

# **Fraud Risk – The Auditor’s Perspective**

## **Outline for GSCPA-North Perimeter Presentation**

1. Introductions and Agenda
2. The latest statistics on fraud
  - a. ACFE’s 2010 Report to the Nations
  - b. COSO 2010 Fraud Study
  - c. KPMG’s 2009 Fraud Survey
3. Fraud Risks in Today’s World
  - a. Economy
  - b. Globalization
  - c. Rapidly Evolving Technology
  - d. Outsourcing (Satyam?)
4. Managing the Business Risk of Fraud: a Practical Guide
  - a. Guidance from AICPA, IIA and ACFE issued in 2008
  - b. Covers Fraud Risk Governance, Fraud Risk Assessment, Fraud Prevention, Fraud Detection and Fraud Investigation and Corrective Action
  - c. Also has templates and examples
  - d. Linkage with SAS #99 (AU Section 316)
5. Fraud Examples: Where were the Auditors?
  - a. WorldCom
  - b. Madoff Ponzi Scheme
6. What Can Auditors Do?
  - a. Fraud Risk Assessment
  - b. Detection – with technology
  - c. Detection – without technology
  - d. Think like a Psychologist
7. Conclusion – A Never Ending Battle that we Don’t Have to Lose!