

CENTRAL BANK OF EGYPT
Egyptian Banking Institute



البنك المركزى المصرى
المعهد المصرفى المصرى



Fraud & Corruption Auditing

OBJECTIVES

Fraud and corruption impacts negatively most organizations in terms of financials, reputation and psychological. There is no doubt that instances of fraud in all sectors show an increasing trend, particularly in key financial/operational areas such as procurement. As a threat to business, fraud must rank as one of the key risks to be managed.

Fraud encompasses a wide range of illicit practices and illegal acts involving intentional deception or misrepresentation. The Institute of Internal Auditors' International Professional Practices Framework (IPPF) defines fraud as: "... any illegal act characterized by deceit, concealment, or violation of trust. These acts are not dependent upon the threat of violence or physical force. Frauds are perpetrated by parties and organizations to obtain money, property, or services; to avoid payment or loss of services; or to secure personal or business advantage."

Corruption" is defined as being a dishonest activity in which a director, executive, manager, employee or contractor of an entity acts contrary to the interests of the entity and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity, e.g. false invoicing, material and deliberate misstatement of accounting information, secret commissions, collusive tendering, tax evasion, engaging in misleading and deceptive conduct.

All organizations are subject to fraud risks. Large frauds have led to the downfall of entire organizations, massive investment losses, significant legal costs, incarceration of key individuals, and erosion of confidence in capital markets. Publicized fraudulent behavior by key executives has negatively impacted the reputations, brands, and images of many organizations around the globe.

Fraud and corruption pose significant risks to the financial health and stability of every organization. Internal audit needs to be in a good position to provide management with proactive and up-to-date assurance over the effectiveness of controls in these key areas. This course provides the knowledge and tools to help you audit these risks.

LEARNING OUTCOMES

During the seminar attendees will gain a good understanding of how to assess fraud and corruption risks, how to look for indications and "red flags" that might dive them directly to fraud cases. In addition they will learn practical methods to investigate fraud and corruption cases, how to collect and secure the necessary audit evidence and the preparation of fraud audit report. Attendees will also understand practical approaches to enhance the Internal Controls of their organization in order to prevent fraud and corruption from happening. Furthermore they will understand how a typical fraud audit report is prepared presenting real cases reports of fraud and corruption cases.

WHO SHOULD ATTEND?

The seminar will be helpful to all officers and staff working in Internal Audit Units (Chief Audit Executives, Audit Directors, Audit Supervisors, Audit Managers, and Staff Auditors), officers working in Compliance Units, External Auditors and Audit Committee members.

PREREQUISITES

No advance preparation or prerequisites are necessary for this course.

DURATION:

16 HOURS

TOPICS

DAY ONE

- Definition of fraud and corruption
- The role and responsibility of the Internal Auditor according to the Standards for the Professional Practice of Internal Auditing
- Tools for the fraud risk assessment
- Types of fraud
- Characteristics of the perpetrator

- Common myths about fraud
- Fraud indicators
- Common types of fraud (theft, misappropriation of assets, purchase and invoicing, payroll, expenses, inventory and other property, information theft, bribing, conflict of interest, financial statement fraud, money laundering)
- Senior Management fraud
- Electronic fraud
- Identification and investigation methods
- Planning the fraud investigation
- Fraud interviewing techniques
- Fraud audit report

DAY TWO

- Fraud and internal control systems
- Policies and programs for the deterrence of fraud
- Strategy for the deterrence of fraud
- Fraud risks and controls for prevention
- Understanding corruption – who, why and how
- Cost of Corruption
- Common Schemes, Scenarios and Red Flags
- Purchasing
- Government Contracts / Contacts
- Money Laundering
- Bribery
- Elements of an effective anti-corruption and compliance program – Policies / Controls / Training / Monitoring / Response
- Methods to prevent corruption (Tone at the Top, Risk Assessments, Control Activities, Monitoring
- Analysis of real fraud and corruption cases and presentation of a real fraud/corruption audit reports

INSTRUCTOR :

Mr. Konstantinos P. Triantafyllidis, CIA, CFSA, CCSA, CFE

Past President of the Greek Institute of Internal Auditors (IIA Greece) for the period 2003-2008 and past member of the Audit Committee of the Greek Ministry of Economics.

Mr. Triantafyllidis is a graduate of the Athens Economic University in Economic Science and holds an MBA in Banking. He is currently an Internal Audit consultant while he has over 30 years' experience in external auditing, internal auditing in the banking sector and as Internal Audit Manager in various subsidiaries of Greek Banking Groups. Additionally he has obtained significant further training in Internal Control Systems, Compliance function, Internal Audit and Risk Management and international best practices in auditing in Greece and abroad.

He is a Certified Internal Auditor (CIA), a Certified Financial Services Auditor (CFSA) and possesses the Certification in Control Self-Assessment (CCSA). Furthermore he is a Certified Fraud Examiner (CFE) and Accredited Valuator of the Audit Activity by the International Institute of Internal Auditors (The IIA), a field where he is very actively involved and he has done a significant number of External Quality Assessment projects in various Internal Audit Units even in Central Banks.

He has participated in a large number of international and domestic seminars, conferences and events as an instructor. He has extensive training experience in internal audit topics and serves for many years as exclusive trainer of the Greek Banking Association. Additionally he is a member of the working group that issued the official "Greek Corporate Governance Code".

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