

Slide 1- Fundamentals of Fraud Prevention

Fundamentals of Fraud Prevention

Financial Foundations Training Program



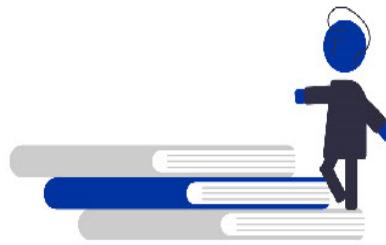
Slide Notes

Welcome to Fundamentals of Fraud Prevention a module of the Financial Foundations training program. Industry experts tell us that fraud training is a critical tool for helping to reduce fraud in our organization.

Slide 2-Learning Objectives

Learning Objectives

- Fraud definition
- Contributing factors
- Types of fraud and fraud schemes
- Fraud indicators
- Fraud prevention



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This module is designed to provide an overview of fraud, including what fraud is and how much it costs organizations each year. The learning objectives for this module are: fraud definitions, contribution factors such as situations that can make fraud more likely to occur, different types of fraud and fraud schemes including ones that are most prevalent in higher education, fraud indicators, like tell-tale signs of fraud, and lastly fraud prevention.

Slide 3-Introduction to Fraud



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Introduction to Fraud



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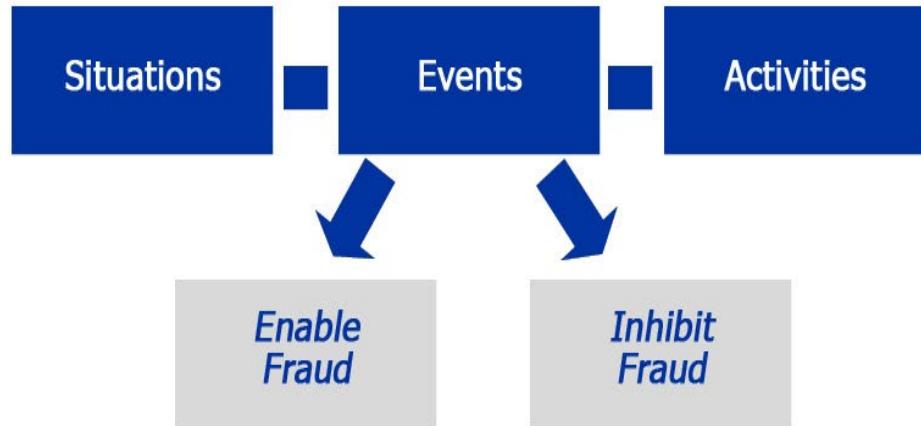
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To introduce you to fraud, we're going to show a short video about one of the most infamous fraud cases in US history, Enron. Until 2001, Enron had been the darling of Wall Street and had been named "America's Most Innovative Company" year after year by *Fortune* magazine. Enron perpetrated the fraud by overinflating the company's estimated profits and using fake, shell companies in order to borrow money on Enron's behalf and hide their mounting debt to deceive investors. Once the fraud was exposed, Enron's stock plunged from a high of \$90.75 per share in August of 2000 to less than \$1 per share in December 2001.

Slide 4 – Contributing Factors

Contributing Factors



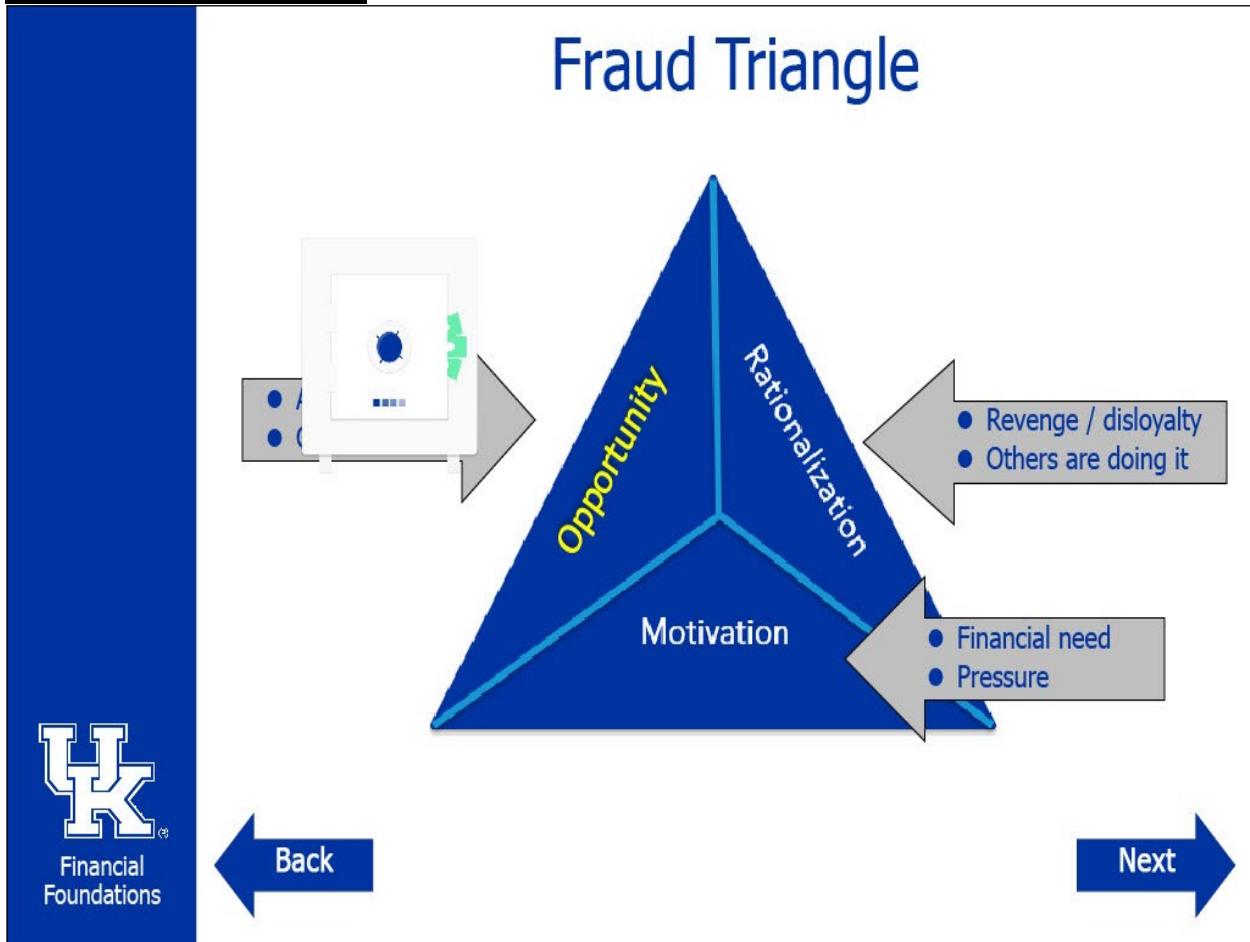
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Contributing factors to fraud are situations, events, or activities that either enable or inhibit fraud. It could also be activities that either enable or inhibit fraud.

Slide 5 – Fraud Triangle



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One model for explaining the factors that cause or enable someone to commit fraud is the Fraud Triangle. The Fraud Triangle is composed of three components: motivation, rationalization, and opportunity. With motivation, individuals perceive themselves as having a financial need. They may also need to feed an addiction, such as gambling and are struggling to pay bills or have had a string of unexpected expenses. Other instances could potentially be that their spouse lost their job, or their child has a serious illness and the bills are piling up. The second component of the Fraud Triangle is rationalization. Individuals feel put-upon or believe they have been treated unjustly. An example of rationalization would be, perhaps someone who has only been working for an organization for two years, gets paid more than them so they develop a sense of entitlement, revenge or disloyalty toward the organization or colleagues. It could also be simply that the fraudster has a sense that others are doing it and not getting caught. Perhaps the fraudster rationalize that they are just going to "borrow" the money and they'll pay it back later. The third one component, which is the one we are going to focus on the most, is opportunity. Individuals have access to sensitive information, and they have built a foundation of financial trust with management. Most importantly, they understand the process and see loopholes and weaknesses in the process that they can exploit and have confidence that their ability to commit fraud without getting caught.

Opportunity is the only thing we can control as an organization. We are not able to control motivation or rationalization, but we can control opportunity. For example, your department can keep \$500 in petty cash in an unlocked desk drawer that everyone knows about, or the \$500 can be kept in a safe that is only accessible by two employees. In the first scenario, the opportunity is not controlled. In the second, the situation is controlled. Even if the motivation and the rationalization are there, the opportunity has been taken away because there are adequate internal controls in place.

Internal Controls

Internal controls:

- Improve workflow
- Enhance reporting
- Prevent fraud



Threats of fraud:

- Usually from within
- Lack of **internal controls**

Improved internal controls = reduced opportunity for fraud



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Simply put, internal controls are the policies and processes that are designed to improve workflow, enhance reporting, and prevent fraud. The threats of fraud in an organization usually comes from within and they are perpetrated by taking advantage of a lack of internal controls. When we improve our internal controls, we reduce the opportunity for fraud.

Slide 7 – Internal Control Weaknesses

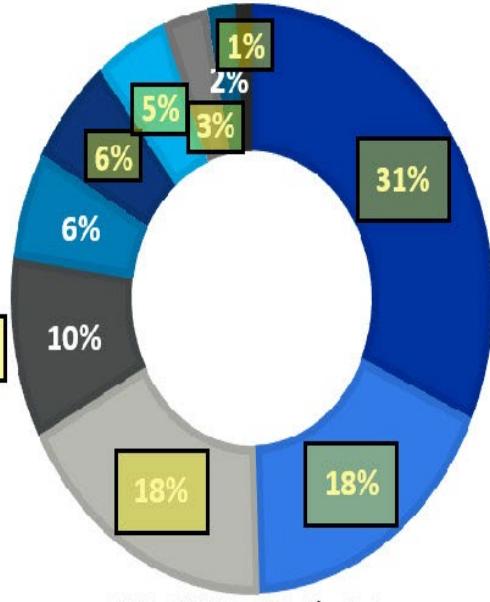


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Internal Control Weaknesses

Contributing to Occupational Fraud

- Lack of Internal Controls
- Override of Existing Controls
- Lack of Management Review
- Poor Tone at the Top
- Other
- Lack of Competent Personnel in Oversight Roles
- Lack of Independent Checks/Audits
- Lack of Employee Fraud Education
- Lack of Clear Lines of Authority
- Lack of Reporting Mechanism



2020 ACFE Report to the Nations

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The Association of Certified Fraud Examiners, or ACFE, which is an international professional body that tracks fraud globally across all industries, published a 2020 Report to the Nations and noted, 31 percent of fraud cases involve a lack of internal controls, 18 percent of fraud cases cited internal controls that the fraudster could override, and a lack of management review as internal control weaknesses that enabled the fraud to occur. A lack of competent personnel in oversight roles and a lack of independent checks and audits also contributed to the opportunity that fraudsters felt they had to commit fraud. We want to draw your attention to the last items on the list because they are why you are taking this course. The lack of employee fraud prevention education, and the lack of a reporting mechanism to report fraud. By taking this course and the internal controls course, along with future fraud modules, you are helping to reduce the opportunity for fraud across the university.

Slide 8 – Internal Control Weaknesses: Recent National Fraud Events



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Recent National Fraud Events

Texas Tech University Medical Center VP Embezzlement	Ex-Sect leader sentenced to nearly five years in prison for his role in elaborate food stamp <i>fraud</i> scheme	Former U.S. Representative Found Guilty of Stealing Funds from Fake Charity
Wells Fargo fined \$185 million for fake accounts; 5,300 were fired	Former UofL official living lavishly had embezzled \$2 million	UK employee fired for defrauding school of \$224,000
Fugitive Kentucky Lawyer Behind \$550M Social Security Fraud Captured In Honduras	VP of University at Buffalo stole more than \$300,000 for his personal benefit	Lexington Kentucky Psychologist Convicted In \$600 million Benefits Fraud



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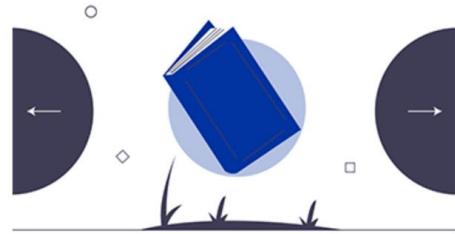
Fraud at the magnitude of Enron may be rare, but fraud on a smaller scale happens all the time, across all industries, in organizations large and small. In fact, many of these headlines may look familiar to you. Let's examine a few. Wells Fargo was fined \$185,000,000 and 5,300 employees were fired for creating fake accounts and adding products that customers did not request to their portfolio all to improve the financial outlook of the organization and increase personal bonuses. In another case, a University of Louisville official was terminated because he embezzled \$2,000,000 in university funds. This fraud was discovered when an employee reported that the supervisor was living lavishly, well beyond their means. Later, you'll see how such observations are actually an important tool for detecting fraud. And finally, an example that shows we're not immune to it either in 2015, a University of Kentucky employee was terminated for defrauding the school of \$224,000 by accepting in-kind donations on behalf of the university and selling them on eBay.

Slide 10 - Fraud Definitions

Fraud Definitions

The formal definition of fraud according to:

Association of Certified Fraud Examiners (ACFE) - The use of one's occupation **for personal enrichment** through the **deliberate** misuse or misapplication of the employing organization's resources or assets.



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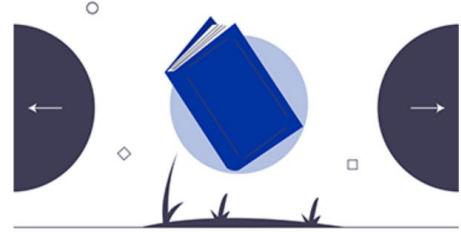
We will soon get into the different types of fraud, the factors that contribute to fraud, and how to spot signs of fraud. But first, let's look at some definitions. The formal definition, according to the ACFE, the experts in the industry is the use of one's occupation for personal enrichment through the deliberate misuse or misapplication of the employing organization's resources or assets.

Slide 10 - Fraud Definitions

Fraud Definitions

The formal definition of fraud according to:

American Institute of Certified Public Accountants (AICPA) - An intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain.



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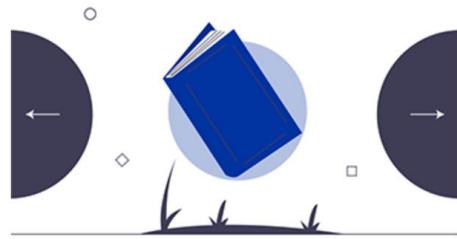
The American Institute of Certified Public Accountants defines fraud as an intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain.

Slide 10 - Fraud Definitions

Fraud Definitions

The formal definition of fraud according to:

Institute of Internal Auditors (IIA) - Any illegal act characterized by **deceit, concealment, or violation of trust**. These acts are not dependent upon the threat of violence or physical force.



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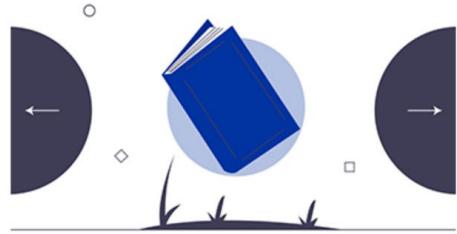
The Institute of Internal Auditors defines fraud as an illegal act characterized by deceit, concealment, or violation of trust. These acts are not dependent upon the threat of violence or physical force.

Slide 10 - Fraud Definitions

Fraud Definitions

The formal definition of fraud according to:

Merriam-Webster - The crime of using **dishonest** methods to take something from another person.



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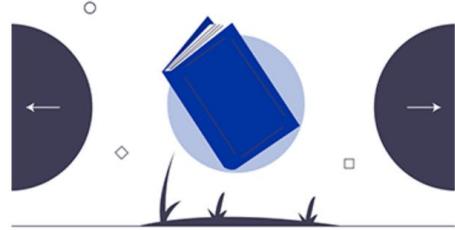
Webster's dictionary defines fraud as the crime of using dishonest methods to take something valuable from another person.

Slide 10 - Fraud Definitions

Fraud Definitions

The formal definition of fraud according to:

Wikipedia - Fraud is a deception **deliberately** practiced in order to secure unfair or unlawful **gain**.



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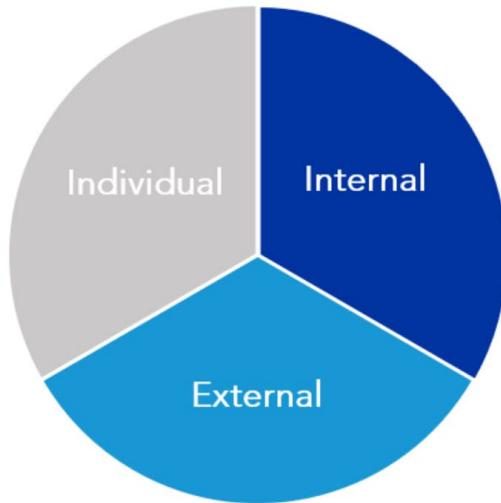
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And last but not the least, Wikipedia states that fraud is a deception deliberately practiced in order to secure unfair or unlawful gain. Do you notice any commonalities between the definitions? There are key attributes that permeate all of them. It is done for personal enrichment, which is synonymous with achieving a gain. It is a deliberate or intentional act. It is designed to deceive or conceal, a violation of trust, a dishonest act.

Slide 11 – Types of Fraud



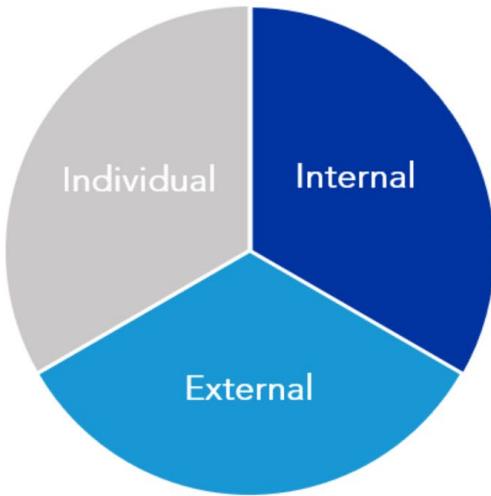
Types of Fraud



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Now we will highlight the types of fraud and delve a little deeper into the types and delve a little deeper into the types pertinent to the University of Kentucky and your role in the organization. This diagram shows the three types of fraud-external, individual, and internal. External Fraud covers a broad range of schemes, including fraud perpetrated by vendors such as dishonest vendors engaged in bid-rigging schemes, billing the company for goods and services not provided and bribes for employees. Similarly, dishonest customers might submit bad checks, falsified accounting information for payment, or they might even attempt to return stolen checks or knock-off products for a refund, but those aren't as applicable to us. Individual Fraud schemes are those devised to defraud individual people. Examples include identity theft, phishing schemes, Ponzi schemes, and advanced fee fraud. Internal Fraud (occupational fraud) is the one that's most applicable to us here at UK.

Slide 11 – Types of Fraud



Types of Fraud

Occupational Fraud:

The use of one's occupation for **personal enrichment** through the **deliberate** misuse or misapplication of the employing organization's resources or assets.

- Asset misappropriation
- Corruption
- Financial statement

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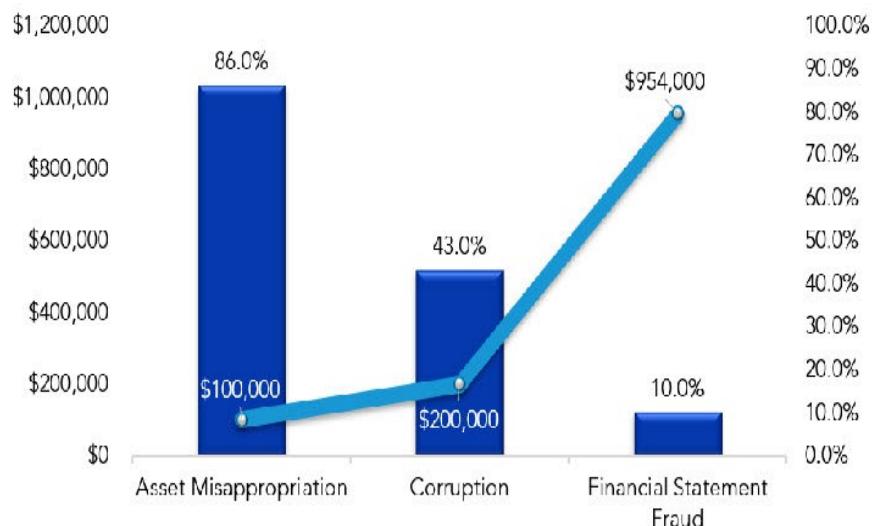
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Occupational Fraud: the use of one's occupation for personal enrichment through the deliberate misuse or misapplication of the organization's resources or assets. There are three categories of occupational Fraud, asset misappropriation, corruption, and financial statement fraud.

Slide 12 – Occupational Fraud Scheme Categories

Occupational Fraud Scheme Categories



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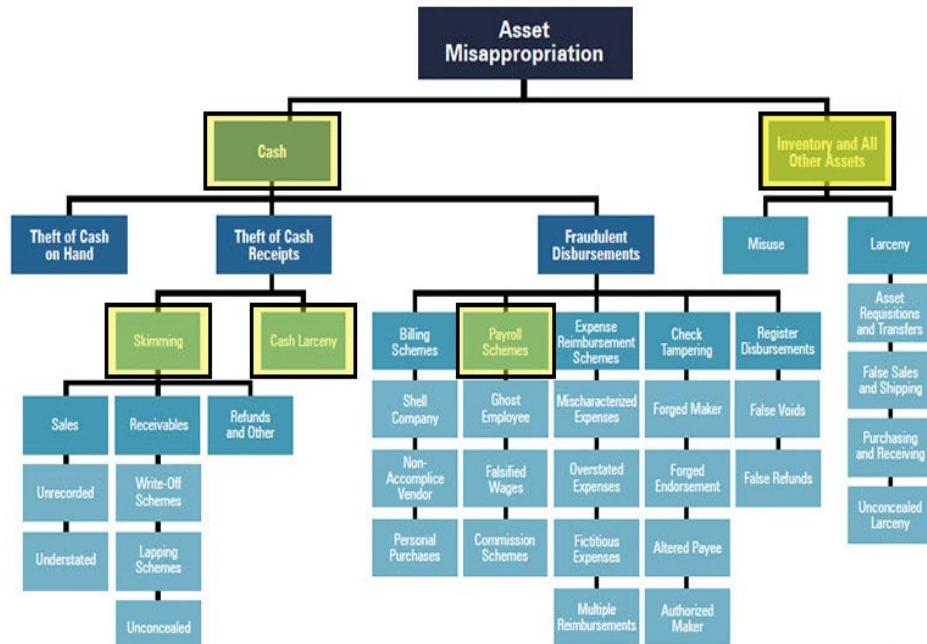
Asset Misappropriation is the most common type of occupational fraud. In fact, according to the ACFE, 86 percent of occupational fraud schemes involve asset misappropriation. But the losses associated with asset misappropriation tend to be the smallest, with the median average asset misappropriation costing the company just \$100,000. Corruption is the next most common fraud scheme. About 43 percent of all fraud involves corruption, which includes schemes such as kickbacks, shell company schemes, and bribes to influence decision-making with regard to contracts and purchasing. While it only happens half as often as asset misappropriation, the median cost is double, at \$200,000 per case. The least common type of fraud is financial statement fraud. Although it occurs in only 10 percent of all fraud cases, it is easily the costliest, with a median expense per case approaching \$1,000,000. This type of fraud centers on the manipulation of financial statements in order to create opportunities for an individual or entity, such as what we saw in the Enron video, to manipulate stock prices and encourage investment. If it were to happen here at UK, an example would be to manipulate bond offerings since we are a not-for-profit organization. Of note, the percentages for each type of occupational fraud exceeds 100 percent due to scheme overlap.

Slide 13 – Fraud Classification



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Occupational Fraud Classification: Asset Misappropriation



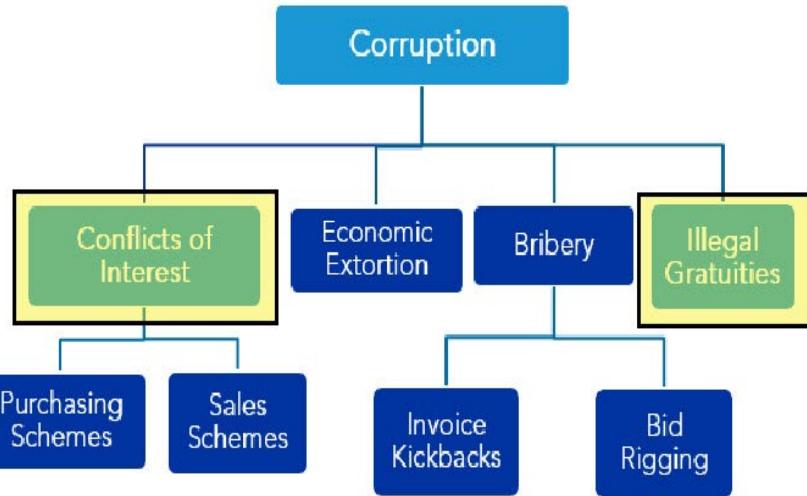
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Now let's dig deeper into asset misappropriation, the most common and applicable type of fraud in our organization. As shown on the chart, it can be divided into two main categories, cash and inventory and all other assets. Examples of cash-based fraud are skimming and cash larceny. With skimming, the money is pilfered before it's recorded in the system. Cash larceny is pilfered after it's recorded in the system. Inventory and asset-based fraud involves theft of inventoried items. This includes office supplies or inventory for sale, computers and tech equipment, and all valuables. There is also another type that is not often talked about, which is a theft of time. This happens when an hourly employee is running late and has someone else clock in for them or leaves early and has their coworker clock out for them later. The organization is still paying for their time even though they aren't really working, and it is a form of fraud. Now let's dig deeper into asset misappropriation, the most common and applicable fraud in our organization.

Occupational Fraud Classification: *Corruption*



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Corruption is the next most common type of fraud, and that is true for UK as well. While bribery is few and far between, and economic extortion is more governmental, here at UK, conflicts of interest, and improper gifts and gratuities are most common. A conflict of interest is a situation in which an employee has an interest financial or otherwise that might influence them to make decisions that could ultimately benefit themselves or a third party over their employer. The conflict arises from those competing loyalties. Some examples are when an office manager contracts with her spouse's janitorial company to clean the office space or when someone influences the purchase of property that he owns.

Slide 15 – Financial Statement Fraud



Occupational Fraud Classification: *Financial Statement Fraud*

Financial Statement Fraud

Net Worth / Net Income Overstatements

- Timing Differences
- Fictitious Revenues
- Concealed Liabilities and Expenses
- Improper Asset Valuations
- Improper Disclosures

Net Worth / Net Income Understatements

- Timing Differences
- Understated Revenues
- Overstated Liabilities and Expenses
- Improper Asset Valuations
- Improper Disclosures

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Occupational Fraud Classification: *Financial Statement Fraud*

Common motivations or goals:

- Improve financial information to increase stock price
- Make company look more appealing
- Support a bond offering with a higher rating



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Last, but certainly not least, is financial statement fraud. While it is the least common, the median loss for each case of financial statement fraud is about ten times that of asset misappropriation and five times that of corruption. Financial statement fraud can be divided into two categories net worth overstatements or net worth understatements. Either way, it is a deliberate misrepresentation of the financial condition of an enterprise. The Enron case is a prime example of this. It is accomplished through intentional misstatements or omissions of amounts or disclosures in the financial statement in order to deceive stakeholders, such as investors or buyers. Some tell-tale signs of this type of accounting fraud include revenues that appear to be increasing even though there is no corresponding growth in cashflow or when a company is showing consistent sales growth while its competitors are struggling. So why do they do it? The motivation to issue fraudulent financial statements varies from case to case. But, whether the organization is overstating assets and revenues or understating liabilities and expenses, or a combination of the two, the goal is to improve the reported financial information to increase the price of stock, make the company look more appealing to buyers or in the university's case, to support a bond offering with a higher rating.

Business and Operational Risk

Business Risk: anything that threatens the ability to achieve financial goals

Operational Risks: uncertainties and hazards faced during day-to-day business activities; the prospect of loss resulting from:

- Failed policies
- Inadequate procedures
- Insufficient or outdated systems
- Employee errors
- Fraud



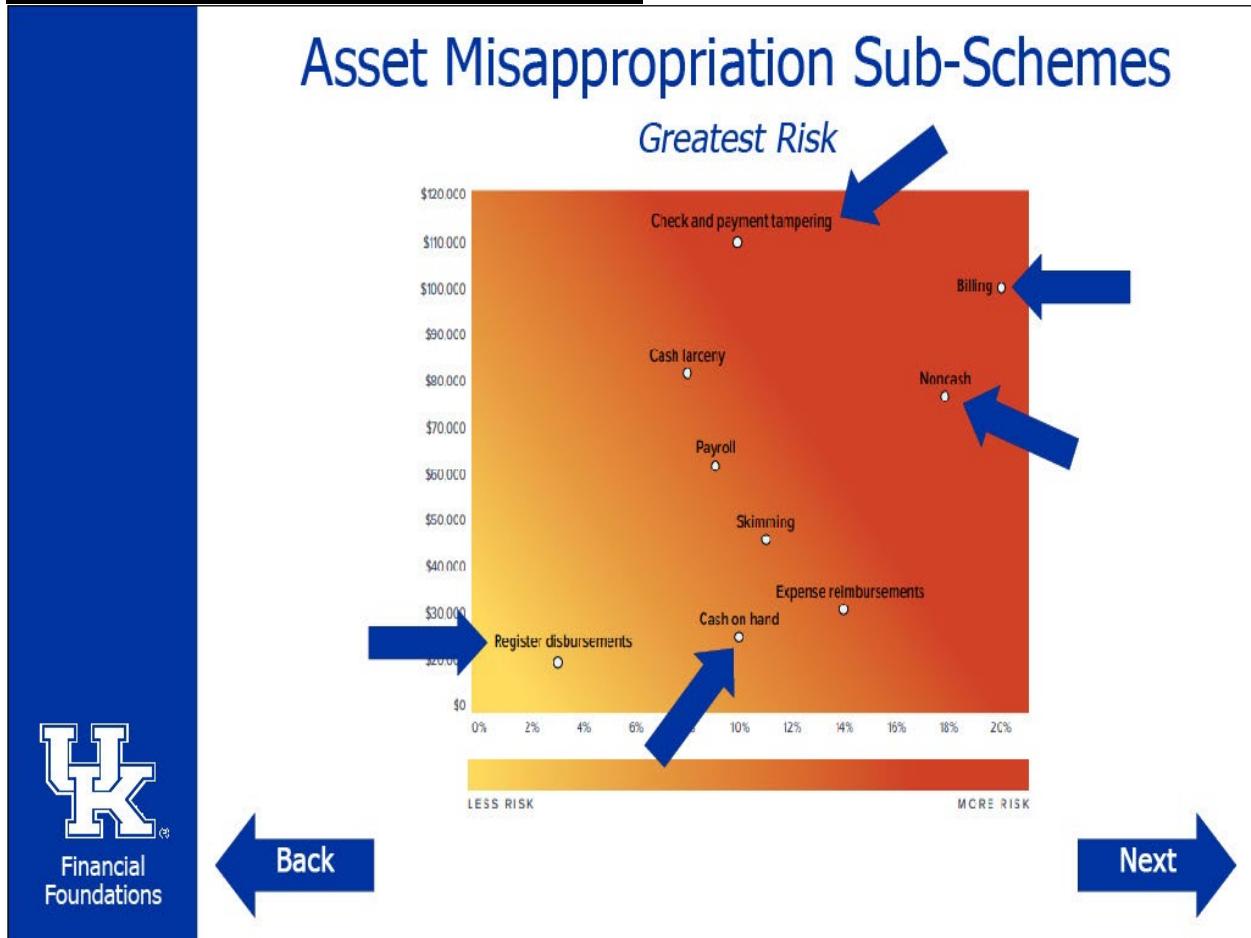
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Anything that threatens a company's ability to achieve its financial goals is considered a business risk. Operational risks are those uncertainties and hazards a company faces during the course of its day-to-day business activities. They are the prospect of loss resulting from failed policies, inadequate procedures, or systems, including employee errors and fraud. The higher the likelihood of an event occurring, and the higher the financial loss at stake, the greater the risk to the organization.

Slide 17 – Misappropriation Sub-Schemes

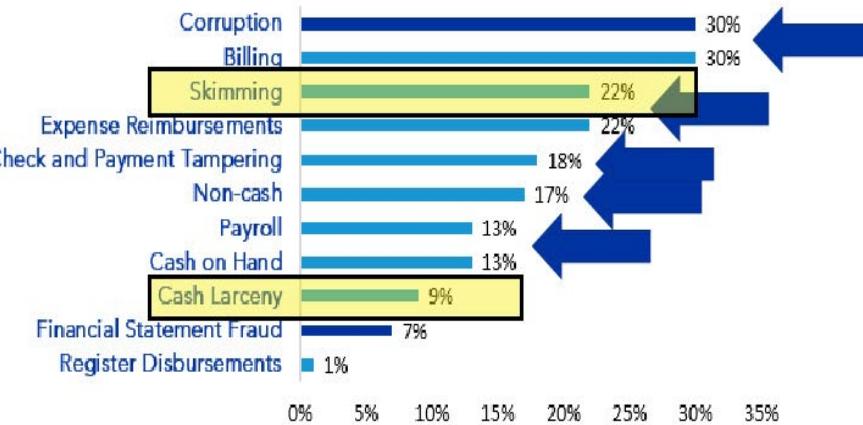


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This heat map from the 2020 ACFE Report to the Nations organizes the various fraud schemes we've been discussing by their associated risk rating, and the average dollar amount per occurrence. As you can see, billing, noncash fraud and check and payment tampering are in the red zones, meaning they represent the highest level of risk to organizations. Conversely, register disbursement schemes, which involve fraudulent refunds and voids to allow the removal of funds from a cash register, and cash on hand schemes, such as stealing cash kept in a safe, present the lowest level of risk.

Common Occupational Fraud Schemes

Education Industry



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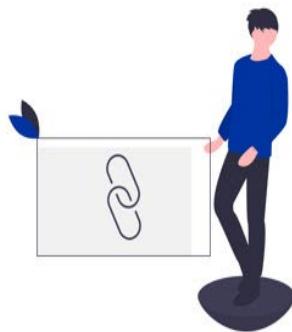
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The most common occupational fraud schemes specific to the education industry are shown on this chart, as reported by the 2020 ACFE Report to the Nations. As you can see, 30 percent of fraud cases in the education industry involve corruption and billing schemes, while skimming and expense reimbursements are involved in just 22 percent of cases. Check and payment tampering are next at 18 percent. And just 17 percent of fraud schemes in the education industry involve non-cash fraud schemes. From there the likelihood drops even further, with payroll and cash theft involved in just 13 percent of cases. Earlier we discussed skimming and cash larceny. Note how much more common skimming is than cash larceny. People are more apt to take the cash before it's recorded in the system because after it is in the system, it leaves an audit trail that can be discovered during reconciliations and cash audits, making it much harder to hide. So, the goal is to make it harder to skim. A good method of requiring receipts and tracking voids on the front end significantly reduces the risk of skimming. You'll learn more about that in the next Cash Handling module.

Workplace Misconduct

Fraud vs. "Other"

Only **45%** of fraudsters disciplined for
non-fraud related conduct



Common **non-fraud** workplace violations:

- 20% **bullying** and/or **intimidation**
- 13% excessive **absenteeism**
- 12% excessive **tardiness**



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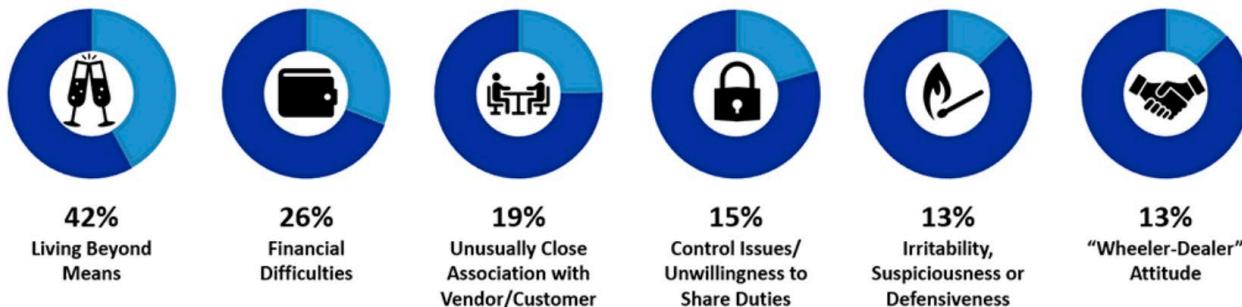
Now that you know about the types of fraud most common in our industry, it's important that you realize that there is not an automatic correlation between so-called "problem employees" and fraud. In fact, only 45 percent of fraudsters had been previously disciplined by their employer for non-fraud related conduct. Among those who had been disciplined for a non-fraud workplace violation, the most common infractions were bullying or intimidation at 20 percent excessive absenteeism at 13 percent and tardiness at 12 percent. But again, it's not automatic. Being guilty of one should not be taken as a sign of the other. Now let's switch gears and talk about fraud indicators and what you can do to detect it.

Slide 20 – Red Flags



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Top Behavioral Red Flags



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What behaviors are red flags? The top behavioral red flags noted in the 2020 ACFE Report to the Nations are shown here. In 42 percent of the cases, people were living beyond their means. They were enjoying a lifestyle that is not proportionate with their salary. You may recall from the beginning of this presentation, that is how the employee at the University of Louisville was discovered. In 26 percent of the cases, the perpetrator had known financial difficulties. 19 percent of the time, the fraudster had unusually close ties to a vendor or customer. Control issues or an unwillingness to share duties was a red flag in 15 percent of the cases. The employee may work longer hours for no apparent reason or refuse to take vacation. They may insist on a certain way of doing things to ensure they are in control of every step of the process. An excessively high staff turnover rate may be an indicator that there is a problem here. The ACFE also noted that, in 13 percent of the cases, the fraudsters had exhibited irritability, suspiciousness, defensiveness or a wheeler-dealer attitude. Internal Audit takes note when employees attempt to delay providing information or requested reports, or they attempt to defer internal audits. Most of the time, there is a legitimate reason for such requests, but it is definitely something to pay attention to as you go about your work to see if there may be other red flags.

Slide 21 – Fraud Indicators

Fraud Indicators

Accounting Anomalies

Unusual conditions or events that don't look right

1.  Fake suppliers / vendors	2.  Out of sequence entries
3.  Missing or altered documents	4.  Sharp increase in expenses



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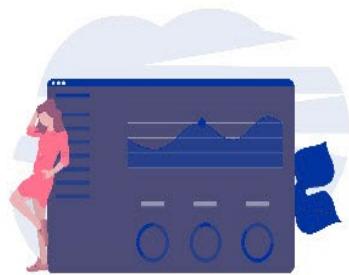
Fraud can be perpetrated by an employee, from the most junior to the most senior. It can be perpetrated alone, or with an accomplice who may be another employee or an insider at the vendor or client's organization. Regardless, beyond behavioral red flags, there are several warning signs which may indicate that an employee is engaged in a fraudulent activity. While they should not alone be taken as evidence that fraud is occurring, as there may be other legitimate explanations for the occurrence of these indicators, these indicators can be a powerful part of risk assessment. As you will see, fraud indicators are inherently interrelated. There are two main categories of fraud indicators accounting anomalies and analytical symptoms. First, let's talk about accounting anomalies. These are unusual conditions or events that don't look right. Anyone who is paying attention can notice these, so let's look at a few common examples. First, fake suppliers or vendors. In these cases, a fraudster sets up an account for a dummy supplier or vendor in the system, like SAP. The names they use are very similar to the real company name, so it's harder to detect. A slightly different spelling is all it takes to divert funds from the real vendor to the dummy supplier. Second, logbooks, purchase orders, or other documentation with sequential numbering that are out of sequence compared to their dates. This may indicate that the documentation has been forged or altered. Third, purchasing documentation may be missing pages, or missing page numbers so you can't tell that some pages are missing, or documentation may be missing altogether. And fourth, expenses that don't align with a particular department's typical purchases. You may notice a sharp increase in expenses in a department, or lots of one type of purchase, or items that have never been purchased by that department previously.

Slide 22 – Analytical Symptoms

Fraud Indicators

Analytical Symptoms

- **Split** purchases to avoid exceeding procurement card limits
- **Odd** or rare transactions
- **Transactions** processed **after hours**
- **Shipments** to home
- **Even** dollar amount totals
- **Odd** practices
- **Lack** attention to detail



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Analytical symptoms are also easy to spot if you are paying attention. A few of the more common irregularities include split purchases to avoid exceeding procurement card limits though improper in and of itself, this can be an indicator of fraudulent purchases. Odd or rare transactions, such as a large volume of returns or refunds. Transactions that are processed after hours, on holidays or on weekends. Shipments to home addresses. Totals that are even dollar amounts, like \$10 or \$20. While most legitimate procurements involve dollars and cents, \$10.27 or \$20.49 fraudsters must create a lot of fictitious data in a short period of time, fraudsters must create a lot of fictitious data in a short period of time, so they often make the mistake of using even dollar amounts because it's faster. Odd practices such as when someone insists that they are the one that pull together the documentation to route for approvals when someone refuses to take vacations and then insists on those odd workflows, it's an indicator of fraud. Or the employee who used to provide detailed documentation in perfect order is suddenly turning in sloppy reports that lack the attention to detail they once had.

Fraud Indicators

Contracts



1. Repeated awards to **same entity**
2. Awards to **non-lowest bidder**
3. Numerous **post-award** contract change orders
4. Contract **scope changes**
5. Urgent need or **sole source**
6. Multiple contracts awarded below **competitive threshold**



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Taking these a step further, here are some things to be cautious of with contracts. One, repeated awards to the same entity can indicate fraud, as it could mean there is some price fixing happening. Two, when awards don't get awarded to the lowest bidder, it could indicate a problem. This is likely to lead to a lot of complaints from bidders, so if you are fielding a lot of complaints, look more closely, as there may be a valid albeit improper, reason for their complaints. Three, numerous post-award contract change orders can indicate fraud, as the bidder may have bid low to get the award with the intent of getting their money through change orders. Four, the same goes for contract scope changes, which allow the bid price to change. Such changes should be rare and well-documented. Five, be wary of sole source contracts. It is exceedingly rare for a vendor to truly have no competition, so just make sure the reason for the sole source contract is well documented. And six, multiple contracts that get awarded to the same vendor that together total just below the threshold that necessitates a competitive bid. Such activity is often done to avoid the bidding process, which can be an indicator of fraud.

Fraud at UK

Noted by UK Internal Audit



Deposit Theft
(cash larceny)



Extravagant Purchases
Using Procard (red flag)



Revenue Diversion
(skimming)



Fuel Theft
(non-cash
misappropriation)



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As previously mentioned, asset misappropriation is the most common form of fraud here at UK. Specific examples from UK Internal Audit include, deposit theft, or cash larceny revenue diversion, where someone was skimming. An extravagant procurement card purchase where an employee purchased a \$2,000 bottle of champagne, at an out-of-state club. A faculty member who went to the motor pool to refuel their motor pool vehicle and their spouse pulls up in their personal vehicle and they gassed up their personal vehicle as well. And as is usually the case when something like that happens, it was just the tip of the iceberg. When Internal Audit investigated it, they found that the employee was also involved in grant fraud.

Slide 25 – Concealing

Occupational Fraud

Concealing

How Occupational Fraud Is Concealed

Understanding the methods fraudsters use to conceal their crimes can assist organizations in more effectively detecting and preventing similar schemes in the future.

..... TOP 4 CONCEALMENT METHODS USED BY FRAUDSTERS

Method	Percentage
Created fraudulent physical documents	40%
Altered physical documents	36%
Altered electronic documents or files	27%
Created fraudulent electronic documents or files	26%
Did not involve any attempts to conceal the fraud	12%

12% did not involve any attempts to conceal the fraud

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As we noted earlier, fraud involves a deliberate attempt to conceal, but how do the fraudsters do it? 40 percent created false physical documents, 36 percent altered existing physical documents, 27 percent altered electronic files, and 26 percent created fraudulent electronic files. These numbers exceed 100 percent because most use more than one method to conceal their fraud. But 12 percent did not involve any attempts to conceal the fraud. That means there was significant opportunity to get away with it or contributing factors.

Slide 26 – Course Summary

Course Summary

- What **fraud** is and how much it **costs** organizations each year
- The different **types of fraud** and **fraud schemes**, and which ones are most prevalent in **higher education**
- Fraud **indicators**
- Contributing **factors**



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In review, we've explained what fraud is and how much it costs organizations each year. We've gone over the types of fraud schemes you are most likely to encounter here at UK. We've shown you fraud indicators that you can be watchful for, and we discussed the contributing factors that make fraud more likely. In the next Financial Foundations training program course, Internal Controls, we'll go into detail on how to create a strong internal control environment that will be a powerful disincentive to perpetrate fraud.

Reporting Fraud at UK

If you suspect fraud in your area, you can report it anonymously:



- **UK Comply Line**
 - Phone: 877-898-6072
 - Website:
<https://www.uky.edu/legal/report-ethical-issue>
- **UK Internal Audit Contact form**
 - <https://www.uky.edu/internalaudit/form/notify-internal-audit>



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Now that you know how to identify it, we want to make sure you know how to report it should you suspect fraud is happening in your area. First, you can call the UK Comply Line at 877-898-6072 or you can complete the online Comply Line form at [uky.edu/legal/report-ethical-issue](https://www.uky.edu/legal/report-ethical-issue). Another option is to go to the UK Internal Audit Contact form. That link is [uky.edu/internalaudit/form/notify-internal-audit](https://www.uky.edu/internalaudit/form/notify-internal-audit). All three options are completely anonymous, though you can opt to give your name and contact information should you be willing to be contacted for more information. Thank you for doing your part to protect the university from fraud.

Slide 28 - Check for Understanding



Financial
Foundations

Fundamentals of Fraud Prevention

Check for Understanding



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Now that we have reviewed fraud prevention there are eight questions for you to answer in an effort to help you solidify your knowledge on this topic. Please read each question, select your answer, and click submit.