Southern New Hampshire University

# ACC 646 Final Project Milestone Two 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 Two, you will submit an analysis of the business environment and the industry for your chosen company**.** Consider the industry-specific challenges, behaviors indicative of fraud, and internal control structure and perform a financial statement analysis for your company.

**Prompt:** Provide the management team of your selected company with an assessment of the business environment and the industry from the perspective of a fraud examiner.

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

II. **Business Environment and the Industry**

a) What are the **industry-specific challenges**, such as specialization, competition, or growth, this organization is faced with? How do these challenges relate to the company's business environment?

b) Based on the case study, what **behaviors** did employees exhibit that were indicative of fraud? Describe the pressures employees faced from management that might have led to the fraud. How could they have been avoided?

c) Assess the strengths of the organization's **internal controls**. Where are the weaknesses and how might these lead to fraud?

d) How could you address these **weaknesses** in order to improve them? What measures could you take to ensure this would improve the weaknesses?

e) What sorts of **anomalies** were contained within the financial statements or additional financial analysis? How do these anomalies relate to the potential fraudulent activity?

**Guidelines for Submission:** Your analysis 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 |
|---|---|---|---|---|
| **Business Environment and the Industry: Industry-Specific Challenges** | Determines the industry-specific challenges the organization faces and how they relate to the company's business environment | Determines the industry-specific challenges the organization faces but does not determine how they relate to the company's business environment | Does not determine the industry-specific challenges the organization faces | 19 |
| **Business Environment and the Industry: Behaviors** | Describes the behaviors employees exhibited in the case study that were indicative of fraud and the pressures employees faced from management that may have led to the fraud and how they could have been avoided | Describes the behaviors employees exhibited in the case study that were indicative of fraud but does not describe the pressures employees faced from management that may have led to the fraud and how they could have been avoided or description is cursory or contains inaccuracies | Does not describe the behaviors employees exhibited in the case study that were indicative of fraud | 19 |
| **Business Environment and the Industry: Internal Controls** | Assesses the strength of the organization's internal controls and discerns the weaknesses and how they may have led to fraud | Assesses the strength of the organization's internal controls but does not discern the weaknesses and how they may have led to fraud | Does not assess the strength of the organization's internal controls | 19 |
| **Business Environment and the Industry: Weaknesses** | Determines how the weaknesses could be improved and what measures could be taken to ensure improvement | Determines how the weaknesses could be improved but does not determine what measures could be taken to ensure improvement | Does not determine how the weaknesses could be improved and what measures could be taken to ensure improvement | 19 |
| **Business Environment and the Industry: Anomalies** | Determines the sorts of anomalies present in the financial statements or additional financial analysis and directly relates them to the potential fraudulent activity | Determines the sorts of anomalies present in the financial statements or additional financial analysis but does not relate them to the potential fraudulent activity or contains inaccuracies | Does not determine the sorts of anomalies present in the financial statements or additional financial analysis | 19 |
| **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 | 5 |
| | | | **Earned Total** | **100%** |