

## **Learning Objectives**

- Identify the three types of fraud.
- Identify the SAS that provides guidance to auditors in assessing the risk of fraud.
- Recognize the three elements identified by the AICPA to prevent, deter, and detect fraud.
- Recognize who is responsible for identifying and measuring fraud risks, and taking steps to mitigate identified risks.
- Identify the procedures to address the risk of management overriding internal controls that are otherwise operating effectively.
- Recognize the characteristics of different types of fraud.

### **Section 1 Introduction to Fraud**

- Definition of Fraud
- Financial Fraud
- Fraudulent Reporting
- Asset Misappropriation
- Misappropriation Schemes
- Fraud Conditions
- Risk Factors for Financial Fraud
- Financial Fraud Incentives and Pressures
- Financial Fraud Opportunities
- Fraud Scheme Durations
- Fraud Risk Assessment
- Assessing Fraud Risks
- Assessing Fraud Documentation
- Organizations at Risk for Fraud

### **Section 2 Practicing Honesty**

- Fraud Risk Evaluation
- Fraud Risk Mitigation
- Fraud Risk Responses
- Keep Updating the Assessment Process
- Areas of Fraud Risk
- Revenue and Manipulation
- Revenue Risk
- Revenue Fraud Symptoms
- Analytical Procedures as a Symptom
- Inconsistencies in Documentation
- Revenue Receipts
- Fraud Risk Inventory
- Fraud Risks with Accounts Payable
- How Fraud is Initially Suspected
- Fraud Detection
- Fraud Reporting Mechanisms
- Responding Misstatements
- Audit Software