Detecting, Preventing, and Reporting Internal and External Fraud

Organizations of all kinds and sizes increasingly are threatened by fraud. Embezzlement, kickbacks, check fraud, financial statement fraud, and vendor billing schemes are just a few of the countless economic crimes committed by employees and outsiders. This training session, which uses a combination of lecture, exercises, and group breakout sessions, will provide auditors and other financial professionals with a strong foundation of practical knowledge about how common frauds are committed.

This course is designed for internal auditors, external auditors, and internal control professionals. It is also beneficial for finance and accounting management, compliance professionals, fraud examiners and loss prevention and risk specialists, security professionals, and procurement and payables specialists.

In this course, we will discuss:

- Who commits fraud.
- Why employees commit fraud.
- How to detect the red flags of common schemes.
- Essential fraud detection tools and techniques.
- Software tools for auditing for fraud.
- Best practices for developing and implementing anti-fraud controls.
Course Duration:
2 Days

CPE Hours Available:
16

Knowledge Level:
Intermediated

Field of Study:
Auditing

Prerequisites:
Participants should have knowledge of basic accounting concepts.

Advance Preparation:
None

Delivery Format:
On-site
Course Outline:

The Fraud Problem

- Statistical overview of the fraud problem
- External versus internal fraud
- Who commits fraud
- Why employees commit fraud (The Fraud Triangle)
- Lessons from fraudsters
- Common types of external fraud today
- Common types of internal fraud today

Red Flags of Fraud

- Conducting a fraud risk assessment
- Recognizing the red flags of internal fraud
- The fraud risk mitigation cycle
- Implementing an organization-wide system for detecting, preventing, and investigating fraud

Fraud Detection and Investigation

- How frauds most often are detected
- Additional general detection methods
- Data mining/analytics for fraud detection
- Examples of fraud audit techniques at work
- Forensic accounting investigation
- Forensic accounting/auditing techniques: Data mining and analytics
- Gathering and preserving evidence
- Securing a crime scene
- Interviewing/interrogating suspects
- Documenting findings

Anti-fraud Controls

- Who should manage anti-fraud activities
- Internal controls: Dos and don’ts
- Best practices in anti-fraud controls
- General controls: Segregation of duties, delegation of authority, and background investigation
- Specific operations-level