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Forensic Accounting and FAU: An Executive Graduate Program

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ABSTRACT: This paper presents a description of the executive Master's in Accounting with a concentration in forensic accounting program offered by Florida Atlantic University, an AACSB-accredited higher-educational institution located in southeast Florida. This program—the first of its kind in the United States—provides students with the option of attending lectures in person or via web conferencing. Also discussed is the impact that the model curriculum for fraud examination and forensic accounting has had on the program as well as challenges that have been met in creating and developing an executive graduate program in forensic accounting.

Keywords: forensic accounting education; executive education; model curriculum.

INTRODUCTION

In 2003, Florida Atlantic University (FAU) embarked upon an innovative approach to accounting education by establishing an executive master's program in forensic accounting. This program—the first of its kind in the United States—was designed to offer working professionals the opportunity to further their education by earning a master's degree in accounting with a concentration in forensic accounting. Although the surrounding metropolitan region was one in which many qualified prospective students lived and worked, persons of varying backgrounds from around the nation quickly exhibited an interest in the program.

FAU is one of 11 universities in the Florida state university system and currently enrolls approximately 25,000 students. It is a comprehensive institution of higher learning located in southeast Florida and is regionally accredited by the Southern Association of Colleges (SACS). The executive forensic accounting program is a part of the Barry Kaye College of Business, which is accredited by the Association for the Advancement of Collegiate Schools of Business (AACSB). The College's School of Accounting has 21 full-time faculty members who reside at one of four campuses: Boca Raton, Ft. Lauderdale, Davie, and Port St. Lucie. The distributive nature of the university (the university encompasses seven campuses that span more than 120 miles north from its southernmost campus) fits well with the development of an innovative executive program that transcends the borders of southeast Florida. In this article, I describe FAU's forensic accounting program, its implementation of the model curriculum for fraud and forensic accounting, and various challenges that have arisen over the years.

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DESCRIPTION OF THE PROGRAM

The FAU executive master's program was designed to offer students the opportunity to earn a master's degree in an area of interest to them in a classroom-optional environment. The founder of executive education in forensic accounting at FAU is William (Bill) Hopwood, a full Professor, who, in 2003, recognized the need for a forensic program of this nature and also had the knowledge and skills to implement the technology used in the program. An expert in systems, Bill established the approach by which the lectures are transmitted to students who choose not to attend the live lectures. In addition, Bill's knowledge of the university proved to be extremely valuable in determining procedures that must be followed for such activities as broad as implementing a new program and as detailed as purchasing equipment.

Delivery of Lectures

Students have the choice of attending live lectures that are held each Saturday morning on the downtown Ft. Lauderdale campus; participating live, from home, by means of the Internet using web conferencing; or viewing the recorded lectures at a later date. The use of web conferencing allows students attending the Saturday morning lectures and their instructors to ask questions or make comments in real time.

Required Courses

The program is a cohort, lock-step program consisting of ten required courses (for a total of 30 semester hours) and includes an integrated graduate business communication course (see Table 1 for the required courses). The courses offered in the program are dedicated to students enrolled in the executive program except for two of the forensic examination courses which are offered in the traditional master's in accounting program and are also MBA electives. Students take two courses in the spring semester, two in the fall semester and one in the summer semester; thus, the program takes two years to complete.

The two fraud examination courses, Accounting Fraud Examination Concepts and Accounting Fraud Examination Conduct and Procedures, address such topics as criminology, types of fraud schemes, investigative techniques, and proactive approaches to reducing the incidence of fraud. The Forensic Accounting and Legal Environment course addresses law, courtroom procedure, and service as an expert witness, whereas Forensic Accounting, Fraud, and Taxation covers miscellaneous topics such as tax fraud and ethics. The Business

TABLE 1
Required Courses in FAU Forensic Accounting Program

General Core

- Accounting Information Systems
- Auditing
- Concepts of Federal Income Tax
- Accounting for E-Commerce
- Graduate Business Communications

Forensic Core

- Accounting Fraud Examination Concepts
- Accounting Fraud Examination Conduct and Procedures
- Forensic Accounting and Legal Environment
- Forensic Accounting, Fraud, and Taxation
- Business Valuation

Valuation course contains instruction on conducting business valuations, estimating losses from business interruptions, as well as the role of the expert witness in valuation proceedings and negotiations. Together, these courses offer a comprehensive coverage of the topics important in the study of forensic accounting.

A good example of the fraud examination courses at FAU is the course taught by a Certified Fraud Examiner (CFE) and supervisor of economic crime for one of the largest counties in Florida, Broward County. In this course, the instructor draws on real-life cases on which he has worked as a sergeant in the Broward Sheriff's Office. He continually apprises students of his motto, "Understand the person; understand the fraud," and enjoys stimulating students to think more creatively. After providing students with the fundamentals of topics such as the fraud triangle, investigative methods, and example cases, students are given adjudicated cases—some of which are solved individually while others are solved by working in small teams. The final project is one in which the class is split into two groups: those attending via the Internet collectively represent three fraudsters while those attending in person have to solve the case and consider the internal/external controls that could have prevented the fraud.

The instructor's partner at the Sheriff's Office attends each class, interacts with students in threaded discussions, and assists in grading cases and examinations. Her presence in the classroom and in threaded discussions is a constant reminder that forensic professionals rarely work alone. Thus, students are provided the additional benefit of experiencing the contribution of a CFE and his partner. Teaching has not only been instructive for the students; the instructor has also benefited, as profiled in *Fraud* (Kranacher 2005, 7).

Communication skills are critical to the success for forensic accountants. The graduate business communications course helps increase the likelihood of success by providing instruction on how to communicate effectively when writing and speaking. Besides fulfilling writing and speaking requirements within this course, students are required to be certified as to writing and speaking ability in two forensic accounting courses. For the writing portion, students are required to write a paper (or a series of memoranda). The professor grades the written work for content; if the paper is acceptable to the professor, the paper is then graded by the communications professor. Students also must make a persuasive oral presentation that is videotaped. The presentation is graded by the professor for content and then by the communications professor for effectiveness of communication. (In both the written and oral presentations, a portion of the forensic professor's grade may also be for grammar and presentation skills.) Students receive a grade of incomplete for the communications course until they fulfill all requirements of the course.

Characteristics of Students

As one might imagine, students in the executive program are, on average, older than students in the traditional master's programs offered by FAU. As well as being more experienced, approximately 40 percent of these students already hold the CPA designation or possess a master's degree. Therefore, the choice these students make to attend an executive program represents a conscious decision to alter their careers.

At the time of writing this article, there are approximately 150 students in the executive program and who hail from 35 states and three countries. Students include U.S. military personnel who—thanks to technology—can view lectures, write papers, take examinations, and participate in threaded discussions while on ships or overseas. Although a sizable group is made up of accounting professionals who wish to obtain greater knowledge of forensic accounting, the educational background of these executive students is quite diverse and includes students who have degrees and experience in areas other than accounting such as

criminal justice and psychology. This diversity allows students to witness a variety of perspectives in the classroom and contributes to the further development of their critical-thinking skills. Furthermore, the nature of the cohort program encourages the approximately 30 students in each entering class to develop friendships that last beyond their educational experience at FAU.

Administrative Support

The maintenance of a program such as this requires sufficient administrative support. At the present time, there are seven full-time support staff as well as several tenured faculty members who are involved in conducting the affairs of the forensic program. Two coordinators report to the administrative assistant for the Director of the School of Accounting, while a third coordinator—the person in charge of technology—reports to the Director of Technology and to the Director. The technology coordinator has one full-time assistant and, on average, five part-time assistants. The program also employs a full-time secretary who handles all incoming calls and daily administrative matters. Of the two coordinators who are not involved with the technological aspects of the program, one is primarily involved in admitting, assisting with financial aid, and monitoring student progress. The other is more heavily involved in scheduling of classes, overseeing the implementation of program changes, and budgetary matters. An academic director (an Associate Professor) assists the Director of the School of Accounting in determining courses to be offered, finding qualified faculty to teach the courses, making decisions regarding the acceptance of applicants who may not meet the minimum requirements for admission but who have demonstrated other compelling indicators of success, and resolving student and faculty issues.

IMPLEMENTATION OF THE MODEL CURRICULUM

The creation of the model curriculum for fraud and forensic accounting, which was funded by a grant provided to West Virginia University by the National Institute of Justice (NIJ), the research and development branch of the U.S. Department of Justice, established the benchmark for fraud examination and forensic accounting education. The model curriculum represents a living document for those delivering as well as those affected by fraud and forensic accounting education. The special report of the NIJ, *Education and Training in Fraud and Forensic Accounting: A Guide for Educational Institutions, Stakeholder Organizations, Faculty, and Students* (NIJ 2007), is instrumental in providing guidance to all fraud examination and forensic accounting educational programs, whether they comprise one course or many courses, as is the case at FAU.

Effect on the FAU Program

Although FAU's executive program was created before the model curriculum was developed, it was affected positively by its issuance. After the report was released, each instructor who taught a course in the forensic core was provided a copy and asked to recommend ways to implement the curriculum in his or her course. A critical analysis of the correspondence between the model curriculum and the forensic program at FAU was made by inspecting the content of courses in the program and determining whether any topics suggested by the report were not covered. The benefit of having a graduate program devoted to forensic accounting is that adequate room exists to address various topics identified as important by the model curriculum, even specialized topics such as tax fraud. In some cases, the same topics are covered in more than one course; in the small number of situations in which duplication occurred, the topic was taught from different perspectives. For example, SAS No. 99, *Consideration of Fraud in a Financial Statement Audit*, is taught

in the auditing course as well as in a fraud examination course. While the objective is the same—to consider the impact of fraud on financial statements—certain aspects of the process, e.g., consideration of the types of fraud that could occur, are emphasized differently in one class relative to the other.

Other Model Curriculum Suggestions

According to the model curriculum report, the educational experience of students is enhanced by being exposed to guest lecturers. In south Florida, there is a plethora of very qualified potential guest lecturers from which to choose. As a result, guest lecturers are invited to speak to classes on a regular basis. For example, one guest speaker who spoke a few years ago is a forensic accountant who had just valued Jeff Gordon's economic interest in his NASCAR racing team when Gordon was involved in a divorce proceeding.

A natural extension of this concept is also mentioned in the model report: A sharing of the teaching experience with well-qualified practitioners. For example, during the spring 2008 semester, the business valuation course was taught by a tenure-track faculty member who is an expert on valuation and a practitioner who is a leader in this field. The benefits of this team-teaching venture are numerous. Not only do students benefit from the valuation and courtroom experience of a practitioner, but they are also exposed to current research in the area by the academician. The practitioner and faculty member experience a benefit as well since, at differing times, each may have pressing professional obligations that require him or her to be out of town. They can coordinate their presence in the classroom so that they meet their educational and professional responsibilities by covering classes for each other when necessary.

CHALLENGES

An academic program such as this does not exist without challenges. Besides the usual challenge of starting a program in an environment of limited resources, other challenges such as finding willing and qualified faculty to teach forensic courses and dealing with issues confronted by non-traditional students are unique to executive programs.

Finding Willing and Qualified Faculty

Teaching in the executive program is considered overload; thus, it is not a part of the faculty members' annual assignment. Assistant Professors are discouraged from teaching in the program until they earn tenure. Although there is no expectation that tenured faculty members will teach in the program, a number of faculty members do contribute, either as instructors or administrators, e.g., as Director of Technology.

When faculty members choose not to participate, they do so for two reasons. One reason is that they are reluctant to give up the time during the week to prepare lectures and the time on the weekend to deliver lectures. Initially, the plan was to have faculty members teach subjects similar to those they teach in the traditional program; however, there are differences. Some subjects, while related to fraud examination and forensic accounting, e.g., auditing, traditionally are not taught with an emphasis on fraud detection. Instructors in the forensic program are more likely to emphasize the fraud examination and forensic accounting aspects of these subjects than they would in the traditional program. Also, in a few cases, qualified faculty members have taught courses that they do not usually teach in the traditional program, an undertaking that can require an enormous amount of preparation time.

A second reason for lack of participation is a lack of knowledge (or experience) in forensic accounting. Unlike most universities, FAU did not teach an undergraduate course

in fraud examination until long after its master's program had been established. Therefore, FAU could not simply begin a graduate program by using faculty who had been teaching undergraduate fraud examination.¹ A solution to this problem is to add adjunct faculty who are not terminally qualified; however, this solution is undertaken only with reservation. Although FAU employs and highly values these types of faculty members, its administration is mindful that as a doctoral-granting institution, it can run afoul of accreditation regulations (particularly those of regional accrediting associations) for not having accreditation-defined educationally qualified faculty. Couple this limitation with the loss of approximately 31 percent of full-time accounting faculty at doctoral-granting institutions (of which FAU is one) during the last 15 years (Leslie 2007) and the issue of finding qualified faculty who are qualified to teach forensic accounting and fit well with the university's mission becomes a challenge. FAU has met the challenge of employing additional qualified faculty by looking outside the university to contract with persons who are willing and qualified to teach. For example, one professor is from a sister institution (within the Florida state university system). FAU recognizes that relevant experience is extremely important in the area of forensic accounting; as a result, team teaching, in which permanent faculty members are paired with qualified practitioners, is another approach that has been explored and has contributed greatly to the education of students at FAU.

Challenges Posed by Non-Traditional Students

Executive programs tend to attract non-traditional students, perhaps due to the ease with which these types of programs fit well with their lives. The non-traditional student tends to be older than the traditional student; this issue presents unique challenges that affect them as well as their professors. These challenges fall into three main categories: Work, family, and health. Non-traditional students often face increased work demands, possibly due to levels of responsibility that are higher than their younger cohorts. They are also more likely to bear the responsibilities of caring for children (some of whom are in college) as well as aging parents. In addition, these students are more likely to experience health issues. These responsibilities can cause them to fall behind in their work and, at times, request a grade of incomplete until they can resolve the issues that affect their lives. While the number of these incidences has not been great, they do exist, and appear to be greater than the number that exists in the traditional master's program. Executive faculty and staff are sensitive to these issues and have worked together to monitor student progress. For example, whenever possible, an executive staff member will check with faculty members to determine whether they have noticed any students who have not been participating, e.g., in threaded discussions, and offer to contact the students to determine whether any difficulties have arisen.

These (and other) challenges can be met if a university has a supportive faculty and administration. At FAU, we have been privileged to have had individuals who have done an excellent job of finding solutions to challenges we have faced and who have worked tirelessly as a team to develop this program. In addition, we have been fortunate to have had the support of the Dean of our College of Business. The Dean has allowed this program to operate, even when difficulties have arisen. Without persons of their caliber, our program may not have begun and certainly would not have flourished, as it has, over the years.

¹ The Association of Certified Fraud Examiners has been very helpful in making informative materials available to faculty members interested in teaching fraud examination. These materials are an excellent resource for educators who do not have substantive knowledge in the area.

CONCLUSION

Developing a graduate program in forensic accounting has been a challenging endeavor. The program at FAU has undergone changes as a result of many factors such as the learning that occurs with any new program, insights that we have experienced over the years, and the influence of the model curriculum. We expect more changes to occur in the future. Just as the model curriculum adapts to serve students, the forensic accounting profession, and society, we, too, expect to change so that we can continue to embrace the opportunity to educate future forensic accounting professionals.

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