



# Audit

## Fraud Detection, Prevention & Control

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# Fraud Detection, Prevention & Control

## Introduction:

Fraud has become the bane of most business organizations especially in this difficult and inclement operating environment. Fraudsters abound both internally and externally, making it imperative for any serious organization to protect itself from being fraud-infested. Any organization that fails to protect itself is inadvertently inviting corporate undertakers to move in. Protection against internal or external fraud should no longer be left to internal auditors alone, but should be the responsibility of everybody in the organization. In fact, all hands must be on deck to check the menace of fraud in the work place. In this very important program, new strategies in fraud detection, prevention and control will be exhaustively explored.

How does your organization manage fraud risk? Fraud prevention and detection is everyone's business. This course will help you develop and sharpen your existing skills and teach you the techniques necessary for effective fraud detection. During the program, you will explore the challenges that auditors traditionally face in identifying fraud and learn the fundamentals of auditing for fraud, with an emphasis on understanding the common schemes, detection techniques and methods of preventing occupational fraud. This program serves as a fundamental to the nature of fraud and methods of prevention in the workplace.

Using methodologies that are well planned and coordinated, participants learn how to safeguard company's assets, checks the accuracy and encourage adherence to processes that will create a transparent environment. This program will provide greater insights on understanding fraud schemes, the design of internal controls as well as the key challenges in fraud management. Fraud continues to impact on organizations large and small and occurs at all levels within an organization. This course provides a comprehensive guide applicable to any organization on how to deter, detect and investigate both internal and external fraud. This course will cover:

- Creating an environment for dealing with fraud
- Introduction to fraud detection
- Detecting fraud in a computerized environment
- Introduction to investigation
- Interviewing and taking statements
- Dealing with law enforcement agencies and management
- Enthroning a fraud preventive internal control system

## Who Should Attend?

All internal auditors and risk managers in the public and private sectors, directors, top management staff in auditing, accountants, internal auditors, personnel and administration managers, staff of internal security department, accountants, security staff, personnel and admin managers, external auditors, security services men, technology managers and indeed all members of staff who can help management fight fraudulent activities, corporate internal auditors, IT managers and other managers/officials who perform related functions in public and private sectors, human resources managers, auditors and senior professionals and others who perform related functions in the public and private sector, all those responsible for compliance operations and risk management

## Course Objectives:

**By the end of this course delegates will be able to:**

- Understand the importance and the role of internal controls in fraud prevention and detection.
- Appreciate and propose activities to manage various types of corruption
- Understand key challenges in fraud management and resources to counteract these challenges

- Recognize the problems associated with both internal and external fraud and the techniques for fraud prevention and detection
- Identify the steps involved in investigating a fraud from the initial suspicion through to conclusion
- Know the various threats, both internal and external, which can damage the credibility of the investigation
- Realize the need for sound investigation techniques coupled with exemplary documentation
- Learn the use of both overt and covert methods of gathering evidence
- Understand the challenges associated with interviewing both witnesses and suspected perpetrators
- Know the advantages and disadvantages associated with the use of search orders
- Be introduced you to key typologies used by fraudsters and to key corruption practices
- Ensure that your organization is equipped with the tools necessary to reduce the impact of the threats posed
- Gain broad knowledge of the nature of fraud, corruption, money laundering and terrorist financing
- Understand the vulnerabilities of organizations and their staff to fraud, corruption, money laundering and terrorist financing
- Acquire detailed knowledge of current and prospective fraud, corruption, money laundering and terrorist financing threats

## Course Outline:

### An Introduction to Fraud

- How fraud occurs
- The fraud triangle
- The true cost of fraud

- Impact of fraud to an organization

### **The Nature of Fraud**

- The size of the problem
- Legal aspects of fraud
- The role of internal audit

### **Understanding Fraud and Corruption**

- What is fraud?
- What is corruption?
- What are the impacts of each upon the organization?
- What are the impacts of each upon the business sector?

### **Fraud Awareness**

- Examples of fraud
- The cycle of fraud
- Corporate policies

### **Fraud Prevention 1**

- Creating an anti-fraud culture
- Whistleblowing
- Risk assessment

### **Fraud Prevention 2**

- Hire the right employees
- Fraud audits
- Bonding employees

- Fraud control

### **Fraud Detection**

- Indicators of fraud
- Methods of detection
- Investigating fraud

### **Detecting Fraud in Routine Audits**

- How fraud surfaces
- Symptoms of fraud occurrence
- Understanding 'red flags'
- Building fraud considerations into the audit program

### **Importance of Internal Control**

- Overview of internal controls
- How internal controls cups threats
- Why threats are increasing
- Internal control over financial reporting

### **Mitigating Fraud and Corruption**

- Real world risk management
- Developing an anti-fraud culture and holistic controls
- Developing an anti-corruption strategy
- Developing an anti-money laundering and counter terrorist financing regime
- Creating a fluid not static risk management strategy

## **Creating an Environment for Dealing with Fraud**

- Fraud-related challenges in today's environment
- Dealing with management
- Establishing fraud policy and response
- Fraud prevention

## **Fraud and Technology**

- The impact of fraud on current technology
- Computers and examples
- Fraud detection using data mining techniques

## **Fraud Exposures and Audit Investigation**

- Purchasing
- Fraudulent financial reporting
- Construction and contraction

## **Investigation for Internal Auditors**

- Elements of a complete investigation
- Investigate tools, techniques and strategies

## **Internal Controls**

- Overview of internal controls
- Proper documentation
- Segregation of duties
- Physical safeguards



- Analytical reviews

### **Misappropriation of Assets**

- Incentives and pressures for fraud
- Opportunities for fraud
- Identifying fraudulent schemes: cash, billing, payroll and expenses

### **Whistle Blowing to Promote Corporate Governance**

- Regulations, reasons and benefits of whistle blowing
- Prevent whistle blowing
- Creating a white blowing culture

### **Effective Internal Control System**

- Identifying factors risk
- Effective communication methods
- Monitoring techniques
- Internal control policies