

Be sharp,  
protect yourself  
Providing  
insight into  
fraud prediction,  
prevention and  
response



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## Fraud directly affects your bottom line profit. With a generous profit margin of 5%, you would need to generate an additional €1m to recover losses from a mere €50,000 fraud.

In today's economic climate, the adage 'prevention is better than cure' has never been more accurate. No organisation can be completely immune from fraudulent activity, but steps can be taken to reduce exposure to financial loss, reputational damage and service interruption which are common consequences of fraud.

We offer the full range of fraud-related services drawing on our depth and breadth of capability, but we have put together three assessments (complimentary or stand alone), to give you comfort that your fraud prevention and detection systems are working as planned and to answer questions around the following critical areas:

### **Culture**

Do staff understand and comply with fraud management policies and procedures?

### **Data and technology**

Are we confident that we understand our data? Could we be identifying patterns and trends to help predict fraudulent activity? Post incident, what data do we need to be looking at to help respond?

### **Controls**

How could we improve our fraud risk management framework? What are the areas of fraud vulnerability in high risk processes?

### **Cultural assessment**

[Ensuring staff understand the role they play in fraud and ethical risk management programmes](#)

Deloitte can provide a cultural assessment, using our D&Termine tool, giving you valuable insight into your organisation's ethical culture and the actual impact of your fraud and ethical risk management programmes.

D&Termine is an easy to use web-enabled short survey tool developed in conjunction with researchers in the field of business ethics and organisational behaviour.

The survey can be delivered to large numbers of employees simultaneously gathering specific anonymous feedback. It comprises six principle areas:

- awareness of relevant policies and follow through;
- corporate culture;
- observed unethical/questionable behaviours;
- issues that either facilitate or reduce the likelihood of fraud occurring;
- respondents' perceptions of the desired outcomes of ethics and compliance programme efforts; and
- specific risk issues.



Respondents are asked to reply to statements using a five point scale from 'strongly agree' to 'strongly disagree'. Sample statements include:

- Employees in this organisation are quick to notice when a situation raises ethics or compliance issues.
- Ethical and compliance policies are consistent with our actual company practices.
- If someone knew that a colleague was doing something unethical, he or she would report it to management/compliance.

On completion of the survey, we provide a detailed report comprising commentary and analysis of the survey results.

A key point to consider in using such a survey is that, notwithstanding the specific results that are obtained from it, the sending of the survey to staff and management itself has the benefit of raising the profile of ethics and integrity risk.

### Controls assessment

Helping you control and minimise your fraud exposure

#### Corporate wide fraud risk management assessment

Through interviews with a representative cross section of your staff and a desktop review of your fraud risk management documentation, we will assess your fraud risk management framework using our proprietary Tier Structure Model. The model is broken down into four specific areas of assessment as follows:

- **Strategy and governance** - exposure to fraudulent activity and how effectively the "Tone at the Top" is communicated;
- **People** - culture, ethics and staff awareness and whether they provide an effective deterrent to fraudulent attempts;
- **Process** - fraud risk management embedded within processes and control procedures;
- **Technology** - fraud risks within key applications and maintenance of underlying infrastructure in accordance with best practice and ISO 17799.

The completion of the assessment will provide you with a comprehensive roadmap setting out what steps should

be taken to strengthen your fraud risk management framework.

#### Business process level fraud controls assessment

Drawing on past experience, we have compiled schedules of inherent fraud risks for specific business processes including procurement and contract awards, business development, sales practices, trading and treasury management. Through one, or a series of workshops, we work with you to assess the likelihood of these fraud risks and the strength of existing controls within selected business processes. Through effective facilitation we ensure that limitations of controls e.g. potential management over-ride of controls and internal control inhibitors - are assessed when evaluating how effectively the inherent fraud risk is mitigated. We will produce a clear and easy to understand report providing prioritised, time and cost effective recommendations enabling you to reduce your exposure.

### Data and technology assessment

Enabling you to take a proactive stance on fraud detection and prevention

#### Data assessment and continuous analysis

Typically, data is analysed on a sample basis to identify areas of exposure. Deloitte offers a managed service where, utilising our in-house tools, we can regularly profile and analyse up to 100% of your data across, for example, Accounts Payable, VAT, Payroll and employee expenses to find duplicate/incorrect supplier invoicing, ghost companies/individuals etc. This rigorous analysis can help you to identify fraudulent activity; prioritise case management and investigation; and improve the false positive rate of detection and prevention strategy.

#### Specific detection solutions

We are experts in tailored data and technology solutions for any specific fraud-related issues you may be struggling with. For example, credit card, mortgage, insurance or aviation fraud. We can design and embed fraud control systems to help with problems where simple rules-based solutions are not sufficient e.g. card not present retail fraud. We can also work with you to determine the most appropriate treatment of suspected fraud cases.

#### Post-incident analysis

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We are experts in tailored data and technology solutions for any specific fraud-related issues you may be struggling with.

# Contacts

We have developed a series of in-house data forensics tools, enabling us to analyse data to help you answer:

- What happened?
- Where did it happen?
- How many times did it happen?
- What is the volume/value of €s involved?
- What rules & thresholds have been breached?
- Are our suppliers complying with contracts and processes?

## Real time detection and prevention systems

If your business is more transaction-oriented, we can build sophisticated systems that enable you to model customer and account behaviour. This can then be used to analyse the likelihood of fraud and uncover new patterns of fraudulent behaviour.

We have experience of working with all of the major vendors in the market, allowing us to provide you with expert advice on enhancing and optimising current systems or selecting and implementing new technologies.

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