PROCUREMENT FRAUD PREVENTION

Deter, Prevent & Detect Fraud

14 – 15 January 2016, HDB Centre of Building Research

Supported By

HDB Building Research Institute
INTRODUCTION

Procurement fraud can occur through departmental purchasing of goods and services, as well as through contractual arrangements with external service providers. It can come in many different ways.

Fraud within the procurement life cycle is high risk and can result in recurring losses. You may be at risk due to fraudulent activities conducted by internal staff, collusion between internal staff and external service providers or external service provider and/or industry collusion.

Join us in this 2-day training programme to acquire the knowledge, skills and techniques you need to deter, prevent and detect this devastating type of fraud.

OBJECTIVES

What you will gain from this seminar:

• Introduction to fraud and the different types of fraud that can occur in your organization
• Learn about establishing an effective anti-fraud culture & general anti-fraud controls
• Gain a thorough understanding of the vulnerability of the procurement function to fraudulent activities
• Understand consequences of procurement fraud to prepare for adverse circumstances
• Explore different kinds of procurement fraud and how they can occur
• Recognise the red flags of procurement fraud
• Learn about effective deterrent, preventive and detective measures to help reduce the occurrence of procurement fraud
• Find out about the 4-step process to proactive procurement fraud prevention

WHO WILL BENEFIT FROM THE PROGRAMME?

• Internal auditors
• Internal controls officers
• Financial auditors
• Procurement officers
• Compliance, finance and operations professionals who are seeking to understand more about procurement fraud

Methodologies: Mini-lectures, class discussion, case-studies, quizzes, group activities and presentation

ABOUT THE SPEAKER: MS JESSICA HONG CA(M) CPA

Jessica Hong (Ms.) is a Malaysian Chartered Accountant and holds a Bachelor of Accountancy from University of Malaya and she completed her post-graduate studies in Management Development Programme at INSEAD, Singapore.

Her career with PricewaterhouseCoopers (PwC) has given her invaluable experience in system assurance, management assurance, audit, fraud investigations, system implementations, due diligence and many other challenging assignments. All these provide her with deep insights of financial management practices and their impact on corporate performance. Her financial skills training experiences made her an invaluable resource to participants in her financial skills programmes. She was trained by Michael Wells, Director, IFRS Education Initiative, IFRS Foundation and Paul Pacter, IASB Member & Chairman of the SME Implementation Group in Singapore recently, to be an IFRS Trainer (IFRS is International Financial Reporting Standard).

She is on the panel of trainers for Institute of Singapore Chartered Accountants (ISCA) Business Ethics and Conduct, specialising in Anti Money Laundering and Anti Terrorism Financing topics, and Financial Reporting Standards. Jessica is the resident trainer for SQP Financial Reporting in SAA Education Group Singapore and Risk Management series in Social Service Institute of Singapore.
DAY 1 – 14th Jan 2016
1. What Really is Fraud?
   - Fraud & misconduct – What is the difference?
   - What actually constitutes fraud in your organisation?
   - Understanding how fraud occurs
   - The Fraud Triangle: opportunity, pressures, and rationalization
   - Typical characteristics of fraudsters
   - The true cost of fraud
   - Impact of fraud occurrence in an organisation

2. Different Types of Fraud
   - Corruption schemes employed by fraudsters
     - Conflict of interest
     - Kickback
     - Bid rigging
   - Misappropriation of assets
     - Disbursement fraud schemes
     - Purchasing fraud schemes
     - Fraud in payroll and human resource functions
     - Fraud in revenue and cash receipts functions
     - Theft of inventory, equipment, and assets
     - Travel expense fraud schemes
   - Financial statement fraud
     - Fictitious revenue
     - Timing differences
     - Concealed liabilities and expenses
     - Improper disclosures

3. Fraud and Internal Controls to Prevent & Detect Fraud
   - 10 common control activities
   - Internal controls to prevent fraud
   - Internal controls to detect fraud
   - How to design effective controls to minimize fraud

4. Establishing an Anti-Fraud Culture & General Anti-Fraud Controls
   - Importance of an ethical corporate culture
   - How such an Anti-Fraud Culture looks like
   - How to increase the level of employee fraud awareness in an organisation
   - General anti-fraud controls to prevent fraud

DAY 2 – 15th Jan 2016
1. Introduction to procurement and procurement fraud
   - What is procurement fraud?
   - Why is the procurement function vulnerable to fraud?
   - Where and when can procurement fraud happen?
   - Possible procurement fraud markers
   - Consequences of procurement fraud

2. Different types of procurement fraud schemes
   - Bribery and corruption
   - Fraud in bidding process
   - Unjustified sole source
   - Split purchase
   - Change order abuse
   - Cost mischarging and defective pricing
   - False invoices and phantom vendors

3. Identifying procurement fraud
   - General procurement fraud red flags
   - Red flags unique to specific procurement fraud schemes

4. Preventing and detecting procurement fraud
   - Assessing the risk of procurement fraud
   - Creating an anti-fraud culture
   - Procurement fraud deterrents
   - Reducing procurement fraud risk - preventive controls and assessing their effectiveness
   - Measures to detect different types of procurement fraud

5. 4-step process to proactive procurement fraud prevention
   - System analysis
   - Policies, communication and training
   - Data mining
   - The vendor audit

Case studies, group discussions and exercises

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SEMINAR DETAILS

- Seminar : Procurement Fraud Prevention
- Date : 14 - 15 Jan 2016
- Time : 9am to 5pm
- Venue : HDB Centre of Building Research, Main Building, 10 Woodlands Ave 8, Singapore 738973

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