
FRAUD
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NYCFE.com
"MOST SITUATIONS PEOPLE WANT TO HEAR FROM YOU"
FRAUD IS OUR PROBLEM NOT THEIR OR THERE PROBLEM!
SEC
BOGUS
REPORTS
INDIVIDUALS
BUSINESS
Know your role
TO BE STRAIGHT WITH YOU
RELY ON OTHERS
DEFEND YOUR DECISIONS
UNDERESTIMATING THE EFFORT
RISK ASSESSMENT
Are you free of conflicts?
AVOID
Fixed HOURS
Fixed FEES
DETERMINING OUTCOME
What blind spots do you have?
FCPA
• record keeping
• anti-bribery
Side Agreements
FORGETTING THE PRESENT
REMEDIATION
TIMING SCHEMES
CURRENT EVENTS
don't just believe
ACCEPTING WITHOUT VERIFYING
TRUST
TERRIBLE INTERNAL CONTROL
independent research
FRAUD LAWS
AML
COMPLIANCE FUNCTIONS
False Claims ACT
TRAINING
UNDERSTAND SCOPE LIMITATIONS
ALL MISSTATEMENTS ARE DISCOVERED
External Auditors NOT Responsible For:
Authentication
Documents
REASONABLE MATERIAL
RESPONSIBILITIES OF EACH PARTY
Fraud Outside of Party
efforts beyond financial audit
COLLUSION
THE FRAUDSTER ATTACKS THE MESSENGER
CFE
JEFF MATTHEWS
STANDARDS
"SAY WHAT YOU MEAN MEAN WHAT YOU SAY"
COMPONENTS OF INTERNAL CONTROLS
nature of entity
relevant external controls
Integrity at all times
STRATEGY
ACCOUNTING PRINCIPLES
measurement of financial performance
MAINTAIN OBJECTIVITY
CONFLICTS OF INTEREST
CONCLUSIONS
diligence
AVOID disagreeable FACTS
FALSE STATEMENTS
DUE PROFESSIONAL CARE
PROFESSIONAL COMPETENCE
NOT ACCEPT ALL ASSIGNMENTS
CRITICAL ANALYSIS
PRO SKEPTICISM
Adequate Supervision
Communication
CONFIDENTIALITY
BE TRANSPARENT