Course Title: CORPORATE FRAUD AND INTERNAL CONTROL
Course Code:
Credits: 3
Total Sessions: 24
Course Instructor: CA. Bhawana Jain
Contact Information: j_bhawana@cb.amrita.edu, bhawanasinghvijain@gmail.com
Course Link: Office F-13
Office hours
Course contributes mostly to: Employability/ Entrepreneurship/ Skill Development/ Value-add

Course Description
Internal control and checks date back to ancient times as back as 300 BC when Chanakya, also known as Kautilya introduced the concept of auditing in his book Arthaniti. In the ancient civilizations of China, Egypt and Greece, it was found in the form of ancient checking activities. In 1528 AD, Birbal gave his ‘independent opinion’ to emperor Akbar on several complex issues with evidence. The focus on internal audit and compliance concentrating on the accuracy of record keeping has gradually shifted to internal control in the 1990s due to the international corporate scandals and frauds coming to light with the growth of the corporate form of organisation. The demand for sound corporate governance has moved from reactive mode to the need for corporates to deal fraud proactively. Companies, management and auditors are responsible for safeguarding the assets of the company. Companies have to ensure that their internal control systems are equipped to deter, detect and where required, prove fraud. This course is an attempt to introduce the students to the concept of internal control in a corporate environment and also to enable them to identify and defend themselves against fraudulent and corrupt practices within and against their future organisation.
Course Objectives

1. Achieve a foundation understanding of fraud and internal control in a corporate environment
2. Identify common red flags of fraud and the lacunae in the internal control systems that may expose companies to fraud
3. Identify the legal requirements pertaining to corporate governance and internal control
4. Understand key challenges, the role of ethics, and tools and techniques in fraud prevention and detection

Alignment of course objectives (CO) with learning goals (LG) of Assurance of Learning

Derived from its mission, ASB has adopted five learning goals, (apart from the discipline competency) - the management-specific attributes, knowledge and skills that its graduates are expected to possess when they complete the programme. The seven outcomes of this course are mapped to the ‘Critical and integrative Thinking’, ‘Effective written and oral communication’, ‘Societal and Environmental Awareness’ and ‘Ethical reasoning’ in the manner shown in the table below.

<table>
<thead>
<tr>
<th>LG CO</th>
<th>Critical and integrative Thinking</th>
<th>Effective written and oral communication</th>
<th>Societal and Environmental Awareness</th>
<th>Ethical Reasoning</th>
<th>Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO1</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>CO2</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>CO3</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>CO4</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>0</td>
</tr>
</tbody>
</table>

Key: 3 – Highly relevant; 2 – Moderately relevant; 1 – Low relevance; 0 – No relevance

Unit-wise scope for outcomes and Bloom’s taxonomy

The course focuses primarily on the Bloom’s learning levels as depicted in the table below.

<table>
<thead>
<tr>
<th>Bloom's Levels of Learning</th>
<th>CO 1</th>
<th>CO 2</th>
<th>CO 3</th>
<th>CO 4</th>
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<tbody>
<tr>
<td>Creating</td>
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Pedagogy and course requirements

The classes will be interactive involving lecture sessions, videos, discussions and student presentations.

Students are expected to complete the assigned readings and be ready to present the assigned work, if any, before the class. The work submitted should be that of the student. If work from other sources is used, it must be properly acknowledged and referenced. Plagiarism is strongly objected to and any case of plagiarism will be dealt with according to the University rules.

Assessment (Grading Policy: Relative)

<table>
<thead>
<tr>
<th>Class participation, presentation and preparation</th>
<th>25%</th>
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<tbody>
<tr>
<td>Term paper and cases</td>
<td>40%</td>
</tr>
<tr>
<td>End term</td>
<td>35%</td>
</tr>
</tbody>
</table>

Course material

The material (RM) will be distributed in the class. The class presentations will be distributed after the respective classes. Additional reading material (listed below) has to be downloaded by the student. Class presentations will be assessed in the class.

Additional reading material


18. COSO’s 2013 Internal Control — Integrated Framework. For downloadable PDF copy of executive summary, see link [www.coso.org](http://www.coso.org)
20. ACFE Report to the Nations, 2018. For downloadable PDF copy, see link www.acfe.com

**Session Plan**

<table>
<thead>
<tr>
<th>Topic(s)</th>
<th>Readings and Assignment</th>
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</table>
| 1 | Introduction to the Course: Overview of Syllabus | Course Materials  
Case – 2 (assigned)  
Formation of teams |
| 2 | Introduction to fraud: Definition of fraud, Types of fraud | RM: pgs 1 - 41 |
| 3 | Elements of fraud, the fraud triangle, Fraud diamond, Red flags | RM: pgs 42 – 57 |
| 4 | Case 1: discussion | Pre-read all. To be presented by case group. To be discussed by all |
| 5 | Frauds against the organization | RM: pgs 58 – 108  
Article 1  
Article 2  
Term paper assigned |
| 6 | Case 3: discussion | Pre-read all. To be presented by case group. To be discussed by all |
| 7 | The fraudster | Article - 3  
RM: pg 109 - 110 (Inside the mind of a fraudster) |
| 8 | The fraudster | Article: “Getting into the mind of a fraudster” |
| 9 | Corporate governance | Article 4  
RM: 111 - 160 |
| 10 | Case 4: discussion | Pre-read all. To be presented by case group. To be discussed by all |
| 11 | Corporate governance and fraud prevention | Articles: “Importance of corporate governance in light of frauds”; “Corporate Governance Failure, Fraud, and Scandal: Data Spotlight “ |
| 12 | Beneish model; Altman Score | Article 5 |
| 13 | The internal control framework; COSO framework; internal financial controls | RM: 111 - 160  
Article 6 |
| 14  | Case 5: discussion | Pre-read all. To be presented by case group. To be discussed by all |
| 15  | The legal environment | Article 7 |
| 16  | Case 6: discussion | Pre-read all. To be presented by case group. To be discussed by all |
| 17  | Fighting corruption: Bribery, law against corruption, developing an anti-corruption culture | Article 8  
RM: 161 - 189 |
| 18  | Case 7: discussion | Pre-read all. To be presented by case group. To be discussed by all |
| 19  | Fraud investigation: Red flags, indicators of fraud and tools to prevent and detect fraud | Article 9  
Article 10  
Article 11  
RM: 190 - 261 |
| 20  | Whistleblowing | Article 12  
RM: 263 - 265 |
| 21  | Industry related fraud opportunities | Submission of case 3 - due |
| 22  | Role of ethics | Article 13  
RM: 267 - 282 |
| 23  | Student Presentations | Submission of term paper - due |

**Students will be communicated the term paper and presentation topics and other requirements.**