Fraud Prevention, Detection and Investigation
The Invisible Enemy

Introduction

- Did you know that it is estimated that fraud cost the world economy more than 3 trillion dollars in 2018?
- Would you know if fraud was occurring in your organisation now?
- Do you know what the major fraud risks are in your business?
- Does your organisation have a fraud prevention strategy?
- Do you have a formal programme to tackle the risk posed by fraud?
- Do you have the use of any automated fraud detection techniques?
- If fraud is suspected do you have a clearly defined approach for managing the investigation?

If you have answered “no” to any of the above questions you are not alone.

Recent surveys have revealed that many organisations do not have a formalised approach to fraud prevention, detection or investigation.

This GLOMACS training seminar on Fraud Prevention, Detection and Investigation will help you to:

- Evaluate the likely frequency of cost of fraud in your organisation
- Develop a world-class fraud prevention programme
- Assess fraud scenarios by means of actual fraud cases
- Target key areas of fraud with proven detection techniques
- Significantly reduce the opportunities for corruption
Objectives

After completing this GLOMACS training course, you will be able to:

- Evaluate and challenge management’s fraud risks
- Understand how a fraudster thinks
- Apply successful techniques to help prevent fraud
- Promote an effective fraud prevention process
- Adopt data mining as a fraud prevention and detection tool
- Apply an effective fraud investigation process
- Apply audit skills to fraud investigation
- Spot when someone is not telling you the truth

Training Methodology

- This is a basic / intermediate level course and delegates are not required to have any previous experience in fraud prevention or detection to attend
- There are no minimum educational requirements
- No advance preparation is required
- Delivery method – Group-live (with exercises and role-plays to simulate audit scenarios and situations that assurance professionals will encounter)
- A short examination will be given at the end of the course

Organisational Impact

This GLOMACS Fraud Prevention, Detection and Investigation training course will benefit organisations in all business sectors and will provide both public and private owned businesses with a much greater appreciation of the ever increasing risk posed by fraud, and how to deal with these threats.

This training course will enable organisational knowledge to be enhanced in the following areas:

- The breadth and impact of fraud risks, especially on business reputation
- The range of fraud indicators
- Achieving a cost-effective balance between prevention and detection
- The legal implications
- The need for vigilance
- Developing an anti-fraud policy

Personal Impact

This training course will enable delegates to enhance their personal knowledge in the following disciplines:

- Evaluating the fraud risks
- Using interrogation techniques to detect fraud
- Developing an effective fraud mitigation programme
- Completing a successful fraud investigation
- Delivering fraud awareness sessions to management

Who Should Attend?

- This GLOMACS training course is suitable to a wide range of professionals but will greatly benefit:
  - Newly Appointed Fraud Specialists
  - Managers needing a broader understanding of how to investigate all types of fraud
  - Auditors who need to learn about the most modern approaches to fraud prevention and investigation
  - Members of fraud teams who need to learn more about targeting internal fraud
  - Managers needing a broader understanding of how to prevent and detect fraud
Training Course Outline

DAY 1
Fraud Risks

Background
- Fraud Explained: Definitions
- Fraud Statistics
- Why is fraud such a serious issue?
- ACFE Fraud Survey Results
- The Cost of Fraud
- Who commits fraud?
- Profile of a Fraudster
- Trends and Statistics regarding Detected Fraud
- Why fraud is probably being perpetrated now in your organisation?

Evaluating the Fraud Risks
- E & Y 13th Global Fraud Risk Survey Results
- Fraud Risk Management Process
- Managing the Business Risk of Fraud (IIA, CPA, CFE Paper)
- 6 Principles (from the paper)
- Fraud Risk Management Programme should be in Place
- Fraud Risk Exposure should be Assessed
- Prevention Techniques to Avoid Potential Fraud Risk Events
- Detection Techniques should be Established
- A Reporting Process should be in Place
- A Coordinated Approach to Investigation and Corrective Action
- Building a Picture of the Major Fraud Risks
- Supplier and Outsourcing Fraud
- Fraud Risk Matrix
- Fraud Scenarios
- Fraud Risk Register Example
- Fraud Risk Questionnaire
- Generic Risk Factors
- Specific Risk
- Design of Controls to Prevent Fraud
- Physical and Logical Access
- Job Descriptions
- Accounting Reconciliations
- Supervision

The IT Fraud Risks
- Computer Fraud Paper
- Computer Fraud Prevention
- E-Commerce – The key fraud risks and steps to take to mitigate them
- Internet and Intranet – The fraud risks
- Preventing Internet Fraud Paper
- IT Security – How to evaluate effectiveness and influence change?
- Adoption and Enforcement of Information Security Standards
- Segregation of Duties - The Dangers and the Practical Solutions
- How to detect IT fraud?

Identity Fraud
- Identity Fraud – The Fastest Growing Fraud Risk
- Identity Fraud – Fraud Advisory Panel Paper
- Identity Fraud Examples
- How to protect your business?

The Risk of Corruption
- Corruption Causes
- Corruption Indicators
- Fraud Red Flags
- Procurement Fraud Risks
- The Issues to Look For
- Bid Rigging – The issues to look for

Our Accreditation

[Logos of various accreditation bodies]
Training Course Outline

DAY 2
Developing a Fraud Prevention Process

Fraud Mitigation
- How to evaluate fraud risk mitigation?
- Why controls may not protect you?
- Putting Yourself in the Mind of the Fraudster
- Examination of Typical Controls in Place to Mitigate the Risks
- Risk Exposures
- Identifying the Vulnerable Areas

Procurement Fraud
- Tendering and Bidding
- Common Indicators
- Supplier and Outsourcing Fraud
- Procurement and Inventory Fraud Risks
- A Procurement Fraud Checklist will be Provided

Fraud Indicators
- The Top 30 Fraud Indicators
- How to spot the danger signals?
- Fraud Indicators – Fraud Advisory Panel Paper
- Developing a Toolkit for Identifying Possible Frauds
- An Auditor’s Fraud Toolkit will be Provided

Implementing a Best Practice Fraud Prevention Process
- CIMA Fraud Risk Management Guidance
- Introducing Effective Anti-fraud Policies
- Creating a Fraud Consciousness Loop
- Development of a Fraud Awareness Training Programme
- Communicating Standards of Expected Behaviour /Ethics
- The Need for Strong and Consistent Action When Fraud is Suspected
- Electronic Data and Asset Protection
- Fraud Response Plans Paper
- Anti Money Laundering – issues and requirements
- Money Laundering Paper in the Pack
- The Relationship between Fraud, Risk and Control
- The Roles, Responsibilities and Liabilities of Auditors, Management, Specialists and Others

DAY 3
The Link Between Fraud Prevention and Detection

Aiming for a Cost-effective Balance between Prevention and Detection
- Use of Management Check-lists
- The Need to be Able to Think like a Fraudster – To be able to prevent it
- Company Policy on Consequences of Committing Fraud
- Facilitation of Whistle Blowing
- Whistle Blowing Policy
- Pros and Cons of External Hot-lines
- Use of Specialists to Aid Detection and Investigation
- Preparing and Implementing Fraud Contingency Plans
- How to ensure fraud investigation is always given top priority?
- Use of Successful Fraud Investigation as a Moral Deterrent
- Managing the External Coverage of Proven Fraud

The Assurance Role regarding Fraud
- ECIIA Paper
- Prevention and Investigation
- Should Detection be an IA role?
- The IIA States currently Detection is not an IA role
- What should IA do to aid detection?

Use of Computer Assisted Audit Techniques (CAAT’s)
- ACL as a Fraud Investigation Tool
- ACL Fraud e- book
- Examples of How to use CAAT’s in Fraud Investigation will be Shared
- Benford’s Law
- Benford’s and CAAT’s Paper
Training Course Outline

DAY 4
Fraud Detection and Legal Issues

Data Mining as a Fraud Detection Tool

- Fraud Detection Basics Paper
- Fraud Profiling – How to target the right systems?
- GTAG 13 Fraud Prevention and Detection in the Automated World
- Data Mining Paper
- Risk Scoring
- Fraud Risk Prioritisation
- How to get the information you need?
- The Use of Internal Databases
- Demonstration of External Databases
- Data Validation
- Automated Fraud Detection
- How to put the techniques into use in your organisation?
- Audit Software – The tools available
- Practical Uses of Data Mining and the Results Achievable

The Legal Aspects

- The Need to Stay within the Law
- The Legal Implications
- When to bring the lawyers in?
- How to protect your work from disclosure? – legal privilege
- How to ensure that evidence is admissible?
- Search and Seizure Orders
- Civil vs. Criminal Action
- Bribery Act and the Implications for GCC Businesses
- Gifts and Hospitality Guidance
- How to recover stolen assets? – Making sure the criminal does not profit
- How to handle disciplinary proceedings?
- Employers and Employees Rights

What to do when you suspect fraud?

- How to react when fraud is suspected?
- How to decide who needs to be told?

DAY 5
Fraud Investigation

Managing the Investigation

- The Need for thorough Planning
- Determining the Objectives of the Investigation
- Who should be involved? – What skills do you need?
- How to keep the investigation low-profile?
- Conducting Fraud Investigations Guidance
- Research – What information can lawfully be obtained?
- What information is available and can be used?
- Forensic Evidence and How to obtain it
- Collating Information and Maintaining the Chain of Evidence
- Knowing When to Suspend or Dismiss Employees
- Fraud Investigation Report Template will be Provided

Interviewing Suspects and Witnesses

- Setting the Scene – choice of venue, etc.
- Do you know your legal authority for conducting interviews?
- Can you use deception in interviews?
- How do you avoid breaching the employees’ rights under law?
- 47 Tips for Fraud Interviews
- Planning the Interview – do’s and don’ts
- Fraud Interview – The 10 Steps
- How to keep in control?
- How to tell if someone is lying?

Communicating the Results

- When and how to inform top management?
- When to inform regulators / the police / etc?
- Managing External Coverage
- Dealing with the Media / Stakeholders
- The Use of Successful Fraud Investigation as a Moral Deterrent
- Rebuilding Damaged Relationships

Certificate

- On successful completion of this training course, GLOMACS Certificate with eligible Continuing Professional Education credits (CPE) from National Registry of CPE Sponsor, will be awarded to the delegates
- Continuing Professional Education credits (CPE) : In accordance with the standards of the National Registry of CPE Sponsor, one CPE credit is granted per 50 minutes of attendance

©2020. Material published by GLOMACS shown here is copyrighted. All rights reserved. Any unauthorized copying, distribution, use, dissemination, downloading, storing (in any medium), transmission, reproduction or reliance in whole or any part of this course outline is prohibited and will constitute an infringement of copyright.