



## Overview

When the newspapers are continuously reporting corporate scandals and fraud internationally and more on our own shores, it is staggering to realize how common corporate fraud has truly become. Companies are now finding it vital to their continued success to implement measures of protecting themselves against corporate fraud.

Companies must equip themselves with the latest techniques for detecting and handling corporate fraud within their own walls.

Preparation is key to making sure that a company is ready to handle a situation of corporate fraud. Businesses need to recognize that no matter how many things they may do to prevent it, nobody is immune to the possibility of corporate fraud, and they need to be ready to get the organization back on the right track should they become victims.

Of course, knowing how to handle corporate fraud first means knowing how to identify it. Fraud in a broad sense is used to include many different wrongs that may occur within a business. It can include systemic corruption, misappropriation, or even political wrongdoings. Among the most dangerous forms of corporate fraud is what is known as long firm fraud, which occurs when a business is founded on legitimate grounds, and is then led by certain unethical individuals toward a purpose of defrauding over a long time. This does not mean that every person involved with the business is a part of the fraudulent activities, or is even aware that they are occurring. In many cases, it takes only a few key players to set things in a wrongful direction.

The business begins with a relatively legitimate purpose, because it requires a good credit history and strong relationships with their suppliers. However, once they are prepared with this foundation, they can begin making larger, and more wrongful orders and activities, ready to disappear once they receive the goods or the cash involved. Once they've taken off with the goods, they sell them among various different trading platforms.

Most long firm frauds take approximately two years to establish, run, and then close. This means that the entire operation can occur before legal action can be taken against them.

By finding out as much as you can about the business, and applying the right amount of common sense, you prepare your company to protect itself against fraud. Remember that if something appears too good to be true, it often is!

“Effective prevention depends on the probability of detection and prosecution more than on any other single factor, because management fraud typically involves override rather than taking advantage of control weaknesses.”

“All competent professional internal auditors and directors should have the ability to recognize the red flags and symptoms that indicate the possible existence of management fraud, and they should also be able to perform diagnostic procedures to assess the probability of occurrence. Investigation of cases of more complex management fraud beyond determining whether fraud probably occurred normally requires specialized experience and skills. Nevertheless, we cannot overemphasize the importance of recognition. Simply put, recognition must occur before investigation can start.

According to the Institute of Internal Auditors (IIA), ‘The internal auditor should have sufficient knowledge to identify the indicators of fraud but is not expected to have the expertise of a person whose primary responsibility is detecting and investigating fraud.’ Furthermore, the IIA maintains that ‘[d]etection of fraud consists of identifying indicators of fraud sufficient to warrant recommending an investigation.’”

### WHY YOU SHOULD ATTEND?

Would you know if fraud was occurring in your organisation?

Do you know what the major fraud risks are in your business?

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?

If you have answered “no” to any of the above questions you are not alone and should attend this 2day premier workshop.

Recent surveys have revealed that many organisations do not have a formalised approach to fraud prevention, detection or investigation. Furthermore most survey respondents stated that their staff did not receive any fraud awareness training.

- Many organisations rely on internal controls to prevent and detect fraud. This is unwise. The fraudster invariably knows your controls well and how to bypass them.
- Furthermore, in today's competitive environment internal controls have often been compromised as a result of restructuring, removal of management layers and employee empowerment
- Complacency, poorly applied procedures and the increasing pace of change are the fraudster's main allies
- Add to this the ever-increasing reliance on technology, and it is no great surprise that fraud is escalating both in frequency and magnitude – in all industry sectors and all economies.
- The most worrying factor however is that fraud will be primarily committed by your own staff, and by those you probably trust the most
- One recent survey revealed that 84% of the worst frauds were committed by employees, nearly half of whom were managers with more than 5 years service.

**This 2 day course delivered by Internationally recognised expert Robert Cockerel, will enable participants to**

1. develop a best practice fraud prevention programme, using the latest techniques,
2. Understand and apply data mining techniques to target fraud.
3. develop a successful fraud investigation strategy and clearly defined approach

#### **Who Should Attend?**

- Financial and General Management ,
- Internal audit managers,
- Security management,
- Fraud officers,
- Risk management professionals,
- Compliance officers,
- Consultants and advisors

#### **Sponsors**

