



Areef Ali & Associates
BUSINESS SOLUTIONS

Financial Statement Fraud – Seminar

Facilitator: Mr. Areef Ali B.Sc, FCCA, CA

Financial Statement (FS) Fraud – Seminar Objectives

At the end of this session without reference to training materials participants will:

- Understand the magnitude of FS fraud**
- Understand how FSs are falsified**
- Know the most common FS fraud schemes**
- Give practical examples of businesses with major FS fraud and discuss the issues**
- Understand the role of auditors in FS fraud**
- How to build an effective antifraud culture**

Financial Statement (FS) Fraud – Seminar

Programme Outline

Definitions of :

- Fraud
- Occupational fraud
- Financial Statement Fraud

Magnitude of fraud

- How much losses occur?
- Cost of Fraud examples

Financial Statement (FS) Fraud – Seminar Programme Outline

Types of Occupational Fraud

- Asset misappropriation
- Corruption
- Financial statement fraud

Statistics on distribution of Occupational Fraud by category

- interrelatedness of types of fraud
- Study of Fraud schemes -most common types

Common elements of FS fraud

Financial Statement (FS) Fraud – Seminar Programme Outline

Key examples of businesses with FS fraud

Origins of financial statement fraud

Video clip on origins of Fraud

The perpetrators of Financial statement fraud

Financial Statement (FS) Fraud – Seminar Programme Outline

How financial statements are falsified

- Revenue related fraud
- Deloitte study - most common types of Revenue fraud
- Inventory / cost of goods fraud
- Understating liabilities
- Asset Overstatement
- Disclosure fraud Misleading financial statements

Financial Statement (FS) Fraud – Seminar Programme Outline

The Enron debacle - a detailed look at FS fraud

Class Case study exercises

- Parmalat - a case study in FS Fraud
- Anatomy of a Fraud – HealthSouth
- Local Financial statement Fraud

Financial Statement (FS) Fraud – Seminar Programme Outline

Video clip - "The tone at the Top" –
Worldcom example

Auditors and their role in fraud detection
guidance per ISA240 vs SAS99

US Sarbanes Oxley requirements

Financial Statement (FS) Fraud – Seminar Programme Outline

Building an effective anti fraud culture

How prone is our organisation to Fraud - an exercise

Closing comments, session wrap up