BUSINESS RISK MANAGEMENT LTD

Certificate in Fraud prevention, detection and investigation
2 days
On-line live course

Course Overview

- How would you know if fraud was occurring in your organisation?
- 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?
- This course will help you significantly enhance your approach in all these key areas

Who should attend?

- Managers who need to learn about the most modern approaches to fraud prevention and detection
- Newly appointed fraud specialists
- Auditors who need to learn about the most modern approaches to fraud prevention and detection
- Members of fraud teams who need to learn more about targeting fraud
- Managers needing a broader understanding of how to investigate all types of fraud

Business Benefits

This course will benefit organisations in all business sectors and will provide an appreciation of the ever increasing risk posed by fraud, and how to deal with these threats.

The course will enable 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

Key Topics covered

After completing this course you will be able to:-

- Evaluate and challenge management's fraud risks
- Think like a fraudster – the only way to spot frauds
- 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

Course Level

- This is an intermediary level course and delegates should have 12 months experience in Internal Audit (or other assurance roles)
- Delegates should have a good educational standard and/or a professional qualification or be in the process of studying for such qualifications
- No advance preparation is required
- Delivery method – on-line-live (with exercises and case studies to provide practical application of the tools and techniques)

CPE credits

- Participants will earn 10 CPE credits (5 in the regulatory ethics of study and 5 in the management field of study)

Course Outline

Day 1 - Understanding the Risks and Evaluating the Controls

Background

- Fraud explained: definitions
- Fraud statistics
- Why is fraud such a serious issue?
- The cost of fraud
- Who commits fraud?
- Trends and statistics regarding detected fraud

- Why fraud is probably being perpetrated now in your organisation.

Case histories

- 15 fraud case histories and the lessons to learn
- Means of discovery
- Action taken against fraudsters

Evaluating the fraud risks

- Surprises
- Fraud risk management process
- Building a picture of the major fraud risks
- Evaluating the risks

Exercise 1: Identifying the fraud Risks in your organisation

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.

Exercise 2: Fraud mitigation

Fraud indicators

- The top 30 fraud indicators
- How to spot the danger signals
- Developing a toolkit for identifying possible frauds

Exercise 3: The fraud indicators

Implementing a best practice fraud prevention process

- 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
- The relationship between fraud, risk and control

- **The roles, responsibilities and liabilities of auditors, management, specialists and others**
- **The need to be able to think like a fraudster**
- **Company policy on consequences of committing fraud**
- **Facilitation of whistle blowing**
- **Pros and cons of external hot-lines**
- **Preparing and implementing fraud contingency plans**

> ### Exercise 4: Developing a fraud awareness programme

Day 2 – Fraud detection and investigation

Data analytics and fraud detection

- **Fraud profiling – how to target the right systems**
- **Static and dynamic profiling**
- **Risk scoring**
- **Fraud Risk prioritisation**
- **How to get the information you need**
- **The use of Internal databases**
- **Demonstration of External databases**
- **Benfords Law**
- **Data Validation**
- **Automated fraud detection**
- **Example of a working model**
- **How to put the techniques into use in your organisation.**
- **Audit software – the tools available**
- **Practical uses of data mining and the results achievable**

> ### Exercise 5: Fraud detection techniques

What to do when you suspect fraud

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

> ### Exercise 6: Typical fraud scenario – the anonymous letter

- **How to respond to anonymous letters**
- **Identifying misleading and malicious allegations**
- **How to deal with tips obtained from hotlines**
- **How to decide if you need outside help**

Managing the investigation

- **The need for thorough planning**
- **Determining the objectives of the investigation**
- **Who should be involved – what skills do you need?**

- **Determining roles of security and Internal audit**
- **How to keep the investigation low-profile**
- **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**
- **Covert monitoring of employees – new legislation**
- **Knowing when to suspend or dismiss employees**

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Exercise 7: Sources of information

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Confronting suspects

- **Setting the scene – choice of venue etc.**
- **Planning the interview – do's and don'ts**
- **How to keep in control**
- **How to tell if someone is lying**

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Exercise 8: Spotting the liar

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- **The use of open questions**
- **Interpreting body language**
- **How to recognise when someone is lying**
- **Recording and evaluating the conversation**
- **How to avoid accusatory or threatening questions**
- **The need to think like a fraudster**