

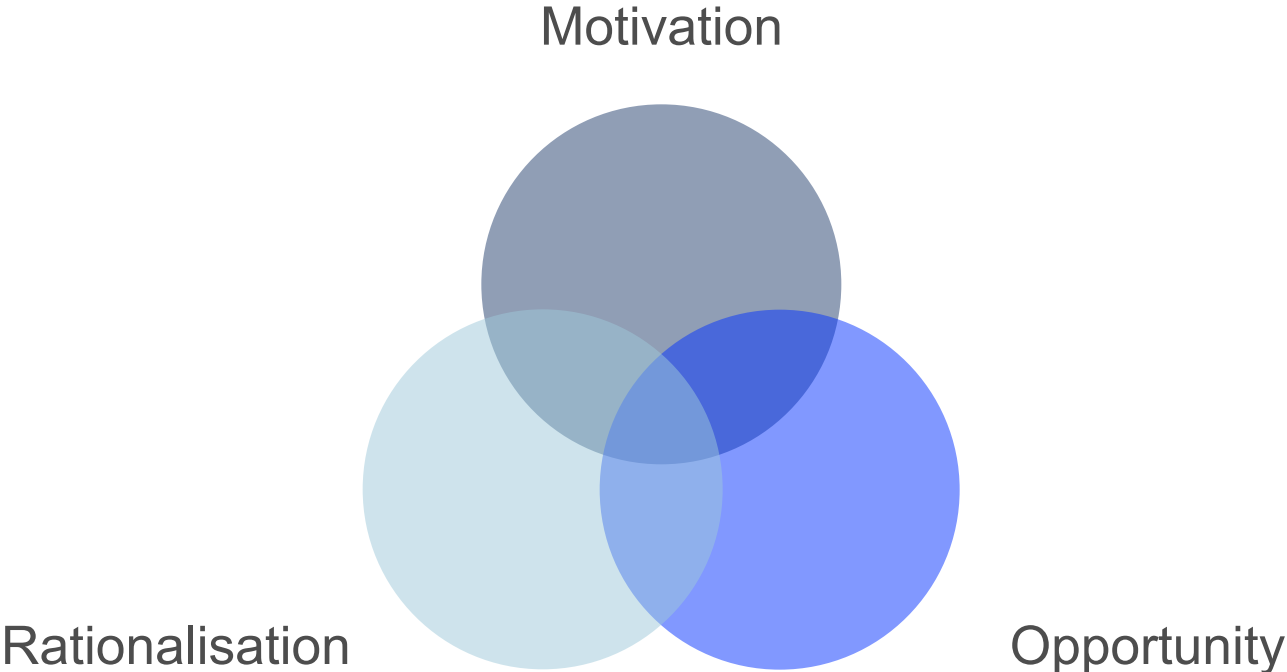
Tales from a work place

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Elements of Fraud



Motivation

- The motivation component of fraud or embezzlement is the pressure or “need” that a person feels.
- Financial
- Addiction
- Non-financial pressure

Opportunity

- Access to assets, people, information, and computer systems that enables the person not only to commit the fraud but to conceal it.
- Limit employees' access to only the assets, systems, and information that are necessary for them to properly perform their jobs.
- Corporate structures have become more complex and managers have become responsible for a wider range of employees and functions.
- Increased access to resources and data increases opportunity.

Rationalisation

- An employee determines that the fraudulent behavior is “okay” in her or his mind
- Deficient moral codes, the process of rationalisation is easy.
- Higher moral standards may have to convince themselves that a fraud is okay by creating “excuses” in their minds.

Tales from a workplace

Tale 1 – Local Government Funding Fraud

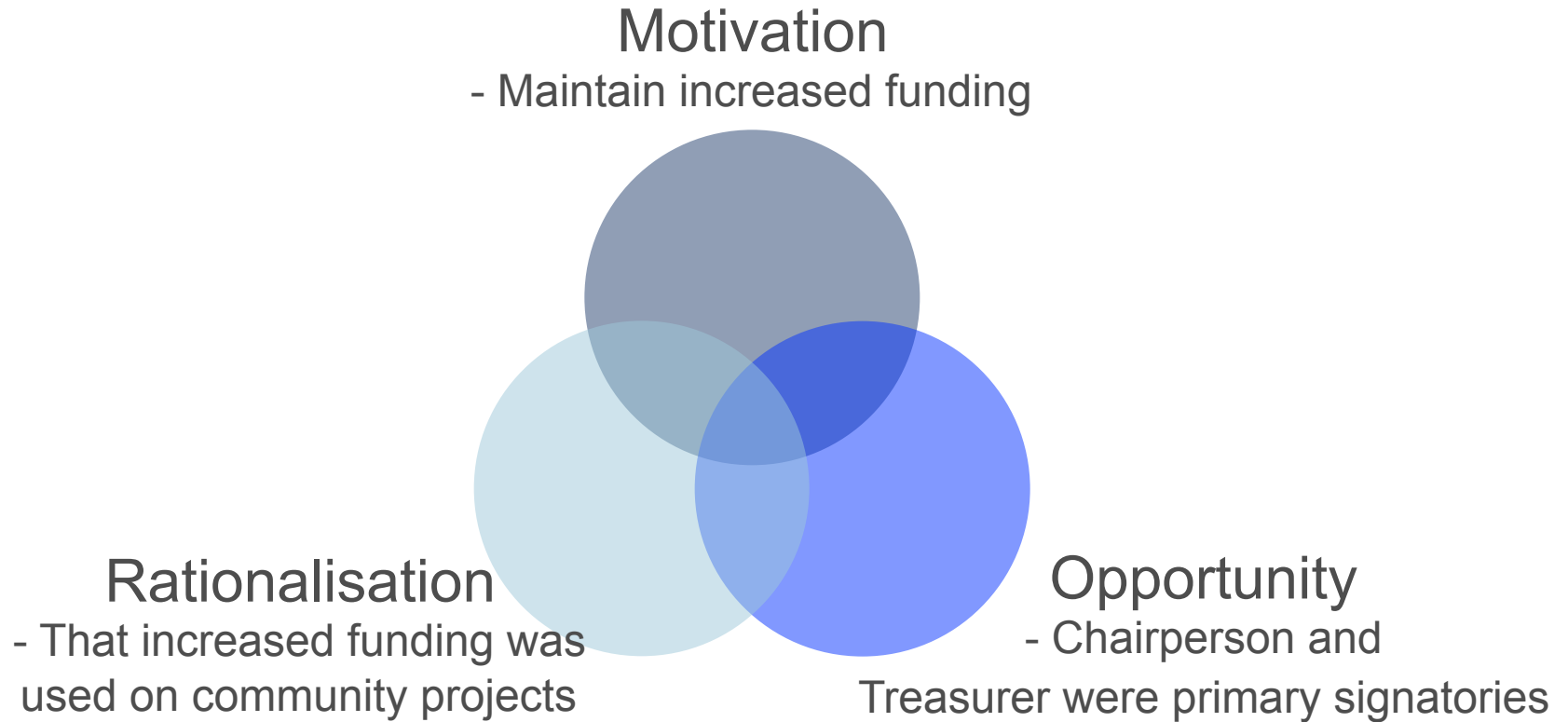
Tale 2 – Logistics Investigation

Questions

Tale #1 – Local Government Funding

- Whistleblower compliant regarding a Chairperson of community not for profit organisation alleging the chairperson of misappropriation of taxpayer funds and financial misstatement
 - Fraudulent financial reporting
 - Falsifying invoices
 - Conflicts of interests
 - Misappropriation of funds
 - Expenditure and liabilities for improper use

Elements of Fraud



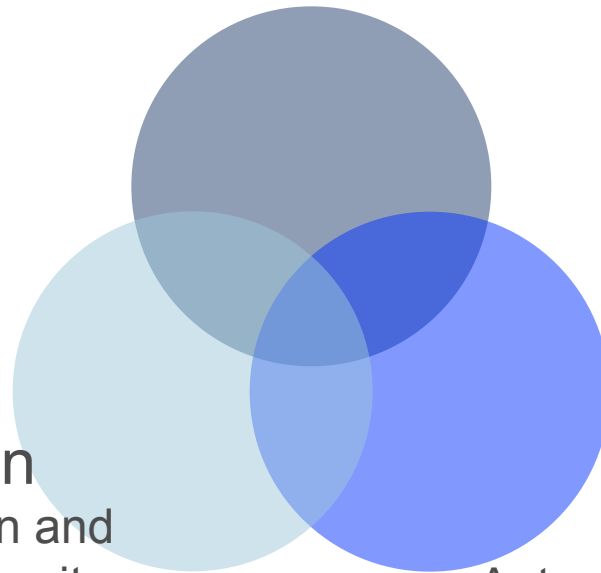
Tale #2 – Logistics Fraud

- Logistics company wanted to identify any possibility of over-chargement and/or anomalies of invoices sent from its suppliers of transport and distribution.
 - Data extraction and clean up to enable analysis.
 - Invoices entered and cleansed
 - Review of GPS status/Time vs Runsheet delivery address against time invoiced by Suppliers
 - Analysis of Route by Driver for GPS and Runsheet using tools including GPS.

Elements of Fraud

Motivation

- Financial and culture of other drivers



Rationalisation

- It's a big organisation and everyone else is doing it

Opportunity

- Autonomy and little supervision

Key prevention components

- Code of Ethics
- Conflicts of Interest Policy and Register
- Training
- Employee Due Diligence
- Whistleblower's Hotline
- Oversight by Board and Audit Committee
- Investigation and Remediation
- Control Activities

Questions ?