

Fraud Prevention and Data Analytics

According to studies by the ACFE, an organization may be losing 5% of its revenue to fraud. Fraud prevention can increase financial performance as well as helping to protect it from the financial and reputational catastrophe due that major fraud often causes. It's not as complicated or expensive as you might think. **Learn how organizations are combating fraud both effectively and economically.**

Successful fraud prevention involves creating an environment which inhibits fraud. Taking immediate and vigorous action if fraud is detected is not only necessary to prevent future losses but also helps deter other frauds. A manager who is alert to the possibility of fraud and who acts accordingly on a day to day basis is a powerful deterrent to fraud.

When deficiencies in the level of control have been identified it is necessary to choose the most appropriate type of controls. Fraud should be deterred wherever possible. **Similarly, prevention is always preferable to detection.** Strong preventive controls should therefore be applied wherever possible. Detecting fraud is usually more difficult and less certain. Detection measures are established to detect errors, omissions and fraud after the events have taken place.

Understanding Fraud Prevention and Reporting

The Sarbanes-Oxley Act requires SEC registrants to report publicly on the effectiveness of their internal controls, including those related to the prevention and detection of fraud. But there are major pitfalls you need to know about and avoid. There are also other requirements and guidelines of which all types of organizations should be aware.

Internal Controls: Specific Applications

There are a number of common frauds to which organizations of all types are vulnerable. Often, the controls necessary to prevent these types of losses are simple and economical. This session will explain the types of internal controls that every

organization should have in place to prevent the most common types of occupational fraud. There are a number of common frauds to which organizations of all types are vulnerable. Often, the controls necessary to prevent these types of losses are simple and economical. This session will explain the types of internal controls that every organization should have in place to prevent the most common types of occupational fraud. You will learn:

- *Key functions in preventive controls*
- *Essential elements of an effective internal control system*
- *Major categories of fraud schemes*
- *Fraud risk assessment*
- *Organizational preventive controls*
- *Controls to prevent specific fraud schemes*
- *Limitations of internal controls*
- *Evaluating preventive controls and correcting deficiencies*

Internal Controls: General Applications and Resources

Detailed controls are an important part of any fraud prevention plan, but they are frequently useless in preventing financial statement fraud by senior management (the most common kind). Senior executives simply override detailed controls. You will learn how **ethics programs**, **telephone helplines** and **employee anti-fraud education** are some of the general controls needed in any good **fraud prevention program**. We will also identify resources available from various organizations to help you build and evaluate your fraud prevention program.

Technology as a Tool

People commit frauds, but as technology plays an increasingly important role in business life, the fraudster often leaves warning signals of his activity in an organization's systems. Each transaction will leave a trail. Increasingly, in order to enhance the way an organization does business, databases have been developed to

store huge amounts of transactional and standing data from accounting, sales, purchasing, and payroll functions. This is used for marketing, forecasting, and reporting but rarely for detecting and predicting fraud. Also, this data can be a key factor in developing and implementing a fraud risk management strategy. The likelihood of identifying potentially fraudulent activity can be significantly enhanced through the regular application of data analytics techniques. These require SAS specialists' knowledge to help students analyse large amounts of data and produce complex queries that can be automated. Through SAS's integrated solutions students will understand how effective data analysis can identify fraud risk Indicators and promote business intelligence.