



DURATION

3 hours



DELIVERY CHANNEL

eLearning



Modules:

- 1 Financial Statement Fraud
- 2 Creative Accounting

eLEARNING

## Financial Accounting Fraud Risk

IDENTIFY RED FLAGS IN BUSINESS FINANCIAL STATEMENTS

### COURSE OVERVIEW AND BENEFITS

Lenders, investors, and stakeholders are increasingly facing the costs of financial accounting fraud. It is therefore critical that all employees – not only those in compliance roles – are vigilant to the red flags.

Financial Accounting Fraud Risk is a foundational-level course that introduces learners to the methods a client may use to manipulate their financial statements and the steps a lender can take to detect and respond to potential fraud.

The course begins by examining the global prevalence of fraud and the legal frameworks that have been developed to deter it. Next, it explains commonly employed fraudulent accounting practices, including inappropriate revenue and expense recognition methods, asset and liability manipulation, and accounting record alterations.

Participants then discover how the notes to the financial statements may provide clues to potential malfeasance, and learn techniques for adjusting the balance sheet and income statement to more accurately reflect the company's true financial condition.

Real-world examples of companies that have been prosecuted for financial accounting fraud are interwoven through the course. Participants also have an opportunity to apply what they have learned by reviewing the financial statements of a fictitious company to detect and calculate the impact of incorrect accounting treatments.

### LEARNING OBJECTIVE

Learn how to detect and respond to potentially fraudulent information in business financial statements.

### COMPETENCIES GAINED

**Participants will be able to:**

- Identify client behaviours that may indicate an intent to mislead the lender.
- Identify the ways in which a client may manipulate its financial accounting in order to misrepresent the business's financial condition.
- Review the notes to the financial statements for clues to unusual or suspicious accounting practices.
- Recognise the steps to take when suspicious behaviours or accounting practices are identified.
- Make simple adjustments to a business's balance sheet and income statement to reverse the effect of incorrect accounting treatments and render a truer picture of the business's financial condition.

### TARGET AUDIENCE

Financial Accounting Fraud Risk is suitable for anyone involved in the loan origination and assurance processes, including relationship managers, credit analysts, credit officers, compliance officers, and credit and risk managers.