

SYLLABUS
Accountancy 70521
Fraud & Audit Analytics
Fall 2021

Professor: Keith Urtel Office: 394 MCOB
Phone: 574-631-7890 Office hours: Tues 5-6pm or by appointment via Zoom meeting
E-mail: kurtell@nd.edu [Note: the one "1" after my name]
Meeting Times: Section 01 TR 10:00-11:15A Meeting Places: Section 01 TR Mendoza Room 158
Section 02 TR 3:35-4:50P Section 02 TR Mendoza Room 161 (Mod 1) 133 (Mod 2)

Course Materials:

• **Textbook resources:**

<u>Contemporary Auditing, 12th Edition</u> Michael C. Knapp ISBN: 9780357515402	<u>Fraud Examination, 6th Edition</u> W. Steve Albrecht; Chad O. Albrecht; Conan C. Albrecht; Mark F. Zimelman ISBN: 9781337734332
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The above textbooks required for this class—and any other classes using Cengage products—are included in ONE Cengage Unlimited subscription (Cengage Unlimited ISBN: 9780357700006). For \$119.99 per semester, you get access to ALL your Cengage eTextbooks and online homework in ONE place. Four FREE hardcopy textbook rentals are also available for select titles, just pay \$7.99 S&H each. [Note: You only need to purchase one Cengage Unlimited subscription to add any Cengage eTextbook or online homework for other classes to your dashboard at no additional cost.]

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For additional support, please visit:

Getting started materials: www.cengage.com/start-strong

Training site for Cengage platforms: www.cengage.com/training

FAQs: <https://www.cengage.com/faq>

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- **Helios Learning** – Multimedia case studies -- **\$46.36 in total** – procurement instructions are in Canvas.
- **Red Flag Mania** – Interactive case studies -- **\$62.98 in total** – procurement instructions are in Canvas.
- **Harvard Business Review** – Worldcom case -- **\$4.25** – procurement instructions are in Canvas.
- **Tableau and IDEA** – will be used for group assignments – No charge – details will be available in Canvas.
- Academic access to the FASB Codification & PCAOB databases: <https://library.nd.edu/secure/fasb-students>.
- Articles and other resources will be in Canvas.

I. Course content and objectives:

This course is designed for students who have taken or are taking the Audit and Data Analytics courses at the undergraduate or graduate level. We will examine prominent financial reporting frauds using the case study method to understand when, how and why they occurred, as well as the roles that management, the Board of Directors and auditors played. While examining the lessons learned from these situations, we will explore what management, the Board of Directors and auditors might have done differently, including how the use of data analytics could have assisted in the prevention or earlier detection. Additionally, we will explore a variety of other fraudulent activities and how occur and maybe prevented or detected. The course will also focus on the use of data analytics in auditing using a competency framework that fosters an analytics mindset. Hands-on case studies using current technologies (e.g., Tableau and IDEA) to learn how data visualization and analysis are used to improve audit effectiveness in today's accounting profession.

From the course, students are expected to:

- Understand the different fraud schemes and their prevention and detection methods

- Explore the usefulness of technologies (e.g., Tableau or IDEA) in fraud examination/investigation
- Use software to automate detection and identification procedures
- Develop effective critical thinking and analytical skills
- Demonstrate effective verbal and written communication skills
- Perform research to resolve accounting questions
- Work effectively in pairs or groups
- Address the ethical considerations surrounding fraud

II. Grading

Grades will be determined based on total points earned. The mean grade for this course will be in accordance with MCOB/departamental guidelines (MSA=> ~3.3-3.6). The point distribution will be approximately:

Mid Term Exam	150	20%
Final Exam	150	20%
Quizzes/assessments		
MindTap	90	12%
Helios cases	70	9%
Red Flag Mania	100	13%
Participation and professionalism	40	6%
Group projects and other assignments	<u>150</u>	<u>20%</u>
Total	<u>750</u>	<u>100%</u>

III. Exams

There will be two exams. The exams may consist of multiple choice, problems, cases and quantitative analysis. Questions related to readings, case studies, class discussions and guest speaker presentations may be asked. Exams will be given at dates and times outlined in the course calendar, and makeups will be given only in rare cases.

IV. Quizzes

Quizzes will be completed and submitted online. The quizzes will be based on the assigned readings or case studies. **There will be quizzes related to the Fraud Examination (FE) textbook reading as well as quizzes/assessments in Helios and Red Flag Mania (RFM) on the related case studies. RFM assessments will be completed within that platform, which FE and Helios case quizzes will be in Canvas. See the course calendar for more information.**

V. Group Work and Assignments

Students are assigned to multi-person groups at the beginning of the course and asked to sit with their groups during class. Some cases and problems will be discussed within your groups during class. You will work on the written case assignments with **all group members** and submit **one assignment with all group members' names**. After groups work on a case together, each member will complete a peer evaluation, which may impact your individual group grade. You must complete a self-evaluation and one for each group members as part of your grade on the assignment. As with all course work, work on group cases is governed by the Honor Code. You should be discussing cases only among your group or with the instructor.

V. Participation and Professionalism

Students should complete assigned readings and/or related homework before coming to class. Preparation, attendance, and participation are very important. First, preparation for every class assists both learning and long-term retention. Second, presentations clarify and build upon readings. Finally, students must develop the ability to form and respond to questions in the presence of peers. Be prepared. You may be called on to respond to a question or make a comment. The intent of which is to help you develop and practice “thinking on your feet”. When you begin working, your supervisor or client may call on you in a meeting and you will want to respond in an impressive manner. The way to achieve that outcome is through practice. For planned absences, you should notify me in advance.

VI. Academic Code of Honor

We will follow the guidelines of The Mendoza College of Business Graduate Academic Code of Honor, which you can find at <https://gbpstudentservices.nd.edu/academic-and-honor-codes/>. Communication of any type with others, whether or not they are current students, is unacceptable. If an honor violation occurs, I will implement procedures outlined in the Mendoza College of Business Academic Code of Honor.

VII. Office Hours

Although office hours are on Tuesdays from 5-6pm, your instructor is available to meet with you, upon request, at a mutually convenient time via Zoom meeting. You may arrange a meeting either by sending me a message in Canvas or by making an appointment during selected dates/times by using the link to my Google calendar:

<https://calendar.google.com/calendar/selfsched?sstoken=UUItUjJWOFJTWIBWfGRlZmF1bHR8NjQ2YjNhYTBIODRhYTg1NzQ0MzU0ZDVlZTMzNjIyMWU>

You must reserve/book at specific time in the appointment hours if you want to meet during that time. Of course, I’m available at times other than those in my Google calendar based on specific request. Once an appointment is booked, I’ll send a Zoom meeting to confirm the date/time.

VIII. Other Matters

Mental Health Resources

Care and Wellness Consultants provide support and resources to students who are experiencing stressful or difficult situations that may be interfering with academic progress. Through Care and Wellness Consultants, students can be referred to The University Counseling Center (for cost-free and confidential psychological and psychiatric services from licensed professionals), University Health Services (which provides primary care, psychiatric services, case management, and a pharmacy), and The McDonald Center for Student Well Being (for problems with sleep, stress, and substance use). Visit care.nd.edu.

Inclusiveness

The University of Notre Dame is committed to social justice. As a community, we share that commitment and strive to maintain a positive learning environment based on open communication, mutual respect, and non-discrimination. In this class, we will not discriminate on the basis of race, sex, age, economic class, disability, veteran status, religion, sexual orientation, color or national origin. Any suggestions as to how to further such a positive and open environment will be appreciated and given serious consideration.

IX. Changes to the Syllabus and/or Tentative Course Calendar

While changes to the syllabus or course calendar are not anticipated, I reserve the right to modify either the syllabus or course calendar if I believe a change will benefit most students. Please always check Canvas for most current version and the Canvas Course Calendar and Course Summary for most current information. Thank you in advance for your understanding and consideration.

Tentative Course Calendar ACCT70521 Fall 2021

Session #	Class Date	Class Dates and Overview	eBook Reading and Case Studies (<u>To be completed prior to class</u>). See Helios Learning for blue highlighted cases. Complete the FE quizzes in MindTap and Helios Learning (HL) Case quizzes in HL latform and Red Flag Mania (RFM) quizzes within the RFM platform(see links in Piazza).	Reflect on End of Chapter for Questions as keyed below to prepare for class
1	24-Aug	Introduction: Instructor, course structure, textbook, MindTap and syllabus review: course policies & course calendar	Two e-books will be used and are accessible via MindTap Fraud Examination (FE) Contemporary Auditing (CA) Helios Learning for certain case studies Red Flag Mania	KEY: Q=Questions SC=Short Cases C=Case Studies D=Debate # following is specific question/item to do
2	26-Aug	FE Chapter 1 The Nature of Fraud <i>The Anatomy of Fraud: The David Myers story</i> Case discussion - "How Fraud Begins"	Read FE Chapter 1 (MindTap Quiz) Complete "How Fraud Begins" Case (Helios Learning)in Helios platform and related quiz in Canvas	Q 6, 13; SC 2 and 6; C 1 and 4; D
3	31-Aug	Case Discussion - Madoff <i>What is a Ponzi scheme?</i> <i>Are all Ponzi schemes illegal?</i> <i>How does a Ponzi scheme compare to a Pyramid scheme? Multi-level Marketing companies?</i>	Read CA Section 1.16 Madoff Securities Read articles relating to Ponzi schemes - See Canvas	All questions
4	2-Sep	FE Chapter 2 Why People Commit Fraud Case discussion -- Good Intentions, Bad Outcomes Debate: Is Social Security a Ponzi scheme?	Read FE Chapter 2 (MindTap Quiz) Complete "Good Intentions, Bad Outcomes" Case in Helios and related quiz in Canvas Read article "Why good businesspeople do bad things" - Chicago Tribune	Chap 2: Q 1, 5, 7, 8, 10; SC 4, 5, 10, 13; C 2; D
5	7-Sep	FE Chapter 3 Fighting Fraud: An Overview Case discussion- Trolley Dodgers	Read FE Chapter 3 (MindTap Quiz) Read CA Section 3.1 The Trolley Dodgers Project #1- Deloitte Payroll Fraud Case -- Java Golf Club -- Excel or Tableau [See Canvas assignment]	Chap 3: Q 9, 11; SC 4, 6, 13; D All questions Read articles relating to payroll fraud
6	9-Sep	FE Chapter 4 Preventing Fraud Case discussion - ZZZZ Best	Read FE Chapter 4 (MindTap Quiz) Read CA Section 1.13 ZZZZ Best Company, Inc.	Q 1, 2, 10, 12 SC 1, 6, 12 D 2 All questions
7	14-Sep	FE Chapter 5 Recognizing the Symptoms of Fraud <i>Class Activity -- When We Heal (Season 2)</i>	Read FE Chapter 5 (MindTap Quiz)	Q 4, 5, 6; SC 7, 8; C 1, 2 All questions
8	16-Sep	Guest speaker- Matthew Jacques, Chief Accountant, SEC Enforcement Division	Matt is an ND alum, began his career with EY Audit, the later transitioning into Fraud and Investigation Services. Matt held different forensic investigation leadership roles prior to landing his "dream" job at	Prepare at least two unique questions relating to the SEC or the field of fraud examination or forensic accounting to ask our guest speaker and submit in Discussions. (PP)
9	21-Sep	Movie/Case -- All the Queen's Horses	View "All the Queen's Horses" (ATQH) Case (Helios Learning) in class We will view video and discuss case in class. Quiz will be opened after class. Project #2 - Fairmont Payroll Case -- using IDEA [See Canvas assignment]	
10	23-Sep	Guest speaker - Jason Wojdylo, Chief Inspector, Asset Forfeiture Division, U.S. Marshals Service	Mr. Wojdylo is featured in the ATQH documentary that is included in the Helios Learning case. He will share his behind-the-scenes perspectives about the case and provide an update relating to the case.	Prepare at least two unique questions relating to the All the Queen's horses case and related investigation to ask our guest speaker and submit in Discussions. (PP)

11	28-Sep	Movie/Case -- The \$53 Million Question	Complete "The \$53 Million Question" case (Helios Learning) as homework	
		Guest Speaker - Kelly Richmond Pope, Producer of ATQH and The \$53 Million Question	Review this video/case and complete quiz prior to class.	
		Debate: Who was responsible for the fraud in Dixon? The Auditors? The Mayor? The City Council? The Taxpayers? State Government Officials? (PP)		
12	30-Sep	FE Chapter 6 Data-driven Fraud Detection	Read FE Chapter 6 (MindTap Quiz)	Q 2, 3, 4, 7, 8 SC 5, 7, 8, 11 D 2
		Red Flag Mania -Season 1, Part 1	Red Flag Mania -- "Ethics Dash" -- Work in Groups to finalize your choice of "Whodunnit"	Internet Assignment 1 - Read article "Following Benford's Law or Looking Out for No. 1" (see www.rexswain.com/benford.html)
13	5-Oct	Case discussion - Leslie Fay and Just for Feet	Read CA Section 1.9 The Leslie Fay Companies and CA Section 1.7 Just for Feet	All questions
14	7-Oct	Midterm Exam		
		Interterm/Midterm BREAK		
15	26-Oct	Movie: False Assurance	Discuss and debate a real-life workplace scenario film that highlights key audit/fraud issues Project #3 - [See Canvas assignment]	
16	28-Oct	FE Chapter 11 Financial Statement Fraud	Read FE Chapter 11 (MindTap Quiz)	Q 4, 9, 10, 11 SC 3; D 2
		Case discussion Debates: Ch 11 Earnings Mgmt and Overstock related	Read CA Section 2.11 Overstock.com, Inc.	All questions
17	2-Nov	FE Chapter 12 Revenue and Inventory related Case discussion and game relating to Ch 12 Debate: Take-Two Interactive related	Read FE Chapter 12 (MindTap Quiz) Read CA Section 2.3 Take-two Interactive Software,	Q 1, 2, 5, 7, 10; SC 15, 16; D All questions
18	4-Nov	Guest speaker - L. Christopher Knight, CPA, CFE	Mr. Knight, CPA and CFE, is a forensic accountant with the FBI out of the Indianapolis Field Office, and an adjunct professor at Indiana University's Kelly School of Business in Bloomington where he teaches a fraud examination course.	Prepare at least two unique questions relating to white collar crime or the field of fraud examination or forensic accounting to ask our guest speaker and submit in Discussions. (PP)
19	9-Nov	FE Chapter 13 Liability, Asset and Inadequate Disclosure Frauds	Read FE Chapter 13 (MindTap Quiz)	Q 2, 3, 8, 10, 12; SC 2, 6, 7, 9, 10, 12; D
		Case discussion -- Going South	Helios: Complete Going South case and related quiz	
		Class activity: Red Flag Mania -Season 1, Part 2	Red Flag Mania -- "Audit Challenge", an engagement	

20	11-Nov	Guest speaker - Colin Flood, EY FIDS	Colin is an ND alum with EY's Fraud and Investigation and Dispute Services group. He's going to speak about his career path, opportunities in the field and share real-life cases, including his experience on the Avon engagement.	Prepare at least two unique questions relating to the Avon Case or the field of fraud examination or forensic accounting to ask our guest speaker and submit in Discussions. (PP)
		Case discussion	Read CA Section 3.3 Avon Products, Inc.	
21	16-Nov	Red Flag Mania -- Season 1, Part 3	Red Flag Mania -- " <i>Fraud Scheme Hunt</i> ", a simulated forensics investigation -- Work in Groups to complete your investigation	
22	18-Nov	Guest speaker -- Pastor Lori (Suzanne Anderson-Hurdle)		Prepare at least two unique questions relating to Red Flag Mania case to ask our guest speaker and submit in Piazza. Keep in mind that Pastor Suzanne had overall responsibility and may not have a detailed understanding of internal controls (PP)
23	23-Nov	Guest speaker- Mary Willingham	Complete "Game Day" case (Helios Learning) as homework. Review this video/case and complete quiz prior to class.	Prepare at least two unique questions relating to the investigation or other issues raised in the case to ask our guest speaker and submit in Discussions. (PP)
		Debate: Has "big money" corrupted college sports? Should student-athletes be paid? (PP)		
	25-Nov	THANKSGIVING DAY HOLIDAY		
24	30-Nov	Group/team -- Fraud Research presentations		
25	2-Dec	Group/team -- Fraud Research presentations		
26	7-Dec	Movie: Without Question	Discuss and debate a real-life workplace scenario film that highlights key audit/fraud issues	
		Interactive Exercises	Complete interactive exercises in groups using materials that are included in film (PP)	
27	9-Dec	Movie: Without Question	Discuss and debate a real-life workplace scenario film that highlights key audit/fraud issues	
		Interactive Exercises	Complete interactive exercises in groups using materials that are included in film (PP)	
28	Week of 12/13	Final EXAM TBD		