

BUSINESS RISK MANAGEMENT LTD



FRAUD INVESTIGATION

Course Outline

What to do when you suspect fraud

- How to react when fraud is suspected
- Fraud indicators
- Approach to be taken
- How to decide who needs to be told

Exercise 1: Typical fraud scenario – the anonymous letter

- How to respond to anonymous letters
- Identifying misleading and malicious allegations
- How to deal with tips obtained from hotlines etc
- How to decide if you need outside help (forensic accountants etc)

Managing the investigation

- The need for thorough planning
- Determining the objectives of the investigation
- Who should be involved – what skills do you need?
- Determining roles of security and Internal audit
- How to keep the investigation low-profile
- Research – what information can lawfully be obtained
- What information is available and can be used
- Forensic evidence and how to obtain it
- Collating information and maintaining the chain of evidence
- Knowing when to suspend or dismiss employees

Exercise 2 : Sources of information

The legal aspects

- The difficulties – the legal minefield
- The Fraud Act 2006 and its implications – the protection it provides and the difficulties it presents
- RIPA, PACE and other legislation

- Human Rights Act implications
- The need to stay within the law
- When to involve HR
- Whistle blowing legislation – and the protection it affords
- When to bring the lawyers in
- How to protect your work from disclosure – legal privilege
- How to ensure that evidence is admissible
- Safeguarding the evidence
- Search and seizure orders
- Civil V Criminal action – benefits and pitfalls – do you want to involve the police?
- How to recover stolen assets – making sure the criminal does not profit
- How to handle disciplinary proceedings
- Employers and employees rights

Exercise 3 : The Legal challenges

Confronting suspects

- Setting the scene – choice of venue etc
- PACE requirements
- Planning the interview – do's and don'ts
- How to keep in control
- How to tell if someone is lying

Exercise 4 : Spotting the liar

- The use of open questions
- Interpreting body language
- How to recognise when someone is lying
- Recording and evaluating the conversation
- How to avoid accusatory or threatening questions
- The need to think like a fraudster

Exercise 5 : The fraud interview (role play) – you will all have the opportunity to play the interviewer, the observer and the suspect

Communicating the results

- When and how to inform top management
- When to inform regulators / the police / etc
- Managing external coverage
- Dealing with the media / stakeholders
- The use of successful fraud investigation as a moral deterrent
- Rebuilding damaged relationships