Fraud

The environment of fraud

Categories :

Asset misappropriation

Bribery and corruption

Financial statement fraud

Internal fraud

Violates the employees fiduciary responsibility to the employer

Is done secretly and is concealed

Is done to achieve a direct or indirect benefit

Costs the organization assets, revenue or opportunity

External fraud

How to detect fraud

Audits are not designed to detect fraud

Its goal is to determine whether the

Control types

Before fraud

* Preventive controls
* Segregation of duties
* Internal controls (physical and digital)
* Use signed documents
* Fraud education
* Employee support programs
* Background checks

Time of fraud

* Detective controls
* Anonymous hotlines
* Surprise audits
* Monitoring activities
* Mandatory vacations
* Complaint or fraud investigation

After fraud

* Punishment
* Amend controls
* Fidelity insurance
* Employees bonding

Combating social engineering

(it is getting people to do something they would normally not do for a stranger)

Verification procedure:

* Verify requester is who they claim to br
* Verify the requester is currently employed in the position they claim
* Verify role is authorised for request
* Record transaction

Fraud scams

Get a receipt from the trash, ‘return’ a product

Copy gift certificates and cash in at multiple locations

Preventing scams

Maky sure they have security marks on then

Line item detail