COURSE SYLLABUS

Detection and Prevention of Fraud for Investigators

Explore the legal statutes on fraud. Learn both the legal and layman's definitions of fraud, and the nature, causes and types of white-collar crimes. Become familiar with your professional audit responsibilities for designing audit procedures to detect fraud. Discover the role of internal controls and supervision in preventing fraud and become familiar with audit procedures proven effective in detecting fraud. Discuss the role of auditors in reporting illegal acts and working with investigators to prosecute fraud. Practice fraud detection methods in case exercises. This course is part of the Certified Government Auditor (CGA) program, Level 1.

> Group classes (Live Online) and onsite training are available for this course. For more information, email onsite@graduateschool.edu or visit: https://sdfm.graduateschool.edu/courses/detection-and-prevention-of-fraud-for-investigators



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Course Outline

Module 1: Understanding Fraud

- Differentiate fraud from waste and abuse; define the five elements of fraud.
- Survey common fraud schemes by officials, vendors/contractors, and program beneficiaries.
- Review major criminal and civil statutes related to fraud (e.g., false statements/claims, mail & wire fraud).
- Introduce prevention and detection tools investigators can apply in varied program contexts.

Module 2: Audit Standards and Guidelines

- Outline government audit types under GAGAS (financial, attestation, performance) and CIGIE standards.
- Explain forensic audits and when they’re appropriate.
- Detail investigators’ responsibilities for assessing and responding to fraud risks (AU-C Section 240 [SAS No. 122], GAGAS - 2024 Revision).
- Clarify reporting expectations, including IG Act requirements and communication with stakeholders.

Module 3: Fraud Prevention

- Strengthen deterrence through timely investigations, consequences, and hotline awareness.
- Design and evaluate internal controls using GAO's Green Book (Standards for Internal Control in the Federal Government) and its five components, including control activities such as segregation of duties, approvals, and supervisory review.
- Leverage unannounced audits and continuous monitoring to reduce opportunities for fraud.
- Promote ethics, training, and governance practices that build a strong control environment.

Module 4: Fraud Detection

- Apply technology and analytics (comparison tests, computer matching, trend analysis) to flag anomalies.
- Use cash-flow and net-worth methods to surface hidden income or loss.
- Conduct inventory cut-off tests and physical counts to verify existence and condition of assets.
- Triage and investigate tips from hotlines; distinguish error from intentional misconduct.

Module 5: The Investigative Process

- Plan investigations based on risk indicators; scope steps to confirm whether fraud likely occurred.
- Gather evidence lawfully and effectively (records, interviews), observing employee rights and warnings.
- Coordinate with auditors, counsel, and prosecutors; align with rules of evidence and agency policy.
- Document findings and prepare referrals or reports that support corrective action and accountability.