Developing a Fraud Risk Assessment

Course Description
All organizations are subject to fraud risk. ACFE studies show that on average 5% of revenue is lost to internal fraud schemes within an organization. Understanding how to properly identify and assess potential fraud risk will help an organization to develop and implement an effective fraud program that can reduce the potential financial, reputation and organization risks that can be associated with fraud. The ability for an organization to prevent and detect fraud begins with the ability to identify and assess potential fraud risks for an organization.

This class is designed to help individuals learn and develop the skills necessary to help drive, implement and execute an effective Fraud Risk Assessment as part of an overall Fraud Risk Program through the use of case studies, best practices and interactive exercises with the class.

Learning Objectives
- Learn how to conduct a fraud risk assessment
- Understanding basic fraud concepts
- Learning to identify and assess risks
- Identifying best practices in fraud risk assessment
- Understanding the parts of a fraud risk assessment program
- Learning to utilize appropriate frameworks for assessing fraud risks
- Use of commonly used framework, scorecards and reporting templates
- Familiarization with best practices

Course Outline

Fraud Basics
- The Fraud Triangle
- ACFE 2014 Report to the Nation – Fraud Trends
- Fraudsters – characteristics and behaviors
- Fraud Schemes and Scenarios
  - Management override
  - Corruption
  - Financial Statement
  - Asset Misappropriation
  - Etc.

Conducting a Fraud Risk Assessment
- Approaches
- Frameworks
  - Documenting
  - Categorizing, and
  - Weighing Risks
- Identifying and Assessing Risks
  - Inherent Risk
  - Likelihood and Significance
  - People / Departments
  - Responses to Risks
  - Residual Risk
- Using Fraud Risk / Detection Scorecards
Examples of Templates and Documentation
- Fraud Risk Assessment Documentation
- Scorecards – Exposure, Prevention, Detection
- Fraud Risk Frameworks
- Fraud Audit Programs
- Fraud Policy Decision Matrix

Who Should Attend
- Internal auditor staff and management
- Financial and operational management and staff

Learning Level
- Intermediate

Delivery
- Group-Live or Virtual

Field
- Auditing

Recommended Prerequisites
- Auditing experience

Session Duration
- CPE Credits: 8