</td>
<td>85–100%</td>
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<tr>
<td>D</td>
<td>Distinction</td>
<td>75–84%</td>
</tr>
<tr>
<td>C</td>
<td>Credit</td>
<td>65–74%</td>
</tr>
<tr>
<td>P</td>
<td>Pass</td>
<td>50–64%</td>
</tr>
<tr>
<td>F</td>
<td>Fail (unsatisfactory completion)</td>
<td>0–49%</td>
</tr>
</tbody>
</table>

ACCY 953 Investigative Processes
Dr Annamaria Kurtovic
Autumn Session 2006
SUBMISSION REQUIREMENTS

Submission
Assessment Tasks 3 is to be posted to the subject co-ordinator:
Dr Annamaria Kurtovic
School of Accounting and Finance
University of Wollongong
Wollongong NSW 2522

Assessment tasks must be received by the due date or late penalties will apply.
Assignment cover: (You must complete and attach a Faculty of Commerce Assessment Cover Sheet to the front of your assignment (available at the following web address: http://www.uow.edu.au/commerce/accy/resources/index.htm)

ASSESSMENT CRITERIA/MARKING GUIDELINES
All assessment tasks will be assessed on the following criteria;

1. Content, including the quality and depth of understanding;
2. Clear and precise identification of the topic, research question and recognition and evaluation criteria for issues and arguments raised and bases for conclusion(s) and recommendation(s) made;
3. logical and coherent presentation (headings may be used to facilitate this requirement);
4. writing style, including English expression, spelling and grammar;
5. evidence of appropriate and sufficient review of the relevant literature and understanding of the issues and arguments raised;
6. overall quality of presentation;
7. Format: written assessment tasks are to be typed, Times New Roman, 12 point font, double line spaced, with a 3.0cm margin, unless otherwise specified;
8. Referencing must be as per specifications below (see C2 Faculty and School Policies – Referencing).

SUBMISSION, RETENTION AND COLLECTION OF WRITTEN ASSESSMENT
Students are to submit their assessment work as per above requirements. A faculty coversheet must be attached to the assessment for it to be accepted.
Further requirements

(a) Late submissions will incur a penalty of 1 mark per day or part thereof.

(b) A faculty coversheet must be attached (download the coversheet from the faculty website) or the assessment will not be accepted; This cover sheet can be obtained from the website: http://www.uow.edu.au/commerce/pdf/assignmentcoversheet.pdf

(c) Referencing must be as per specifications below (see C2 Faculty and School Policies – Referencing).

(d) Students must attach a signed declaration that they have read, understood and complied with the University of Wollongong Acknowledgement Practice (Plagiarism) code;

(e) Students must comply with the University of Wollongong C1.1 Non-discriminatory Language Code;

(f) Students wishing to have their assessments returned must supply a stamped self addressed envelope at time of submission. Otherwise students should make an appointment with the subject coordinator to collect marked assessments.

EXTENSIONS

Extensions may be granted if circumstances beyond the control of the student interfere with their ability to complete the task on time. These will only be granted by the subject co-ordinator, Dr Kathie Cooper, and must be applied for before the due date. Application may be made via email or telephone (see contact details)

Please Note: Extensions will not be granted after the due date.

PLAGIARISM

Plagiarism means using the ideas of someone else without giving them proper credit. For example, that someone else may be an author, critic, journalist, artist, composer, lecturer, tutor or another student. Unintentional plagiarism can result if you don’t understand and use the acceptable scholarly methods of acknowledgement. Whether plagiarism is deliberate or unintentional, the University may impose penalties, which can be very severe. When it is
desirable, or necessary, to use other people's material, take care to include appropriate references and attribution. Plagiarism will not be tolerated and has led to expulsion from the University.

Students should visit the following University website and become familiar with the University’s policy on Plagiarism.


SECTION C: RULES, CODES OF PRACTICE & POLICIES

C1 UNIVERSITY POLICIES

Information on the following University Policies can be found at the websites below:

| Ethical objection by students to the use of animal and animal products in coursework subjects | http://www.uow.edu.au/about/policy/ethicalobjectionanimals.html |
**C1.1 Non-discriminatory Language**

The Faculty of Commerce supports the University’s policy on the use of non-discriminatory language. It is the responsibility of students to ensure that they understand and abide by this policy. The policy is available at:

http://staff.uow.edu.au/eeo/nondiscrimlanguage.html

**C1.2 Special Consideration Policy**

The Faculty of Commerce recognises that it has a responsibility to ensure equity and consistency across its subjects for all students. Sometimes, in exceptional circumstances, students need to apply for special consideration in order to complete all assessable work.

The University applies strict criteria to the granting of special consideration. Before applying for special consideration students should carefully read the University’s policy. The policy can be found at:


Please note students wishing to submit special consideration forms must do so through the official university channels of SOLS, any other form of submission will not be accepted.

**C1.3 Student Academic Grievance Policy**

The Faculty of Commerce aims to provide a fair, equitable and productive learning environment for all its students. The Student Academic Grievance Policy seeks to support the achievement of this goal by providing a transparent and consistent process for resolving student academic grievances.

Any student who has a grievance over a result should obtain a Faculty of Commerce Appeal of Assessment Form from the Schools or the Sub-Dean’s Unit. The student should firstly take the form to the marker/lecturer to discuss the matter and, if the student is still not satisfied, s/he should take the next step as outlined on the form.
Once the grievance has been considered by the Faculty, if the student still feels the situation has not been fully resolved s/he may consult the Dean of Students. However, the Dean of Students can have no input into the academic judgement of the lecturer and can only review the grievance to ensure proper procedure has been followed.

For more information, please consult the policy in full at


**C2  FACULTY AND SCHOOL POLICIES**

**REFERENCING**

**WHY DO YOU NEED TO REFERENCE?**

At University it is necessary to acknowledge the sources of information and ideas that you have incorporated in your assignments. Failure to do this thoroughly may result in accusations of plagiarism: this is the academic equivalent of stealing (because by not acknowledging someone else's work, you are presenting it as your own). Plagiarism is taken very seriously by the University and may result in expulsion from the University.

Referencing is not only about acknowledging other people's work: accurate referencing and lists of references are beneficial when researching a topic as they allow the reader to follow up information and read further into the area. In a sense, references provide readers with clues to help them explore different avenues of a topic. This aspect of referencing will become more valuable to you as you progress in your studies.

There is a correct procedure that must be followed when referencing and using footnotes. Not complying with these set techniques and format will most likely result in loss of marks.

When writing an essay it is easiest to reference as you go, making sure you are writing down all relevant information. This will save hours trying to find the source again in the library.

**THE HARVARD SYSTEM OF REFERENCING**

The Faculty of Commerce uses the Harvard system of referencing. This system makes use of short references within the body of the text. It is supplemented by a detailed list of references at the end of the text, which provides all the information necessary to find the source material. In-text references include the author and year of publication, and where necessary the page number(s).
It is the responsibility of students to ensure that they are familiar with the Harvard system of referencing and that they use it accurately in all written work submitted.

Students should consult the following University Library website for a detailed explanation and examples of the Harvard system of referencing.


**CITATION OF ELECTRONIC SOURCES**

It is necessary for students to reference all sources used in their written work, including file transfer protocol sites, worldwide web sites, telnet sites, synchronous communications (MOOs, MUDs, IRC, etc.) Gopher sites, and email, Listserv and Newsgroup citations.

It is the responsibility of students to ensure that they are familiar with the accepted Faculty of Commerce practice for referencing electronic material and that they use it accurately in all written work submitted.

Students should consult the following University Library website for a detailed explanation and examples of how to reference electronic material.


**OCCUPATIONAL HEALTH AND SAFETY WHERE RELEVANT, INCLUDING SAFETY IN LABORATORIES AND ON FIELD TRIPS**

**C3 SUPPORT SERVICES AND FACILITIES**

**LEARNING RESOURCE CENTRE**

Learning Development offers a range of free services to all enrolled students who wish to improve their academic or English language skills. There are a range of workshops available including; essay writing and editing; reading for assignments; grammar; presentation skills; pronunciation and exam preparation.
For information on language and academic skills workshops, or to make appointments for consultations, please visit the Learning Resource Centre (LRC), Building 19, Ground Floor, Room G102, or Phone 02 4221 3977. For further information visit the website:


**FACULTY LIBRARIANS**

Each faculty has a Faculty Librarian who is available to help with research related enquiries. Research Help Desk staff are also available in the Library to assist with research needs. The Faculty Librarians for Commerce can be contacted as follows:

email: lib_commerce@uow.edu.au

telephone: 42 213078

**DISABILITY LIAISON OFFICER**

The Disability Liaison Officer (DLO) can provide advice on how particular disabilities affect university study and information on resources available at the University for assisting students with disabilities. Students commencing courses are advised to contact the Disability Liaison Officer prior to the beginning of their first session of study.

For further information on services offered, consult the Disability Services website or contact the office.

web address: http://www.uow.edu.au/student/services/ds/

telephone: 42 213445

fax: 42 215667

**FACULTY DISABILITY ADVISERS**

Faculty Disability Advisers are academic staff who provide assistance and support to students with disabilities within their Faculty and act as an intermediary between the student and the Faculty's academic and general staff. They provide support, educational advice and referral to appropriate staff on issues related to teaching and learning within the Faculty and the University.
Students are advised to communicate specific information about the ways in which their disability affects learning to the Faculty Disability Adviser as soon as possible after enrolment.

The Faculty of Commerce Disability Adviser is Mr. Ron Perrin. Mr Perrin can be contacted as follows:

- **Office location:** Building 40, room 224
- **email address:** ron_perrin@uow.edu.au
- **telephone:** 42 214118

**ABORIGINAL EDUCATION CENTRE**

The Aboriginal Education Centre (AEC) provides academic and personal support for Aboriginal & Torres Strait Islander and other indigenous students. The Centre also runs an Indigenous Specific Orientation Program for students who gain entry to the University through the alternative admissions program.

For further information on services offered, consult the Aboriginal Education Centre website or contact the office.

- **Centre location:** Building 30
- **web address:** http://www.uow.edu.au/aec/
- **telephone:** 42 213563
- **fax:** 42 214244

**Proposed 2006 intensive program**

1. Basic knowledge of accounting and financial statement analysis and interpretation is assumed
2. Introduction to investigative interviewing
   a. Legal aspects – what you can/cannot ask, how long can an interview be
   b. Statement analysis
      i. Oral
      ii. Written
c. Behavioural analysis

3. Introduction to data mining

4. What information can/cannot be used and where to find it

5. Potential legal liability of forensic accountant/investigator
   a. Duty of care
   b. Due diligence
   c. Breach of contract
   d. Communication with the board of directors and/or executive management (eg AWA)

6. Maintaining the integrity of evidence and investigation
   a. Marshalling of evidence
   b. Record keeping
<table>
<thead>
<tr>
<th>Week</th>
<th>Beginning</th>
<th>Topics Covered</th>
<th>Readings</th>
</tr>
</thead>
</table>
Silverstone & Sheetz Chapters 1 & 2  
Wells Chapter 1 |
Silverstone & Sheetz Chapters 6 and 7  
Wells Chapter 14 |
ASX Corporate Governance Council *Principles of Good Corporate Governance Best Practice and Recommendations*  
ASX Corporate Governance Council Implementation Review Group First (31 March 2004) and Second Report (February 2005)  
[http://www.oecd.org](http://www.oecd.org)  
OECD *Principles of Corporate Governance* 2004Silverstone & Sheetz Chapters 4 & 5  
Wells Chapter 11  
<table>
<thead>
<tr>
<th>Date</th>
<th>Days</th>
<th>Event</th>
<th>Literature/Readings</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 &amp; 7</td>
<td>April</td>
<td><strong>Three day intensive</strong></td>
<td>Fraud on Takeover Fever, Age of Officers”, <em>Wall Street Journal (Eastern Edition)</em>, p.C.4 (fraud profile and triggers)</td>
</tr>
<tr>
<td>8 &amp; 9</td>
<td>April</td>
<td><strong>Introduction to Fraud Investigation</strong></td>
<td>Silverstone &amp; Sheetz chapters 8, 9 &amp; 10, Wells chapter 13</td>
</tr>
<tr>
<td>10 &amp; 11</td>
<td>May</td>
<td><strong>Employee Fraud and Abuse: theft and embezzlement</strong></td>
<td>Wells Chapters 2 to 8</td>
</tr>
<tr>
<td>12 &amp; 13</td>
<td>May</td>
<td><strong>Employee Fraud and Abuse: non-cash items and corruption</strong></td>
<td>Wells chapters 9 &amp; 10</td>
</tr>
</tbody>
</table>