

Fraud Risk Management

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Governance

Tone at the top

Policies

Risk, Internal Audit and other custodians

“Fraud Steering Group”, “Serious Incident Committee”

A risk management framework

Past incidents, past audits, corporate knowledge

Formal risk assessments

Policies review

Input from other custodians

Fraud and the control environment

Internal Audit should be playing a key role

Control self assessment (“Control Delusion”)

Process mapping, Audit Universe

CAATs, data mining

Interest in fraud creates engagement with risk management

- Prevention, Detection, Investigation <Deterrence>
- The “F word” highlighted on risk maps – challenges ‘mitigation’
- Wider RM benefits per se

Summary

Good governance

Fraud awareness improves the general control environment

Internal audit can do much with the right experience / training

“Weak controls” are often “fraud risks”

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