

# PREVENTING AND DETECTING PROCUREMENT FRAUD (Procurement Fraud Audit with Analytics)

## COURSE DETAILS

**Schedule:** November 4, 5, 6, 7 and 8, 2024

**Duration:** Five half-day sessions

**Time:** 8:00 am to 12:00 noon per session day

**Knowledge Level:** Intermediate

**Competency:** Governance, Risk and Control; Ethics; Internal Audit Delivery

**Delivery Format:** **Online Training through Zoom**

**Position Level:** Internal Auditors; Procurement Staff, Bids and Awards Committee members, Accounting and Finance Personnel, Operations Personnel, Risk and Compliance Officers, and Management personnel handling control responsibilities over procurement

**Fee:** Php 9,408.00 per participant inclusive of VAT

## COURSE OBJECTIVES

At the end of the seminar, the participants will be able to:

- Understand fraud concepts, fraud risks and controls as it relates to the procurement process
- Learn how to assess or advise management on the establishment of a strong procurement fraud prevention program
- Learn how to detect common procurement fraud schemes and determine the appropriate investigation or fraud examination approach
- Apply common data analysis tools to make the fraud audit work more efficient; and
- Provide value adding recommendations to strengthen the overall governance, transparency, and risk management in the procurement process

## COURSE OUTLINE

- I. Basic Fraud Concepts
  - a. ACFE Fraud Survey
  - b. Why auditors fail to identify fraud
  - c. Why fraud occurs in an organization (i.e., Fraud Triangle / Diamond)
- II. Warning Signs or Red Flags
  - a. Top 10 – Personal Characteristics (ACFE)
  - b. Top 10 – Survey of Internal Auditors
  - c. Top 10 – Survey of External Auditors

III. Risk Management in the Procurement Process

- a. When should I complete a risk management plan?
- b. Whose responsibility is it?
- c. Principles of managing risk
- d. Risk management process
- e. Common procurement risk areas

IV. Fraud Management Program

V. Potential Risks in the Procurement Process

- a. Identifying the need and planning the purchase
- b. Developing the specification
- c. Selecting the purchase method
- d. Accomplishing the purchasing documentation
- e. Inviting, clarifying, and closing offers
- f. Evaluating offers
- g. Selecting the successful tenderer
- h. Conducting negotiations
- i. Adopting contract management
- j. Evaluating the procurement process
- k. Conducting disposals

VI. Contract and Procurement Fraud

- a. Elements and Phases of a Contract
- b. Common Fraud and Detection Techniques in Pre-solicitation Phase
  - i. Determining needs schemes
  - ii. Bid specification schemes (e.g., poorly written specifications, vague specifications, agreement to amend contracts)
- c. Common Fraud and Detection Techniques in Solicitation and Negotiation Phase
  - i. Bid submission scheme
  - ii. Bid rigging scheme (e.g. bid rotation, bid suppression, complementary bids, phantom bids)
- d. Common Fraud and Detection Techniques in Contract Performance and Administration Phase
  - i. Product substitution schemes
  - ii. Mischarges (e.g. accounting mischarges, material mischarges, labor mischarges)

VII. Fraud Tools and Investigation Engagements

- a. Fraud Tools
- b. Fraud Engagements
  - i. Fraud Agreed-upon Engagements
  - ii. Fraud Examination

1. Analysis of financial transactions
2. Analysis of physical and electronic evidence (e.g. document analysis, computer forensics, data analytics)
3. Interview of persons of interest
4. Public document review and background investigation

VIII. Applying Data Analysis in Procurement Fraud Examination

- a. Sample of Contract and Procurement Analysis
  - i. Spending analysis
  - ii. Pattern analysis
  - iii. Digit analysis
  - iv. Time analysis
  - v. Price analysis
- b. Case 1: Divide and Conquer
- c. Case 2: Vini, Vidi, Vici

## REGISTRATION

To register, please consider either of the following options:

- Option 1: Please visit CIASP website, [www.ciasp.com.ph](http://www.ciasp.com.ph). Click on the "Register" button for the seminar on **Preventing and Detecting Procurement Fraud**. You will be directed to an online Google form. Please fill in your details on the form and click 'Submit.' We will acknowledge your registration as soon as practicable.

Or click here to register:

<https://docs.google.com/forms/d/e/1FAIpQLSc8EaMwUocENCEZ8Vo3TdQ5A7-2z30LyZqZruwH2dISNFiUWw/viewform>

- Option 2: You can email or communicate with us through [information@ciasp.com.ph](mailto:information@ciasp.com.ph) and/or [centerforinternalauditservices@gmail.com](mailto:centerforinternalauditservices@gmail.com). Please provide your full contact details (full name, organization, designation, email address, office phone and mobile phone).

We will provide billing invoice upon receipt of the registration.

## FEES AND PAYMENT DETAILS

- Regular Rate - Php 9,408.00 inclusive of VAT.
- Limited slots. Guaranteed seats will be given to those with paid registration.
- Payments can be made in **cash or check**.
- Payment should be deposited to any BPI branch. Payment can also be done through online funds transfer (e.g. PesoNet, GCash, Maya, InstaPay, bank wire transfer, etc.). CIASP bank account details are:
  - Bank of the Philippine Islands (BPI)
  - Current Account Number: 1621-0070-72

- Account Name: Center for Internal Advisory Services Philippines Inc
- SWIFT Code/BIC: BOIPHMM
- For GCash transfer – bank: BPI; payee: Ciasp; account number: 1621007072
- For check payment, please make it payable to the account name.
- Payment through **credit card or debit card** (Mastercard, Visa, Amex) through Paypal also accepted.
- Please email scanned copy or picture of deposit slip or online transfer form so we could confirm receipt and provide the relevant seminar details and procedures.

## OTHER SEMINAR DETAILS

- Seminar Inclusions:
  - Attendance to the webinar sessions
  - Link/access to the google drive for the seminar materials
  - Certificate of completion
- Delivery Mode:
  - Webinar through Zoom
- Resource Speaker/Facilitator
  - Allan A. Palacio; Vice-President, CIASP
- Time Schedule for the Webinar Sessions
  - 8:00 am to 12:00 noon per session day

## CONTACT DETAILS

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## SPEAKER PROFILE



**ALEJANDRO "ALLAN" A. PALACIO, CPA**

Allan is a highly experienced fraud audit and data analytics professional using Excel, Tableau, ACL and IDEA. He has worked on various high profile fraud audit cases and operational projects requiring the use of data analytics and accelerated reporting process to include:

- Php 40 million project involving the cleansing of SAP database for a certain multinational Company
- Php 20 million project involving the investigation of a massive bank fraud totaling Php14 billion.
- Php10 million project involving the validation of the attendance of over 15,000 personnel and reconstruction of payroll for a multinational Company involving 500 thousand data.
- Php 8 million project involving the validation of sources and uses of donor funds covering over 10 years of data
- Php 3 million project regarding the investigation of an alleged procurement fraud committed by a certain US federal service contractor involving over 12 million data spanning across 10 years of transactions
- Php 3 million project involving the reconstruction of insurance receivables of certain companies totaling over Php200 million

His passion for teaching and developing seminar courses led to the conduct of best-selling seminars on various topics such as data analytics, risk-based auditing, fraud audit, ERM and audit tools.

Allan served as the Professional Development Manager of Institute of Internal Auditors Philippines in 2014. Prior to this, he was with Grant Thornton Vietnam as Senior Manager for Advisory Services where he established the firm's Business Risk Services practice focusing on enterprise risk management, IT services, fraud and forensic, internal audit and consulting. He was also with Grant Thornton Philippines (Punongbayan & Araullo) as managing consultant. His diversified experience in delivering advisory services to various companies in different industries provided him with a unique perspective that he will share with the seminar participants.

Allan is also a board topnotcher (6th place in the May 2003 CPA exam) and continues to keep in touch with the academe by being a CPA review lecturer at PSBA – Quezon City. He is a highly sought after speaker on data analytics, fraud and computerized audits. He had previous speaking engagements at various organizations such as Information Systems Audit and Control Association (ISACA) Manila, Institute of Internal Auditors Philippines (IIAP), Center for Global Best Practices, Grant Thornton Vietnam and Cambodia, Association of Chartered Certified Accountants Vietnam, and International Data Group Cambodia.