Southern New Hampshire University

ACC 646 Final Project Milestone Three Guidelines and Rubric

Overview: Forensic accounting has been identified as the fastest growing area of accounting. Fraud examiners must understand the legal aspects of fraud and what constitutes fraud. To be successful in this industry, they must be able to determine why people commit fraud and how to prevent it from happening. Through this analytical process, examiners may then provide organizations with recommendations for improving their internal controls, thus preventing further financial losses and additional harm to their reputations.

For Milestone Three, you will submit your hypothesis development and investigation plan for your company. Consider potential frauds and perpetrators in your company, how the fraud could be investigated, regulatory issues, and any other fraud risk inquiries required. Once you have developed your fraud hypothesis, propose an investigation plan. Describe the process of how you would investigate the potential fraud and all of the factors that must be considered for carrying out the investigation.

Prompt: Develop a fraud hypothesis for your case and a plan for investigating the fraud.

Specifically, the following **critical elements** must be addressed:

III. **Hypothesis Development**
   a) What frauds could **occur in the environment** you researched? How are these related to the specific company, the industry, and the economic conditions as a whole?
   b) Of all of the employees mentioned, who would have **incentives or opportunities** to commit fraud? Why?
   c) **Which** of the **employees** who had the incentive or opportunity to commit fraud is in a position to cause the financial anomalies found? Explain why.

IV. **Investigation Planning**
   a) Describe the **process** of how could you investigate the potential fraud and the appropriate steps to complete the process.
   b) What **documents** might you need? Who might you need to speak with regarding the fraud? Support your responses.
   c) Illustrate how **regulatory issues** such as Sarbanes–Oxley or SAS No. 99 would impact the investigation.
   d) What other **fraud risk inquiries** are needed to investigate the suspected fraud? What steps would need to be taken to address these risk inquiries?

Guidelines for Submission: Your fraud hypothesis and investigation plan must be submitted as a 2–3 page Microsoft Word document with double spacing, 12-point Times New Roman font, one-inch margins, and at least three sources cited in APA format.

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Rubric

Critical Elements	Proficient (100%)	Needs Improvement (75%)	Not Evident (0%)	Value
Hypothesis Development: Occur in the Environment	Explains what frauds could occur in the environment researched and how they are related to the specific company, the industry, and the economic conditions as a whole	Explains what frauds could occur in the environment researched but does not explain how they are related to the specific company, the industry, and the economic conditions as a whole or explanation is cursory or contains inaccuracies	Does not explain what frauds could occur in the environment researched	14
Hypothesis Development: Incentives or Opportunities	Determines which of the employees would have incentives or opportunities to commit the fraud and defends response	Determines which of the employees would have incentives or opportunities to commit the fraud but does not defend response	Does not determine which of the employees would have incentives or opportunities to commit the fraud	14
Hypothesis Development: Which Employees	Determines which of the employees with the incentive or opportunity to commit fraud is in a position to cause the financial anomalies found and explains why	Determines which of the employees with the incentive or opportunity to commit fraud is in a position to cause the financial anomalies found but does not explain why	Does not determine which of the employees with the incentive or opportunity to commit fraud is in a position to cause the financial anomalies found	14
Investigation Planning: Process	Describes the process of how the potential fraud could be investigated and the appropriate steps to complete the process	Describes the process of how the potential fraud could be investigated but description is cursory or lacks important steps	Does not describe the process of how the potential fraud could be investigated	14
Investigation Planning: Documents	Determines what documents might be needed and who might need to be spoken to regarding the fraud and supports responses	Determines what documents might be needed and who might need to be spoken to regarding the fraud but does not support responses	Does not determine what documents might be needed and who might need to be spoken to regarding the fraud	14
Investigation Planning: Regulatory Issues	Illustrates how regulatory issues would impact the investigation	Illustrates how regulatory issues would impact the investigation but does not apply a variety of regulatory issues to the case study	Does not illustrate how regulatory issues would impact the investigation	14
Investigation Planning: Fraud Risk Inquiries	Determines what other fraud risk inquiries are needed to investigate the suspected fraud and the steps to address these risk inquiries	Determines what other fraud risk inquiries are needed to investigate the suspected fraud but does not determine the steps to address these risk inquiries	Does not determine what other fraud risk inquiries are needed to investigate the suspected fraud and supports response	14
Articulation of Response	Submission has no major errors related to citations, grammar, spelling, syntax, or organization	Submission has major errors related to citations, grammar, spelling, syntax, or organization that negatively impact readability and articulation of main ideas	Submission has critical errors related to citations, grammar, spelling, syntax, or organization that prevent understanding of ideas	2
			Earned Total	**100%**