

Internal Control and Fraud Detection

Course Description

The introduction of Sarbanes-Oxley (SOX) Act law fueled rapid growth in the organizational importance of internal control systems. Appropriate interpretation and implementation of the internal control framework is vital for every organization. This course incorporates and reflects up-to-date guidance from the PCAOB, the AICPA, the ACFE, and the principles of 2013 COSO Framework. The course not only addresses the theoretical concept of the internal control systems but also provides readers with the practical guidance they need to assume a role in the design, implementation, maintenance and evaluation of a comprehensive framework of internal controls for their organizations.

Specifically, the course presents the principles of internal control to help readers understand the nature and context of control, such as limitations of internal controls, the most recognized controls frameworks (e.g. COSO Framework, Green Book), and some common and important control procedures. It also includes steps on how to identify risks and controls, advice on how to assess the adequacy of controls, a discussion of how to reach a fair assessment, and documentation requirements for evidences of effective controls. In addition, the course discusses requirements related to performing an integrated audit: SAS 130 and AS No. 2201. Although these auditing rules are mandatory for external auditors and not for management, management should give consideration to following the approach described in these requirements.

No discussion of internal controls would be complete without an examination of fraud prevention and detection. All organizations are subject to fraud risks. Fraud is now so common that its occurrence is no longer remarkable, only its scale. The course offers the essential tools for designing and implementing programs and controls to prevent and detect fraud. It focuses on the causes of fraud, fraud risk factors, some of the more common types of fraud, fraud symptoms, and fraud preventive and detective techniques, along with some recent cases in corporate fraud. It explains the differences between forensic accounting and auditing. It also includes the ACFE Fraud Prevention Checkup to help organizations identify major gaps and fix them before it is too late.

This course includes an illustration of potential internal controls weaknesses involving accounting and financial reporting cycles, along with examples of compensating controls. It provides sample audit programs of key processes. It also incorporates appendixes including: an example of management internal control report, a SOX Section 404 management compliance checklist, financial reporting controls and information systems checklist for each key cycle (e.g. revenue, inventory, financing), and a computer applications checklist.

Completion Deadline & Exam: This course, including the examination, must be completed within one year of the date of purchase. In addition, unless otherwise indicated, no correct or incorrect feedback for any exam question will be provided.

Course Level: Overview. This program is appropriate for professionals at all organizational levels.

CPE Credits: 8 (CPA)

Field of Study: Auditing

Prerequisite: None

Advanced Preparation: None

Course Learning Objectives

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1. Identify the functions and limitations of internal control
2. Recognize the COSO principles of internal control
3. Identify some common and important control procedures
4. Distinguish between the IT general controls and application controls
5. Recognize the implication and significance of the Sarbanes-Oxley Act
6. Recognize key procedures involved in identifying risks and controls
7. Identify key considerations for identifying and evaluating control deficiencies
8. Recognize the requirements of management documentation of controls
9. Identify factors in assessing the maturity level of a company's internal control structure
10. Identify the audit objectives, scope, and procedures applied to the integrated audit
11. Recognize fraud considerations in a financial statement audit
12. Identify the most common schemes and fraud symptoms
13. Recognize techniques to prevent and detect fraud