



Economic Crime & Forensic Auditing Seminar – South Africa

2nd – 13th May 2015

**Economic crime & forensic auditing
are you prepared?**



The extent of the problem, and way forward

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Perspective



How much do you estimate is the risk of economic crime today?

Perspective ...



“Economic crime is a big cost to the world. ACFE estimates an annual loss of US \$ 3.5 Trillion to the global economy”, RTTN 2012



Forms of economic crime...



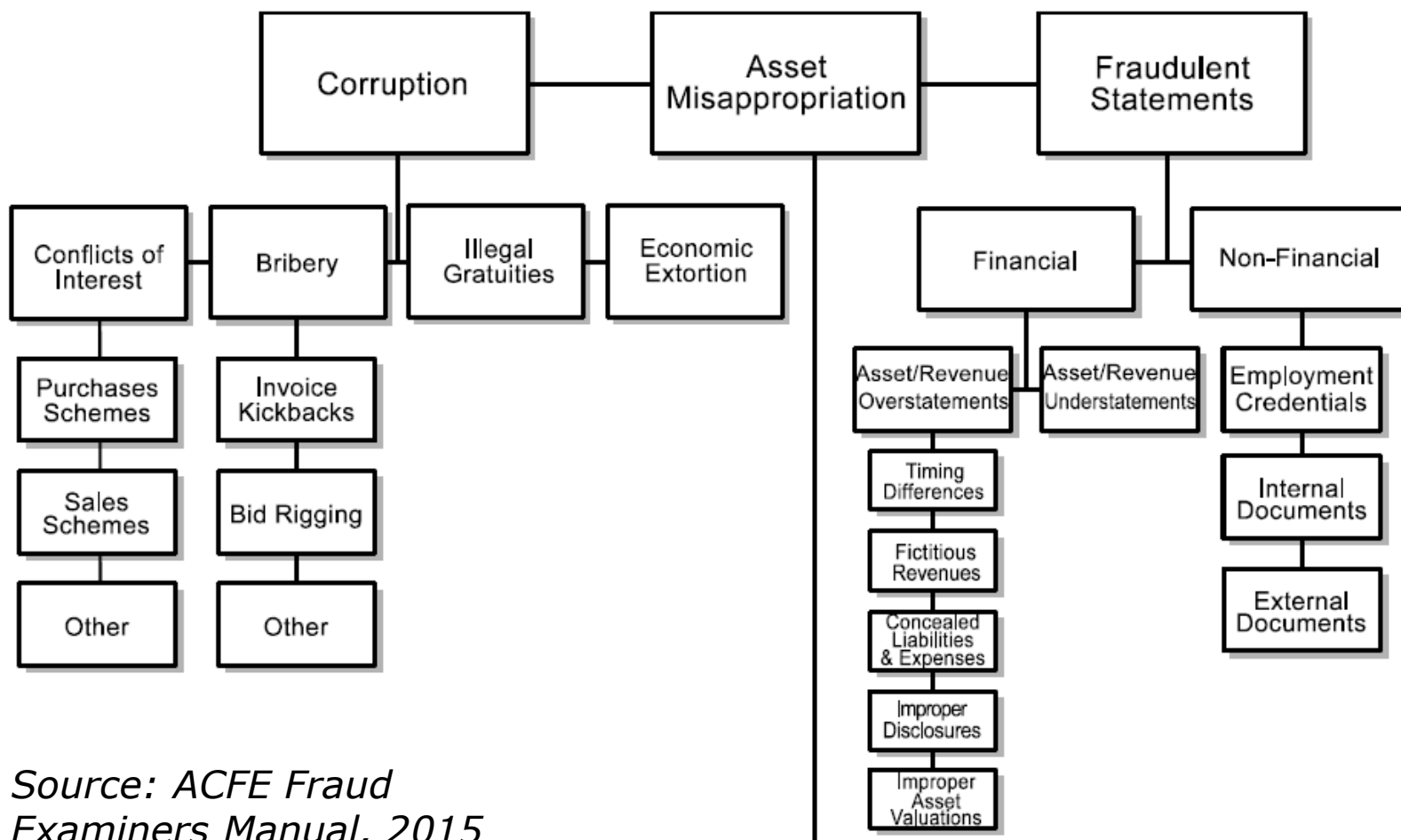
Occupational Fraud and Abuse



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

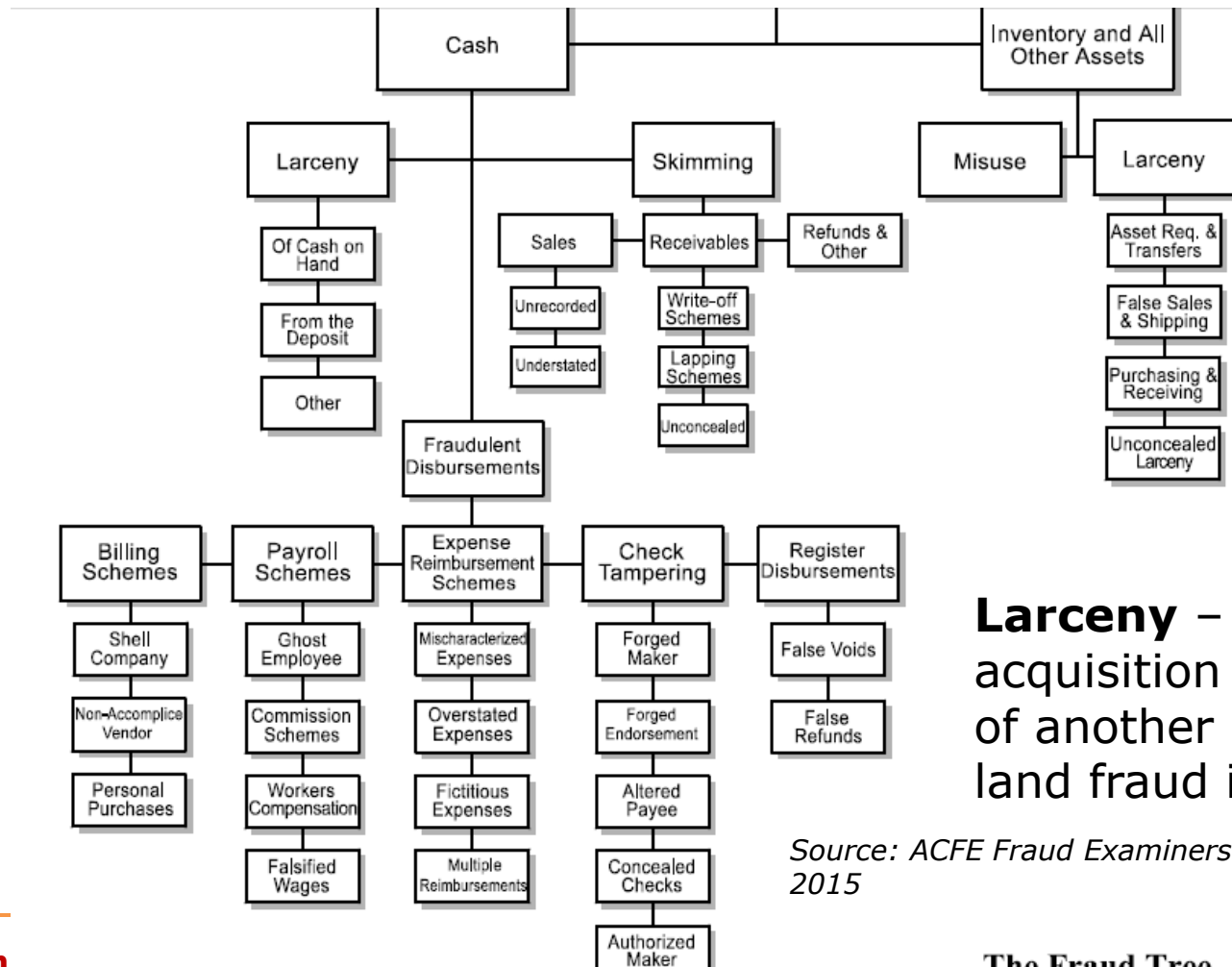
14.3 E.g. **Corruption**, Asset, Misappropriation, and Fraudulent Statements

Economic crime tree



Source: ACFE Fraud Examiners Manual, 2015

Economic crime tree



Larceny – wrongful acquisition of property of another person e.g. land fraud in Uganda.

Source: ACFE Fraud Examiners Manual, 2015

Extent of the problem...

“An average organization loses about 5% of its annual revenue to fraud”, *ACFE Report to The Nations 2012.*

ACFE Uganda survey in 2013 revealed banks & telecoms lose 15-25% of annual revenue to fraud!

Total annual revenue (all Uganda banks) in 2011

1.94/- Trillion

Average cost of fraud to each bank in Uganda

**Ugx. 4
billion annually!**

More economic crime,

- Counterfeit intellectual property and products sold as genuine
- Money laundering, etc.
- Data-compromise fraud
- Embezzlement
- Insider dealing/market abuse
- Insurance fraud
- Lending fraud
- Payment card fraud
- Procurement fraud

Q&A



Thank you!

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