

## **Fraud Prevention in Procurement and Contracting**

### **Summary**

All business entities have fraud risks. But exposures in procurement and contracting often top the list of what can go wrong. Among the many fraud risks that must be proactively managed is the possibility that third-party suppliers and contractors will take unfair advantage of the relationship, commit wrongful acts or outright fraud, and entice employees into questionable practices.

This program addresses the fraud risks inherent in procurement and contracting, and will present solutions for managers, employees and auditors interested in guarding their organizations against the costs and other negative consequences of misconduct and fraud. Short on theory and long on practical ideas, the program will give participants the tools and techniques they need “on the job”. Case examples will highlight not only what can go wrong, but also what participants can do about it in their own organizations.

### **Learning Objectives**

In this “how-to” course for management, staff and audit professionals, you’ll:

- Identify real world examples of fraud in procurement and contracting
- Discover the advantages and disadvantages of lump sum, cost-plus, T&M, and unit pricing deals
- Recognize examples of fraud in bidding, awarding contracts, subcontracts and change orders
- Explore how to create and maintain an anti-fraud procurement environment
- Manage fraud and other overcharge risks in construction contracting and billing

### **Program Content**

Although all programs are tailored based on client input, suggested topics include:

- Example fraud schemes and red flags in procurement and contracting
- Benefits and risks of sole-source and long-term vendor relationships
- Fraud risks unique to construction contracting and billing
- Exposures in change orders and pricing
- How to screen potential suppliers and contractors
- Effective audit steps for procurement and contracting
- How to implement a Vendor Assurance Program
- Steps for dealing with possible collusion, bid rigging and price fixing

### **Instructional Method, Program Length and Continuing Education Credits**

This program uses a combination of lecture, discussion and exercises, and is offered in either a one-day or tailored two-day format. Shorter sessions targeting specific risks are available. In accordance with the standards of the National Association of CPE Sponsors, Continuing Professional Education credits will be granted based on a 50-minute hour. National Registry of CPE Sponsors ID Number: 108226

<b>Program Level:</b>	Intermediate
<b>Prerequisites:</b>	None
<b>Advance Preparation:</b>	None. A working knowledge of procurement and contracting management or related audit practices is helpful but not required.
<b>Delivery Method:</b>	Group-Live
<b>Field of Study:</b>	Accounting or Auditing, depending on tailored program focus
<b>Recommended CPE Credits:</b>	2 to 16 credits, depending on actual length

