



51A Middle Street Newburyport MA 01950

Phone: 800-588-7039

contact@bhfe.com

www.bhfe.com

Course Information

Course Title: *How to Audit for Fraud*

#369624

Number of continuing education credit hours recommended for this course:

In accordance with the standards of the National Registry of CPE Sponsors CPE credits have been granted based on a 50-minute hour.

CPA: 3 (Accepted in all states)

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration

Florida Division of Certified Public Accountancy: 0004761 (Ethics #0011467)

Hawaii Board of Accountancy: 14003

New York State Board of Accountancy (for ethics): 002146

Ohio State Board of Accountancy: CPE.51 PSR

Pennsylvania Board of Accountancy: PX178025

Texas State Board of Accountancy: 009349

Course Description

This course shows the auditor how to detect fraud. It does so by discussing fraud risk indicators and other clues indicating the presence of fraud, and itemizes the many extended audit procedures that can be used to detect traces of fraud. The course also notes who is responsible for fraud prevention and detection, and covers the different ways in which financial statements can be fraudulently misstated.

Course Content

Publication/Revision date: 2/13/2024.

Author: Steven M. Bragg, CPA.

Final exam (online): Fifteen Questions (multiple-choice).

Program Delivery Method: NASBA QAS Self-Study (interactive)

Subject Codes/Field of Study

NASBA (CPA): Auditing

Course Level, Prerequisites, and Advance Preparation Requirements

Program level: Overview

Prerequisites: None.

Advance Preparation: None

Instructions for Taking This Course

- Log in to your secure account at www.bhfe.com. Go to "My Account."
- You must complete this course within one year of purchase (If the course is "Expired," contact us and we will add the latest edition of the course to your account (no charge).
- **To retain the course-PDF after completion (for future reference) and to enable enhanced navigation:** From "My Account," Download and save the course-PDF to your computer. This will enable the search function (Menu: Edit>Find) and bookmarks (icon on left side of document window).
- **Complete the course by** following the learning objectives listed for the course, studying the text, and, if included, studying the review questions at the end of each major section (or at the end of the course).
- **Once you have completed studying the course** and you are confident that the learning objectives have been met, answer the final exam questions (online).

Instructions for Taking the Online Exam

- Log in to your secure account at www.bhfe.com. Go to "My Account."
- A passing grade of at least **70%** is required on the exam for this course.
- You will have three attempts to pass the exam (call or email us after three unsuccessful attempts for instructions).
- The exam is not timed, and it does not need to be completed in one session.
- For a printed copy of the exam questions, open the exam and press "Print Exam."
- Once you pass the exam, the results (correct/incorrect answers) and certificate of completion appear in "My Account." A confirmation email is also sent.
- CFP Board and IRS credit hours, if applicable, are reported on Tuesdays and at the end of the month.

Have a question? Call us at 800-588-7039 or email us at contact@bhfe.com.

Learning Objectives

- Recognize the components of the fraud triangle.
- Recognize who is responsible for fraud prevention and detection.
- Understand the reasons for professional skepticism in the conduct of an audit for fraud.
- Describe how to communicate to the client a discovery of fraud.
- Recognize the situations that create pressure for a client to falsify its financial statements.
- Specify the different types of scams that can be used to inflate the reported level of sales.
- Describe how to alter the outcome of the receivables turnover measurement.
- Cite the circumstances under which a client would want to recognize a large loss reserve.
- Recognize the methods that can be used to shift expenses into a later period.
- Cite the ways in which liabilities can be artificially lowered.
- Specify the primary goal of mis-reporting cash flows in the statement of cash flows.
- Describe the most appropriate audit team staffing when fraud is suspected.
- Recognize the characteristics of a fraudulent journal entry.
- Describe the techniques that can be used to alter a document to cover up a fraud.
- Specify the methods available for tracking down the theft of cash.

About the Author

Steven Bragg, CPA, has been the chief financial officer or controller of four companies, as well as a consulting manager at Ernst & Young. He received a master's degree in finance from Bentley College, an MBA from Babson College, and a Bachelor's degree in Economics from the University of Maine. He has been a two-time president of the Colorado Mountain Club, and is an avid alpine skier, mountain biker, and certified master diver. Mr. Bragg resides in Centennial, Colorado. He has written more than 250 books and courses, including *New Controller Guidebook*, *GAAP Guidebook*, and *Payroll Management*.

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