

# GULF INSTITUTE



WINNER OF THE AWARD FOR THE BEST  
TRAINING INSTITUTE IN THE GULF

# Fraud Prevention, Detection and Investigation

## 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 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 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

## ORGANISATIONAL IMPACT

- This 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?

- 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

## Course Outline

### 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?

## 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

## 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

## 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

### 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?

## 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?

## 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

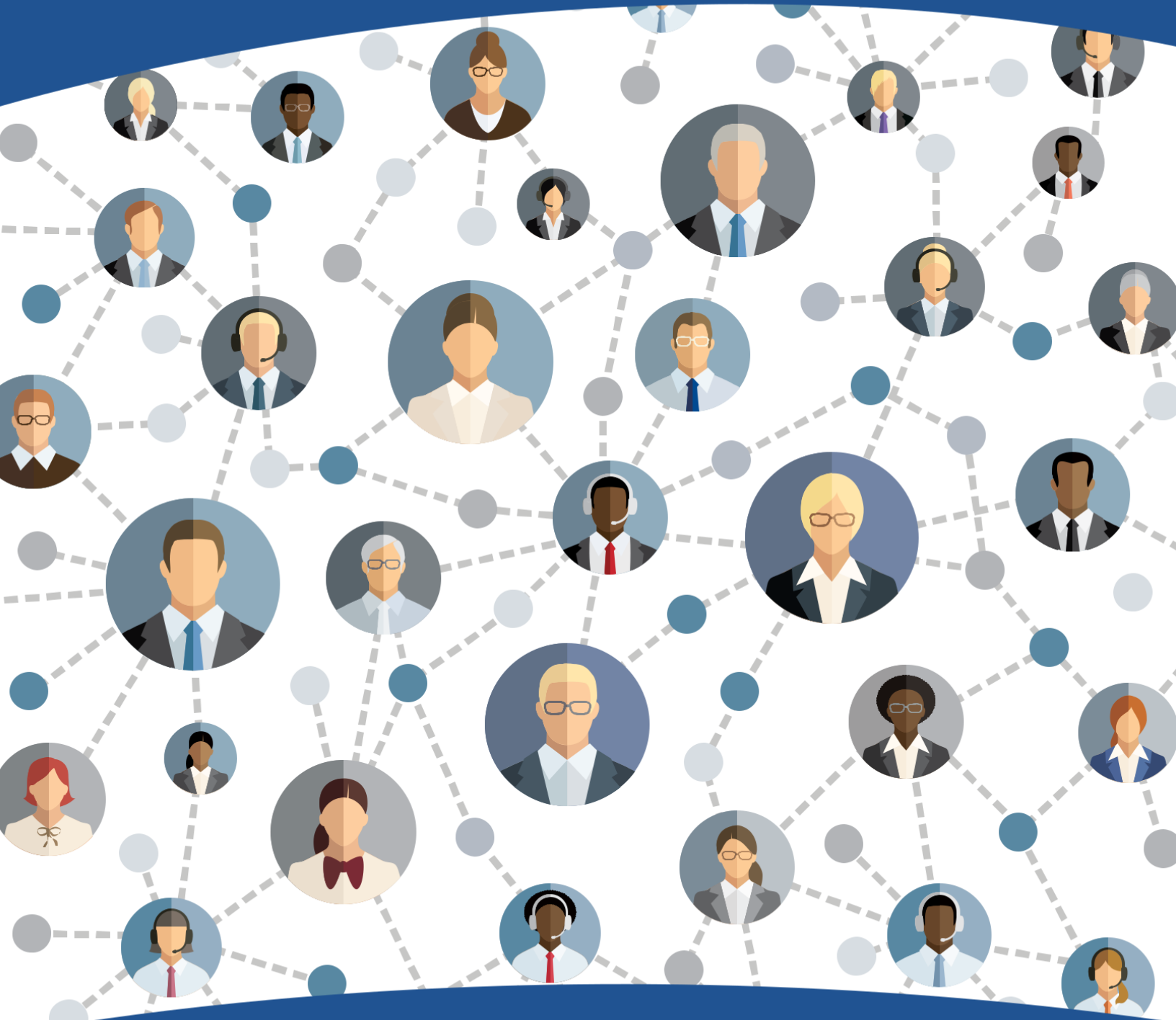
- Setting the Scene – choice of venue, etc.
- Do you know your legal authority for conducting interviews?
- Can you use deception in interviews?
- How do you avoid breaching the employees' rights under law?
- 47 Tips for Fraud Interviews
- Planning the Interview – do's and don'ts
- Fraud Interview –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

## 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



# GULF INSTITUTE



WINNER OF THE AWARD FOR THE BEST  
TRAINING INSTITUTE IN THE GULF