Anti-Fraud Collaboration Releases New Case Study

Teaching Resource Aims at Combating Financial Reporting Fraud, Builds on Prior Case Study Success

Washington, D.C. – The Anti-Fraud Collaboration continues to build awareness of financial fraud detection and deterrence with the release today of a second, innovative case study for members of the financial reporting supply chain.

The Carolina Wilderness Outfitters Case Study explores potential material fraud at a fictitious public company. The hypothetical examination is designed to facilitate a discussion of how and when to conduct an internal investigation when fraud is suspected in an organization. The case study also aims to raise awareness of the environments in which financial reporting fraud might flourish and engage audit committees, financial executives, and internal and external auditors in a discussion concerning mitigating risks.

Carolina Wilderness Outfitters is the second in this series of case studies. The first, Hollate Manufacturing, focused on understanding the conditions that can generate and perpetuate fraud and misrepresentation in financial reporting.

The Anti-Fraud Collaboration comprises the Center for Audit Quality (CAQ), Financial Executives International (FEI), The Institute of Internal Auditors (The IIA), and the National Association of Corporate Directors (NACD). The Collaboration was formed in 2010 to develop thought leadership, awareness programs, educational opportunities, and related resources to promote the deterrence and detection of financial reporting fraud.

“We are pleased to build on the success of last year’s Hollate Manufacturing Case Study,” said CAQ Executive Director Cindy Fornelli, on behalf of the Collaboration. “Hollate Manufacturing has been well-received in classrooms and training rooms across the country. In fact, 96 percent of instructors responding to a CAQ survey said Hollate Manufacturing helped them achieve their classroom goals, demonstrating that these case studies are a valuable tool in the fight against financial reporting fraud at public companies.”

Hollate Manufacturing has been taught at professional conferences, audit firms and universities since its release in March 2013. The case study was also selected for the Third Annual Internal Audit Case Study Competition at Georgia State University in November.
“These unique case studies are carefully targeted to address the roles and responsibilities of key members in the financial reporting supply chain,” said The IIA President and CEO Richard F. Chambers. “The IIA offered the Hollate Manufacturing Case Study to more than 100 participants at our 2013 International Conference, and it was great to see the case resonate with an international audience.”

“Financial executives are the first line of defense against financial reporting fraud,” said Marie Hollein, President and CEO of Financial Executives International. “We were pleased to offer the Hollate Manufacturing Case Study at a number of professional development programs, and will continue to do so, based on the positive reception among our members. We look forward to rolling out the Carolina Wilderness Outfitters Case Study, along with the other members of the Anti-Fraud Collaboration.”

To help teach the Carolina Wilderness Outfitters Case Study, the Anti-Fraud Collaboration has published a discussion guide that provides the framework for leading a robust dialogue addressing key learning objectives of the case. It also includes a list of resources on how to properly conduct an internal investigation. Both the case study and discussion guide are inspired by the Harvard Business School (HBS) case-study method. The Collaboration consulted with two HBS faculty members in developing these resources. (A discussion guide is also available for the Hollate Manufacturing Case Study.)

The Collaboration has also developed a series of videos on how to effectively lead a discussion using the HBS case method. The videos illustrate key aspects of instruction—such as how to prepare for case discussions, how to lead them, and how to respond to challenging moments—and are applicable to the teaching of both Carolina Wilderness Outfitters and Hollate Manufacturing.

The videos feature insight from Willis Emmons, Senior Lecturer and Director of the Christensen Center for Teaching and Learning at the Harvard Business School. The videos also feature V.G. Narayanan, the Thomas D. Casserly Jr. Professor of Business Administration at the Harvard Business School, leading a discussion of the Hollate Manufacturing Case Study.

Both case studies—Carolina Wilderness Outfitters and Hollate Manufacturing—can be found at the Center for Audit Quality’s website, where instructors can also register for the discussion guide and access the videos and other case-method resources. For more from the Anti-Fraud Collaboration, visit www.antifraudcollaboration.com.

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About the Anti-Fraud Collaboration

The Anti-Fraud Collaboration represents the collaborative efforts of the Center for Audit Quality, Financial Executives International, The Institute of Internal Auditors and the National Association of Corporate Directors, organizations that actively engage in efforts to mitigate the risks of financial reporting fraud. The Collaboration’s goal is to promote the deterrence and detection of financial reporting fraud through the development of thought leadership, awareness programs, educational opportunities, and other related resources specifically targeted to the roles and responsibilities of participants across the financial reporting supply chain.