

Contents

Preface: Maybe It's Time We Get Back to the Basics xi

Acknowledgments xvii

PART I: THE ANTI-FRAUD ENVIRONMENT: THE BLUEPRINTS, THE FOUNDATION, THE GROUND FLOOR

Chapter 1: The Architect's Blueprint: Establishing the Framework 3

The Elements of Anti-Fraud Program Design	3
Anti-Fraud Environment	4
Fraud Risk Assessment	4
Control Activities	5
Information: Program Documentation	6
Communication: The Company Fraud Training Program	6
Monitoring and Routine Maintenance	7

Chapter 2: Foundational Policies: The Fraud Policy 9

Foundational Policies	10
The Fraud Policy: The Essential Elements of an Effective Fraud Policy	10
Case Presentation	17

Chapter 3: Foundational Policies: The Fraud Reporting Policy 19

The Essential Elements of an Effective Fraud Reporting Policy	20
---------------------------------------------------------------	----

Chapter 4: Foundational Policies: The Expense Reimbursement Policy	29
Case: “No Questions Asked”	29
Case: “It Will Never Be Missed”	30
Case: Larry the Chief Financial Officer	31
The Elements of an Effective Expense Reimbursement Policy	32
Appendix 4A: Expense Report Form	39
Appendix 4B: Supplemental Business Meal and Entertainment Charges Form	40
Chapter 5: The Ground Floor: The Fraud Risk Assessment Process	41
Ground Rules for Fraud Risk Assessment	42
An Example of Risk Assessment	43
Procedural Steps for Performing a Fraud Risk Assessment	44
Cash in Bank	48
Case: The Trail Is Gone	50
Case: Friends in Low Places	51
Asset Misappropriation	52
Corruption	53
Financial Statement Fraud	53
PART II: ANTI-FRAUD CONTROL ACTIVITIES: RAISING THE WALLS	
Chapter 6: Control Activities: The Absolutes	57
Critical Principles of Control Activity Design	57
Foundational Control Activities	59
Case: The Mail Drop in Las Vegas	64
Appendix 6A: Conflict of Interest Form	67
Appendix 6B: New Vendor Establishment Form	68
Chapter 7: Control Activities: The Segregation of Duties Dilemma	69
But I Only Have Two Employees	69
Prevention versus Detection Controls	70
The Necessary Review Processes	72

Chapter 8: Control Activities: General Processes	75
Two Operational Questions	75
Common Control Activities	81
Case: The Cell Phone Reimbursement	91
Chapter 9: Control Activities: Specific Control Areas	95
Financial Statement Line Item Control Activities	95
PART III: COMPLETING THE ANTI-FRAUD PROGRAM: THE CEILING, THE ROOF, AND ROUTINE MAINTENANCE	
Chapter 10: The Ceiling: Documenting the Anti-Fraud Program	103
Information	103
Documentation—Keeping It Simple	104
The Elements of High-Quality Documentation	104
Chapter 11: The Ceiling: The Company Fraud Training Program	111
The Elements of Effective Communication	112
The Company Fraud Training Program	114
Chapter 12: The Roof: Monitoring and Routine Maintenance	119
Monitoring and Routine Maintenance Defined	120
The Monitoring and Routine Maintenance Structure	120
Chapter 13: The Sample Anti-Fraud Program	129
Appendix 13A: Fraud Risk Assessment Framework Form	137
Appendix 13B: Control Activities Form	138
Appendix 13C: Documentation of Control Activities	139
Appendix 13D: Compliance Audit Programs and Related Compliance Audit Working Papers	154
Appendix A: The Fraud Policy	171
Appendix B: The Fraud Reporting Policy	175

Appendix C: The Expense Reimbursement Policy	179
Appendix D: Forms	185
About the Author	193
Index	195

<http://www.pbookshop.com>