Fraud Prevention and Detection (FPDT)

DAY/S: 3 | CPD: 24 | LEVEL: 1,2

TOPICAL ISSUES

COURSE OBJECTIVE

- To Explain the various schemes used by employees, managers, directors & organised criminals to defraud organisations
- To quantify the losses from these schemes and scams.
- To illustrate the human factors in fraud.
- To equip auditors and accountants with proven techniques in fraud prevention and detection so that they will be able to better manage these challenges in everyday business.

COURSE CONTENT

An overview of Fraud
- The nature of Fraud
- Why fraud happens
- Who is involved in fraud
- How occupational fraud affects your business
- Profile of a fraudster and criminology theories
- Fraud responsibilities according to the IIA Standards

Corruption
- Conflicts of interest
- Bribery (Kickbacks and bid rigging)
- Illegal gratuities
- Economic Extortion
- Controls to prevent corruption

Asset Misappropriation (includes case studies)
- Cash Theft Schemes
- Billing Schemes
- Payroll Schemes
- Expense Reimbursement Schemes
- Document Fraud
- Procurement fraud
- Debtors fraud
- Controls to prevent asset misappropriation

Fraudulent Statements
- Asset/revenue over-statements & understatements
- Some major financial statement fraud case studies
- How auditors can assess the risk of fraud in financial reporting
- The fraud risk register

Computer Fraud
- Phishing & social engineering (responsible for 80% of all data breaches)
- BEC (Business Email Compromise)
- Five stages of computer fraud classification
- How to train employees to prevent and detect computer frauds

Local examples of BEC emails and spoofed web pages will be examined for red flags.

The 8-step Fraud Auditing Process as per ISA 240
Reducing Your Fraud Risk – based on the ACFE's Fraud Prevention Check-up

- Fraud Prevention & Detection - the 10 building blocks:
  - o Internal controls, Fraud risk assessments, Achieving accountability, Ethics programs, Awareness programs, Background checks, Fraud related policies, Data analysis, Fraud hotlines and Tone at the top.
  - o Attendees can evaluate their own organisation's 10 building blocks via a high-level gap analysis – this is the key take-away that provides a foundation from which to audit the fraud risks of their respective organisations.
  - o If we have public sector representatives in the audience we relate the 10 building blocks to what is recommended by National Treasury, namely the Fraud Prevention Plan - Fraud Prevention Policy and Fraud Prevention Strategy.

Group case study that summarises what was learnt over the past 2 days. Class will break into groups and answer 16 questions.

The good, the bad and the ugly – 3 short case studies (global and local) to summarise the course content.