



FRAUD INVESTIGATION 2 DAYS

Course Level

- This is a basic level course and no previous knowledge is required
- No advance preparation is required
- Delivery method – Group-live (with exercises and case studies to provide practical application of the tools and techniques)

CPE credits

- Participants will earn 14 CPE credits (7 in the regulatory ethics field of study and 7 in the business development field of study)

Course Outline

Day 1 – Preparing for an investigation

Fraud Alerts and clues

- Fraud statistics
- Who commits fraud?
- The profile of a fraudster
- Spotting the warning signs
- Surprises
- The major areas of fraud risk
- The top 30 fraud indicators
- Behavioural indicators
- Documentation indicators
- Relationship indicators
- Fraud advisory panel clues
- The average fraud duration before being detected
- How to spot the danger signals
- Means of discovery trends
- Developing a toolkit for identifying frauds

Exercise 1: The fraud indicators

Putting yourself in the mind of the fraudster

- If it seems too good to be true it probably is
- Active listening
- Reading between the lines
- Most frauds need access to technology
- Why fraudsters think differently to honest people
- Whistle blowing tips

Exercise 2: The A & B challenge – pitfalls of fraud investigation

What to do when you suspect fraud

- How to react when fraud is suspected
- How to decide who needs to be told
- The need to recognize fraud deterrents

Exercise 3: 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 (forensic accountants etc.)

The use of data analytics

- 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
- 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 4 : Use of data analytic techniques

The legal aspects

- The need to stay within the law
- The Bribery Act and its 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 V Criminal action
- How to recover stolen assets – making sure the criminal does not profit
- How to handle disciplinary proceedings

Day 2 – Conducting the investigation

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

Exercise 5 : Sources of information

Interviewing 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

Exercise 6 : Spotting the liar

- 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

Exercise 7 : The fraud interview (role play) – you will all have the opportunity to play the interviewer, the observer and the suspect

Preparing the report

- The need for accuracy
- Tips and advice
- Format and content
- Facts and evidence
- Do's and don't's

Exercise 8 : The fraud report

Communicating the results

- When and how to inform top management
- When to inform regulators / the police / etc
- Responding to queries from external bodies
- Managing external coverage
- Dealing with the media / stakeholders
- The use of successful fraud investigation as a moral deterrent

Exercise 9 : Communicating the investigation results