Fraud Prevention, Detection and Investigation
Course Duration: 40 Hours (5 Days)

Overview

The Fraud Prevention, Detection, and Investigation certification typically entails expertise in identifying and mitigating fraudulent activities within organizations and industries. It encompasses understanding the mechanisms of fraud, developing and implementing Proactive fraud prevention strategies, detecting fraudulent schemes through various auditing and Monitoring techniques, and effectively investigating and resolving fraud-related incidents when they occur. Industries utilize this knowledge to safeguard assets, ensure the integrity of financial statements, enhance organizational controls, and protect against reputational damage. The certification demonstrates an individual's proficiency in creating a robust framework to minimize the risks and impact of fraud.

Audience Profile

- Financial professionals and auditors
- Corporate security and risk management staff
- Law enforcement and government agency personnel
- Compliance officers and legal advisors
- Banking and insurance industry professionals
- Corporate executives and board members
- Small business owners and managers

Course Syllabus

DAY 1: 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?
- Profile of a Fraudster
- Trends and Statistics Regarding Detected Fraud
- Why Is Fraud Likely Being Perpetrated in Your Organization?

Evaluating Fraud Risks

- E&Y 13th Global Fraud Risk Survey Results
- Fraud Risk Management Process
- Managing the Business Risk of Fraud (IIA, CPA, CFE Paper)
- Six Principles from the Paper:
- A Fraud Risk Management Program 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 Major Fraud Risks
- Supplier and Outsourcing Fraud
- Fraud Risk Matrix
- Fraud Scenarios
- Fraud Risk Register Example
- Fraud Risk Questionnaire
- Generic Risk Factors
- Specific Risks
- Design of Controls to Prevent Fraud
- Physical and Logical Access
- Job Descriptions
- Accounting Reconciliations
- Supervision

IT Fraud Risks

- Computer Fraud Paper
- Computer Fraud Prevention
- E-Commerce: Key Fraud Risks and Mitigation Steps
- Internet and Intranet Fraud Risks
- Preventing Internet Fraud Paper
- IT Security: Evaluating Effectiveness and Driving Change
- Adoption and Enforcement of Information Security Standards
- Segregation of Duties: Dangers and 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

- Causes of Corruption
- Corruption Indicators
- Fraud Red Flags
- Procurement Fraud Risks
- Key Issues to Watch For
- Bid Rigging: Key Indicators

DAY 2: Developing a Fraud Prevention Process

Fraud Mitigation

- Evaluating Fraud Risk Mitigation
- Why Controls May Not Fully Protect You
- Thinking Like a Fraudster to Strengthen Controls
- Examining Typical Controls Used to Mitigate Risks
- Identifying Risk Exposures and Vulnerable Areas

Procurement Fraud

- Tendering and Bidding
- Common Fraud Indicators
- Supplier and Outsourcing Fraud
- Procurement and Inventory Fraud Risks
- Procurement Fraud Checklist (Provided)

Fraud Indicators

- Top 30 Fraud Indicators
- Spotting Warning Signs
- Fraud Indicators – Fraud Advisory Panel Paper
- Developing a Toolkit for Identifying Potential Fraud
- Auditor's Fraud Toolkit (Provided)

Implementing Best Practices in Fraud Prevention

- CIMA Fraud Risk Management Guidance
- Introducing Effective Anti-Fraud Policies
- Creating a Fraud Awareness Culture
- Developing a Fraud Awareness Training Program
- Communicating Expected Ethical Standards
- Taking Strong, Consistent Action When Fraud Is Suspected
- Electronic Data and Asset Protection
- Fraud Response Plans Paper
- Anti-Money Laundering: Issues and Requirements
- Money Laundering Paper (Included)
- Relationship Between Fraud, Risk, and Control
- Roles, Responsibilities, and Liabilities of Auditors, Management, and Specialists

DAY 3: Fraud Prevention and Detection

Balancing Prevention and Detection

- Using Management Checklists
- Thinking Like a Fraudster to Strengthen Prevention
- Establishing a Company Policy on Fraud Consequences
- Facilitating Whistleblowing
- Whistleblowing Policy
- Pros and Cons of External Hotlines
- Using Specialists for Detection and Investigation
- Developing and Implementing Fraud Contingency Plans
- Ensuring Fraud Investigations Remain a Priority
- Leveraging Successful Fraud Investigations as a Deterrent
- Managing External Coverage of Fraud Cases

The Assurance Role in Fraud

- ECIIA Paper on Prevention and Investigation
- Should Detection Be an Internal Audit (IA) Role?
- The IIA Currently States That Detection Is Not an IA Role
- What Can IA Do to Aid Detection?

Using Computer-Assisted Audit Techniques (CAATs)

- ACL as a Fraud Investigation Tool
- ACL Fraud E-Book

- Examples of Using CAATs for Fraud Investigation
- Benford's Law and Its Application
- Benford's Law and CAATs Paper

DAY 4: Fraud Detection and Legal Issues

Using Data Mining for Fraud Detection

- Fraud Detection Basics Paper
- Fraud Profiling: Targeting the Right Systems
- GTAG 13: Fraud Prevention and Detection in an Automated World
- Data Mining Paper
- Risk Scoring and Prioritization
- Obtaining the Right Information for Detection
- Using Internal and External Databases for Fraud Detection
- Data Validation and Automated Fraud Detection
- Implementing Fraud Detection Techniques in Your Organization
- Available Audit Software and Their Uses
- Practical Applications of Data Mining

Legal Considerations

- Staying Within the Law
- Legal Implications of Fraud Cases
- When to Involve Legal Counsel
- Protecting Investigative Work from Disclosure (Legal Privilege)
- Ensuring Admissibility of Evidence
- Search and Seizure Orders
- Civil vs. Criminal Action in Fraud Cases
- Bribery Act and Its Implications for GCC Businesses
- Guidelines on Gifts and Hospitality
- Recovering Stolen Assets: Preventing Criminal Profit
- Handling Disciplinary Proceedings
- Employers' and Employees' Rights

Responding to Suspected Fraud

- How to React When Fraud Is Suspected
- Deciding Who Needs to Be Informed

DAY 5: Fraud Investigation

Managing Fraud Investigations

- Importance of Thorough Planning
- Defining Investigation Objectives
- Determining the Required Skills and Personnel
- Conducting Investigations Discreetly
- Guidance on Conducting Fraud Investigations
- Researching Lawful Methods for Obtaining Information
- Gathering and Utilizing Forensic Evidence
- Maintaining the Chain of Evidence
- Knowing When to Suspend or Dismiss Employees
- Fraud Investigation Report Template (Provided)

Interviewing Suspects and Witnesses

- Setting the Scene (Venue, Setup, etc.)
- Understanding Legal Authority for Interviews
- Ethical Considerations: Can Deception Be Used?
- Avoiding Legal Breaches of Employees' Rights
- 47 Tips for Conducting Fraud Interviews
- Planning the Interview: Dos and Don'ts
- Fraud Interview: The 10 Key Steps
- Maintaining Control During Interviews
- Detecting Deception: Signs of Lying

Communicating Investigation Results

- Informing Top Management: When and How
- Notifying Regulators, Law Enforcement, and Other Authorities
- Managing External Coverage of Fraud Cases
- Dealing With the Media and Stakeholders
- Using Successful Investigations as a Deterrent
- Rebuilding Damaged Relationships