Fraud: Prevent, Detect, Respond
Issues & Answers for Internal Auditors

About This Course

Course Description
Fraud erodes organizational value. Profits are lost, customers are harmed, organizational reputations are damaged, and fraudsters are imprisoned.

According to The IIA, the Mission of Internal Audit is “to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.” But with regard to fraud, internal audit can only achieve its mission if internal auditors understand fraud prevention, detection, and response.

Are you up to the challenge?

This course provides practical guidance that prepares participants to contribute to fraud-related assurance and consulting engagements. It starts with an overview of the internal auditor’s role in an organization’s anti-fraud efforts and follows with an array of tools and techniques to boost proficiency in fraud prevention, detection, and response.

Who will benefit from this course?

This course provides internal auditors at all levels with opportunities to develop skills for providing fraud-related assurance and advisory services.

Course Objectives
At the end of this course, participants should be able to:

- Describe the role of internal audit in fraud risk management.
- Recognize the red flags for fraud.
- Identify fraud prevention activities critical to all organizations.
- Apply brainstorming techniques to consider fraud in all internal audit engagements.
- Apply tools and techniques to conduct fraud interviews, measure and monitor fraud, align anti-fraud efforts across the organization, and assess and report on fraud.
Course Topics

Unit 1: The Auditor’s Role in Deterrence & Prevention
- The four buckets of organizational fraud.
- The six critical actions to deter and prevent fraud.
- The professional auditor’s role in fraud deterrence and prevention.
- Building a Fraud Loss Scorecard — the starting point for meaningful improvement.
- Anti-fraud internal controls and related behaviors.
- Quick assessment risk chart — and how to use it in every fraud risk conversation.
- Value-add skills training for supervisors and key employees (and how internal audit can help).

Unit 2: Three-Step Fraud Detection
- How fraud is found — and how internal audit can find it faster and smaller.
- Simple fraud exposure actions — for every audit project.
- How to think like a thief.
- The secret of fraud-risk brainstorming.
- How to document the bridge from identified risks to audit program steps.
- Organizational fraud examples and related red flags in records and behaviors.
- Discovery-focused audit interviewing techniques.
- High-payback data monitoring and analytics.

Unit 3: Deep Dive into Recurring Business Fraud Risks
- Cash and receivables collection diversion.
- Inventory and equipment fraud.
- Systemic risks in out-of-pocket reimbursement, P-Cards and time reporting.
- Procurement risks and 20 red flags.
- Contracting risks and 20 red flags.
- 20 fraud detection audit steps for procurement and contracting.
- Cooking the financial books.
- Manipulating non-financial and operating results.
- Management override fraud risk.

Unit 4: The Auditor’s Role in Fraud Incident Response
- Investigation management overview.
- Building the fraud response team — before it is needed.
- Various roles for internal auditors during investigations.
- Potential barriers to effective investigations — and how to manage them.
- Investigations: What could go wrong and what to do about it.
- The power of time lines, relationship charts, and other investigative summaries.
- What can go wrong — and what to do about it before it happens.
Course Information

Course Duration: 2 half-day sessions

CPE Hours Available: 8

Knowledge Level: Intermediate

Field of Study: Auditing

Prerequisites: Basic knowledge of internal audit. Knowledge or experience in fraud issues in an auditing environment is helpful but not required.

Advance Preparation: None

Delivery Format: eLearning (Group-Internet-Based); On-site Training (Group-Live);