

Procurement Fraud Seminar 2009

--- Protecting your business from procurement fraud through effective prevention, detection and investigation

9th & 10th July, 2009

Renaissance Shanghai Yuyuan Hotel



Why This Seminar?

No business is immune to fraud. Usually procurement is a highly risky area to which internal auditors, heads of procurement and legal professionals pay special attention. Report indicates the procurement function of an enterprise is the area being targeted second most by fraudsters. And according to recent statistic, 56 percent of the senior executives in Asia feel most vulnerable to procurement fraud, ranging the top three of all types of fraud.

However, preventing, detecting and investigating procurement fraud is never an easy job. Fraudulent activities through collisions between internal staff and/or external service providers are particularly difficult to spot and investigate without special tools, skills and experiences. In this seminar, fraud hidden in procurement will be examined and analyzed. Best practices shared by seasoned speakers are guaranteed to inspire your investigative work and arm you with useful tools and skills.

Who Should Attend

- Internal Audit Director/Audit Manager/Internal Auditor
- Purchasing /Procurement Director/Manager
- Internal Control
- Chief Investigator
- CFO/Finance Director/Manager
- Legal Director/ Legal Counsel
- Compliance Manager
- Contract Manager
- Consultant

Why You Can't Miss?

Network and learn from your peers of global leading companies

- Updated with the latest case study on how to optimize your procurement process
- Master know-how on finding the right vendor through bidding process
- Learn what should you do to manage your contracted vendors to prevent any possible collusion of misconduct
- Improve the ethics awareness of your procurement staff and suppliers by conducting successful people management

In-depth workshops by industry experts

- Learn how to set up an effective internal control system from procure to pay
- Understand what an effective fraud risk assessment will benefit your company
- Grasp the skill of securing and collecting fraud evidence through forensic accounting
- Examine the whole fraud investigation process from start to finish

Diversified forms with more interaction

- Dialogue: Find out what is the role of procurement and internal audit and how can they cooperate with each other for early prevention
- Open forum: A series of topics regarding, reporting system, conducting internal audit, dealing with white collar crime and management fraud will be discussed
- Panel discussion: Armed with the tools and skills shared by experienced panelists regarding detecting suspicious

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8.30 Registration

8.50 Opening remarks from the chair

9.00 Optimizing your procurement process to create a fair and transparent business environment

- Stages of procurement process where fraud is most likely to occur
- Types of employee fraud related to the procurement process
- Elements of a good procurement & competitive bidding process
- Procurement process optimization case study

Randy Gu, Asia Alliance and Procurement, Digital Capture and Device, Kodak

Procurement VS Internal Audit

9.45 An ounce of prevention is worth a pound of cure----Establishing an early warning system for better prevention

In the battle against procurement fraud, head of procurement and internal auditor are taking the most important role. In this session, the head of procurement and internal auditor from different companies will hold a dialogue on how to cooperate with the other party in their respective company to improve the procurement process and internal control system regarding the following aspects:

- Respective role and responsibility of procurement and internal audit
- What are the interactive points between their obligations?
- Building a cooperative assurance relationship between them

*Participant: Michael Fan, Non Production Purchasing Manager Asia Pacific, Schneider Electric
Li Peng, Senior Sourcing Director of Asia Pacific, Doosan International
Kimberly Phoon, Senior Investigation Manager, Microsoft
Lu Jianhua, Investigation Manager for China, Motorola*

10.45 Refreshment and networking break

Workshop A

11.00 Implementing an effective internal control mechanism from procurement to payment to mitigate fraud risks

- Do we have the proper controls in place?
 - Segregation of duty and authorization control
 - Vendor due diligence
 - Review and approval of procurement application
 - Receiving control
 - Payment control
 - Proper job rotation
- Case studies of commonly recognized contract and procurement fraud schemes
 - Examples and identification of red flags
- Role of accounts payable data analytics

Diana Shin, Partner, Partner, Fraud Investigation & Dispute Services, Ernst & Young

12.30 Lunch

14.00 Vendor selection----Finding the right vendor through bidding process

- Proactive/compliant vendor management in bidding process
 - What to prevent, improve, and change
 - What to prevent: Fraud types vs. signals
 - What to improve: War against fraud
 - What to change: Compliance and growth
 - What is beyond vendor management
- Phoenix Wei, Indirect Global Commodity & APAC Region Sourcing Director, GE Energy Infrastructure*

14.45 Managing your contracted vendors to prevent any possible collusion of misconduct

- Signing agreement with contracted vendors regarding vendor ethics
- Detecting any potential conflict of interest between internal staff and vendors
- Building a solid and true collaborative partnership with your vendors
- Examining the goods and service provided by vendors according to the contract

Yang Xianghong, Purchasing Director for China, AkzoNobel

15.30 Refreshment and networking break

Workshop B

16.00 Detecting red flags----Implementing an effective fraud risk assessment program for procurement vulnerabilities

- Understanding procurement phase and the violation percentage in each stage
- Common deviations
 - Submission of falsified documents
 - Manipulation of the procurement process
 - Conflict of interests
 - Fraudulent requests for reimbursement
 - Misrepresentation
 - Breach of confidentiality
- Prioritizing fraud risks for better concentration of control measure
- Corresponding prevention methods according to the red flags

Violet Ho, Managing Director, Kroll

17.30 Remarks from the chair and the end of day one

8.30 Registration

8.50 Opening remarks from the chair

9.00 Conducting successful people management on supplier and procurement staff to raise their awareness of ethics

- Hiring the right people through staff screening
- Proposing suggestions on relative ethics and fraud regulations
- Developing fraud awareness training on supplier and procurement staff
- Putting up employee notices regarding ethics

Steven Dai, Asia Pacific Strategic Sourcing Director, Tyco Fire & Security

Panel Discussion

9.45 Detecting suspicious fraud to eliminate risks in the early period and minimize the loss on the company

When a fraud comes to light, the typical reactions range from asking how it happened, what the loss is, who are involved, to why it had not been spotted earlier. Therefore, early detection will do a great benefit to the company. In this panel discussion, our panelists will share their experience on detecting fraud.

- Setting up fraud risk assessment model
- Should you conduct internal audit or involve external audit?
- Utilizing Data mining and data analysis approach to detect fraud
- Looking behind the numbers for potential fraudulent conduct

Panelist: Kris Lee, Manager, Fraud Investigation Services Asia Pacific, Dow Chemical
Nelson Yeung, Head of Fraud Risk Management, Standard Chartered Bank
Kelvin Yuan, Internal Auditor for China, DSM

10.45 Refreshment and networking break

Workshop C

11.00 Conducting an effective and comprehensive fraud investigation to combat procurement fraud within your organization

In this workshop, our expert will share with you the key factors of an effective investigation from the start to finish in the following aspects:

- Addressing the timing, scope, and viability of the investigation
- Dealing with whistleblowers, informants and witnesses
- Data protection, privacy, confidentiality and privilege issues
- Interviewing skills

Guided by the workshop leader, the session will enable delegates to test out the method to conduct an investigative interview and interrogation on the "suspect" with role play.

Also, our expert will present a Case study on a "real-life" procurement fraud case and participants are guided through the entire investigation process. After that, you may raise any questions that related to procurement fraud, our workshop leader will offer his advice on how to deal with that.

Speaker from Diaz Reus

12.30 Lunch

Workshop D

14.00 Cracking the hard nut----Collecting fraud evidence through forensic accounting

- Securing and collecting the evidence by computer forensics
 - Emails
 - Documents and files that may be hidden, password protected, or encrypted
 - Files that have been generated from the operating system
 - Databases of all user input and activity
 - Recently opened, accessed, created or deleted files, and
 - Online activities, including Internet banking transactions
- Gathering additional evidence through interviews
 - Interview dos and don'ts
 - What to be asked and what material refer to

Specially Reserved for Accounting Firm

15.30 Refreshment and networking break

Open Forum

16.00 What if procurement fraud happens?

When evidence shows that procurement fraud is discovered in your company, how should you respond to it? In this session, our facilitator and all of our delegates will discuss the following issues:

- What is the suitable reporting system that company should establish?
- If you are head of procurement, how can you better cooperate with internal auditor for the following issues
- How should company conduct internal audit?
- When should an external audit involve?
- How to deal with white collar crime and management fraud?

Facilitator: Carmina Herbosa, Director of Internal Audit, Whirlpool Asia Pacific
Ray Yu, Asia Pacific Sourcing Director, Honeywell Transportation System
Clare Mao, Associate Director, Greater China, Global Procurement, MSD

17.00 Remarks from the chair and close of the conference