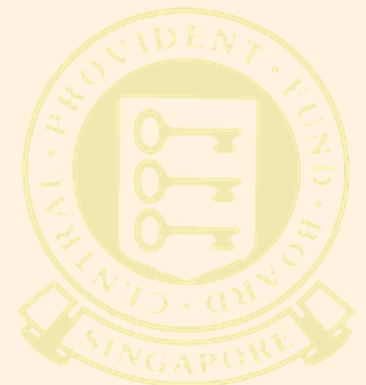


FRAUD PREVENTION & CONTROL

Central Provident Fund Board, Singapore



Agenda

- Importance of Fraud Control
- Fraud Control Policy
- Fraud Management Framework
- Challenges and Lessons



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Importance of Fraud Controls

Geographical Location of Victim Organizations

Region*	Number of Cases	Percent of Cases	Median Loss (in U.S. dollars)
United States	778	57.2%	\$120,000
Asia	204	15.0%	\$195,000
Europe	134	9.9%	\$250,000
Africa	112	8.2%	\$134,000
Canada	58	4.3%	\$87,000
Latin America and the Caribbean	38	2.8%	\$325,000
Oceania	35	2.6%	\$300,000

** Association of Certified Fraud Examiners 2012 Report to the Nations*



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1 in 7 fraud cases are in Asia*



** Association of Certified Fraud Examiners 2012 Report to the Nations*



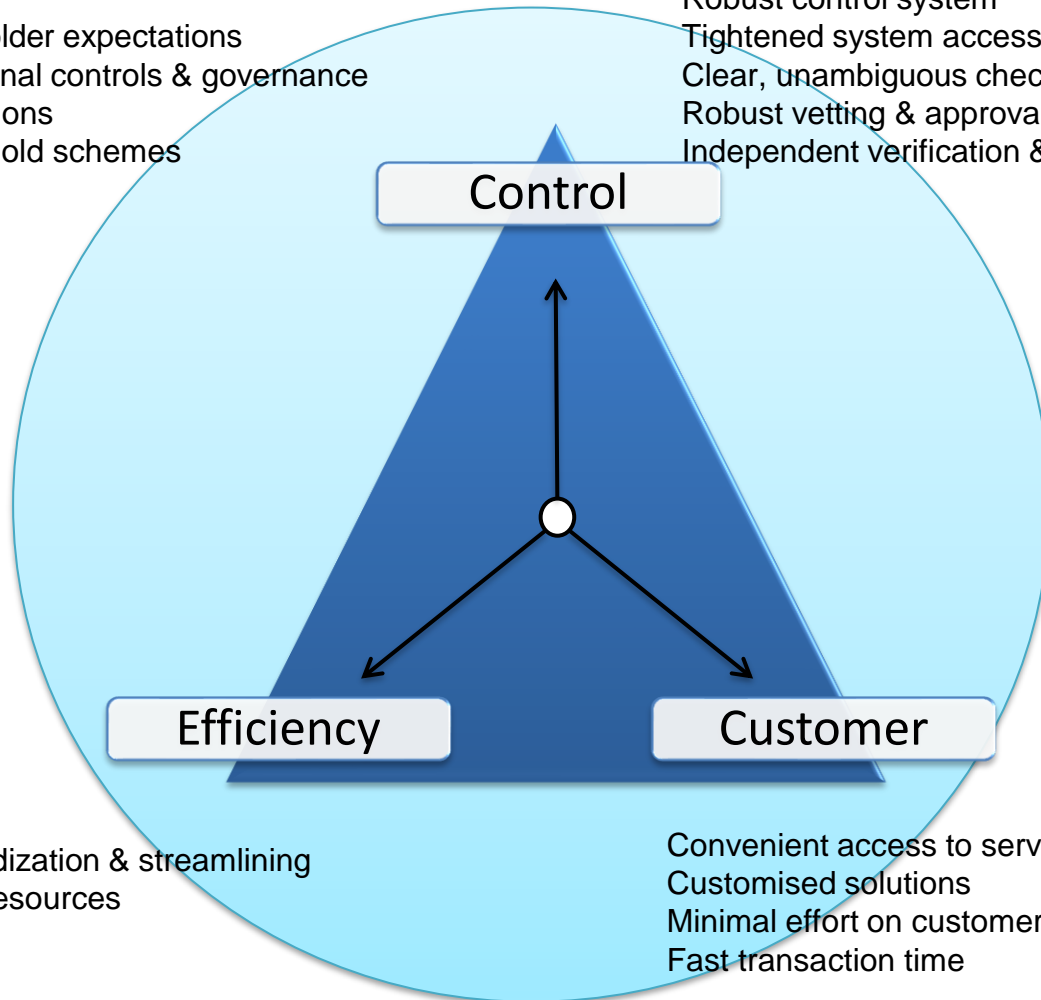
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Operating Landscape

Complexity

Changing stakeholder expectations
Emphasis on internal controls & governance
Customised Solutions
Grandfathering of old schemes

Robust control system
Tightened system access
Clear, unambiguous checks & controls
Robust vetting & approval process
Independent verification & assurance



Process standardization & streamlining
Lean operating resources

Convenient access to services & products
Customised solutions
Minimal effort on customer end
Fast transaction time

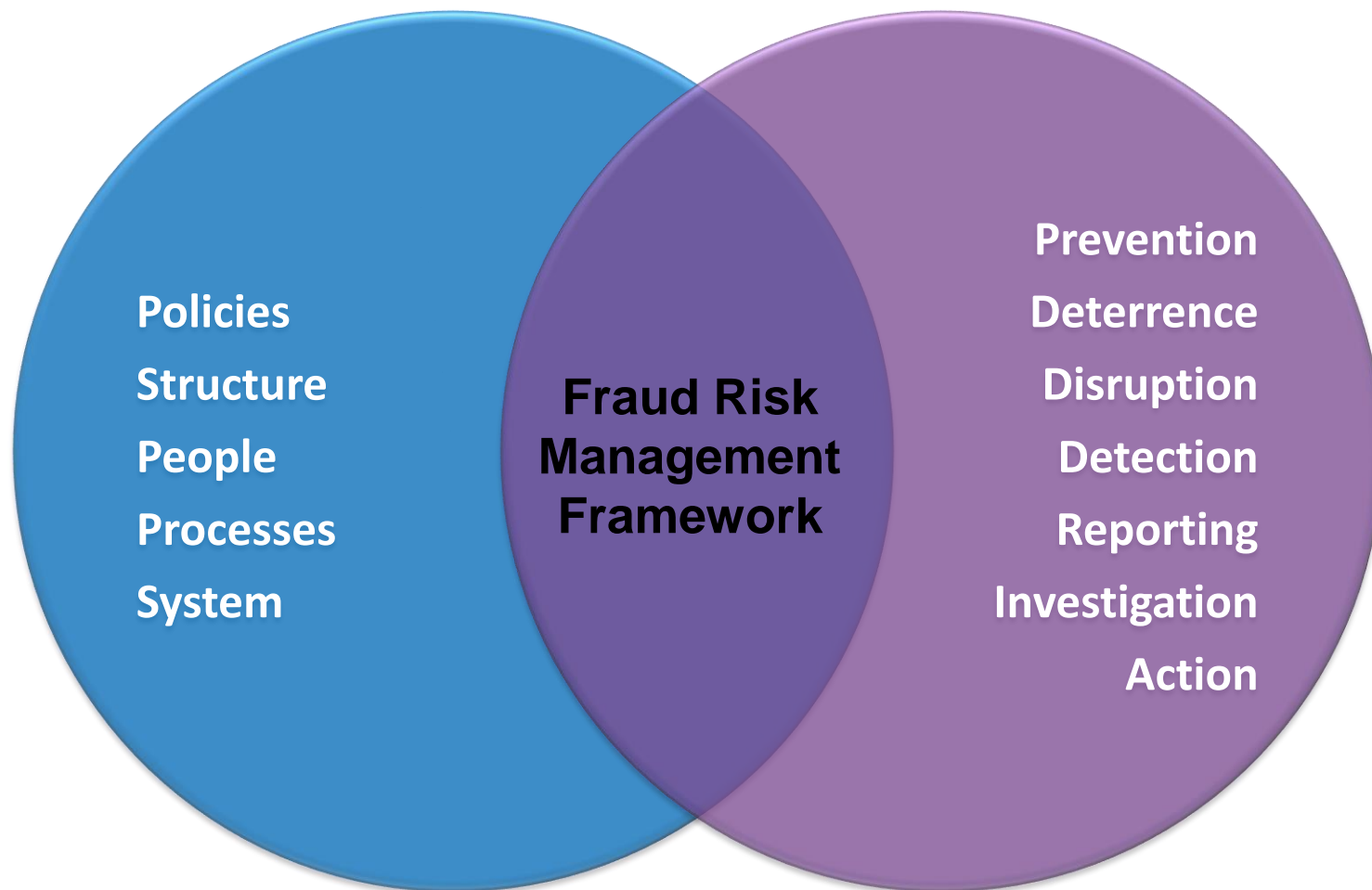


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Aspects of Business

Strategies of Fraud Controls



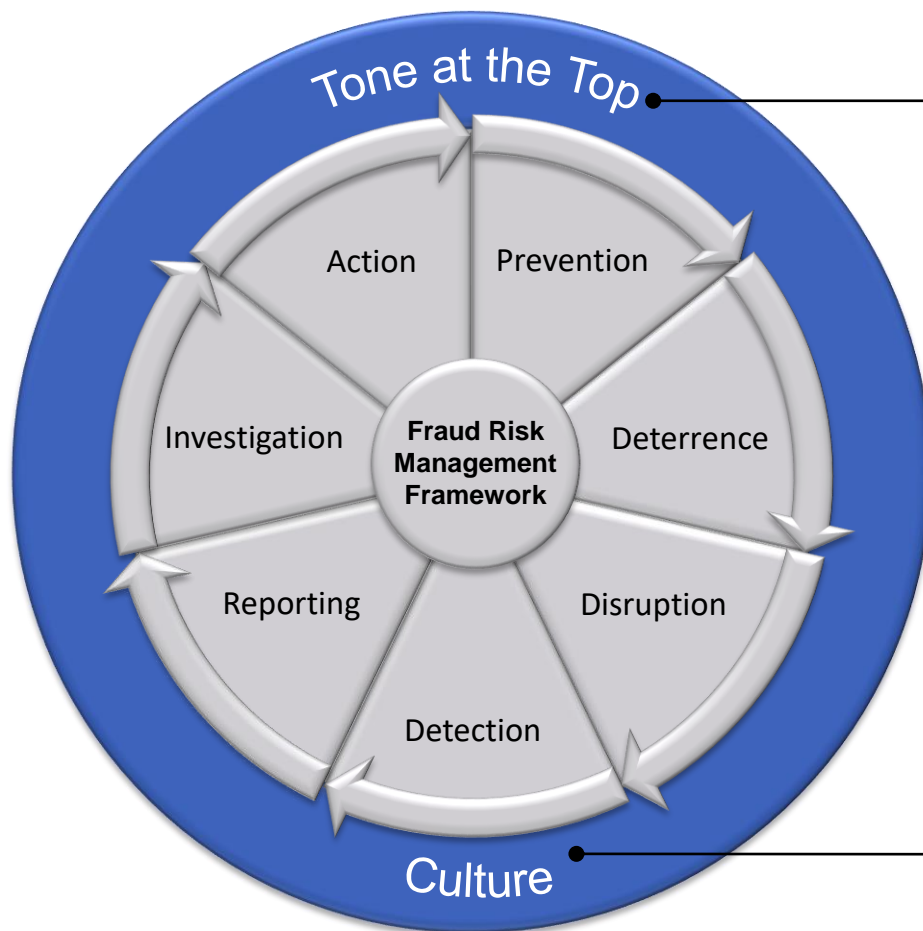
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- Set the tone that reflect the desired culture
- On-going communications
- 'Walk the Talk'

Fraud Control Policy

Anti-fraud culture based on integrity & ethics



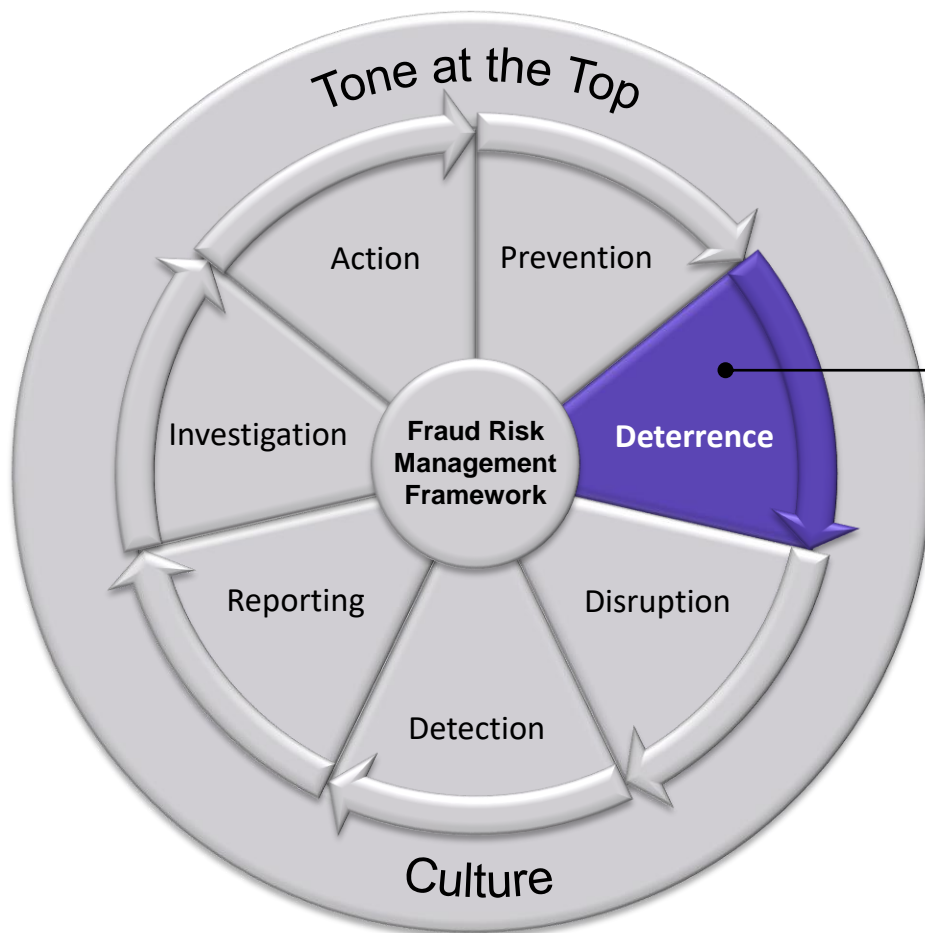
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- Process reviews
- Fraud risk assessment
- Preventive measures
 - *Segregation of duties*
 - *System & process controls*



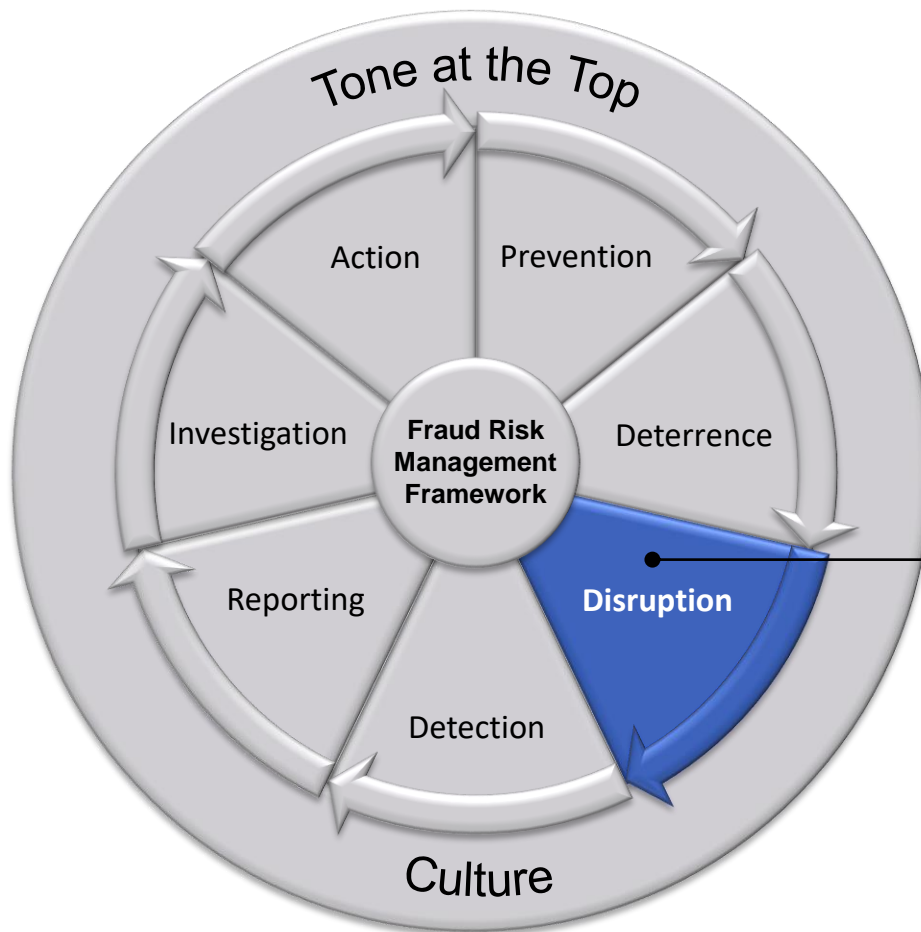
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- Strong organisation ethos
- Fraud awareness training



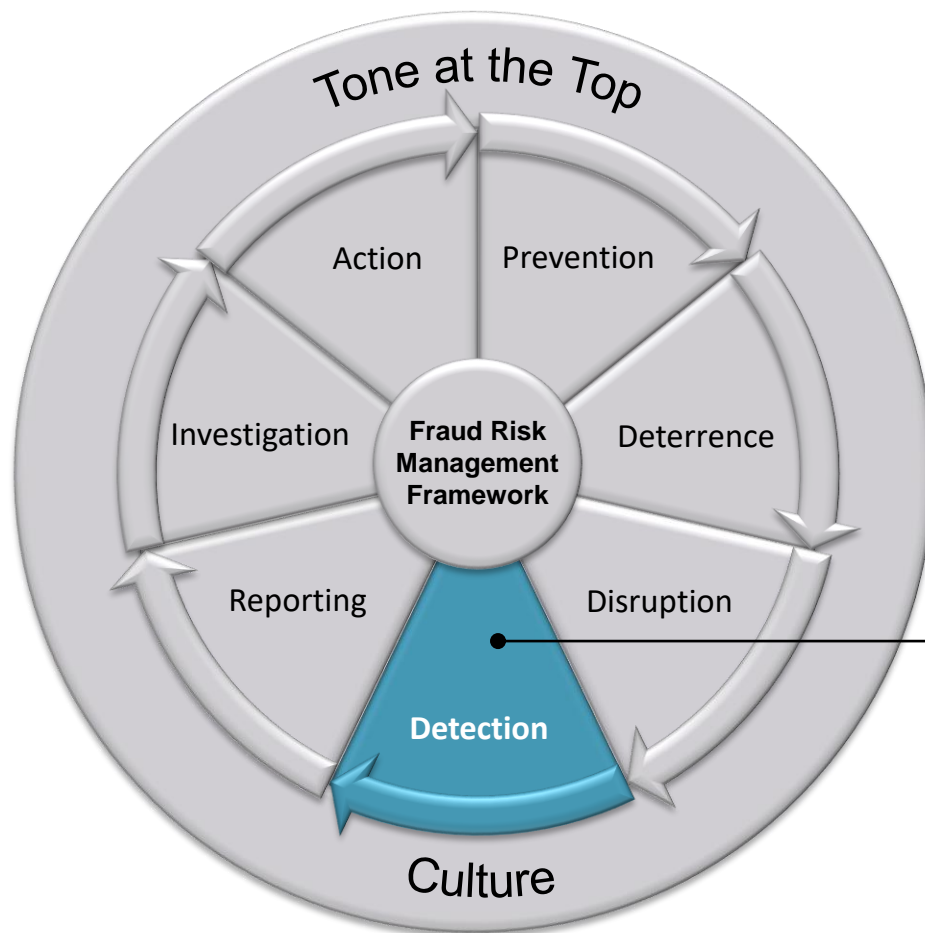
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- Regular reconciliation
- Surprise checks
- Mandatory leave



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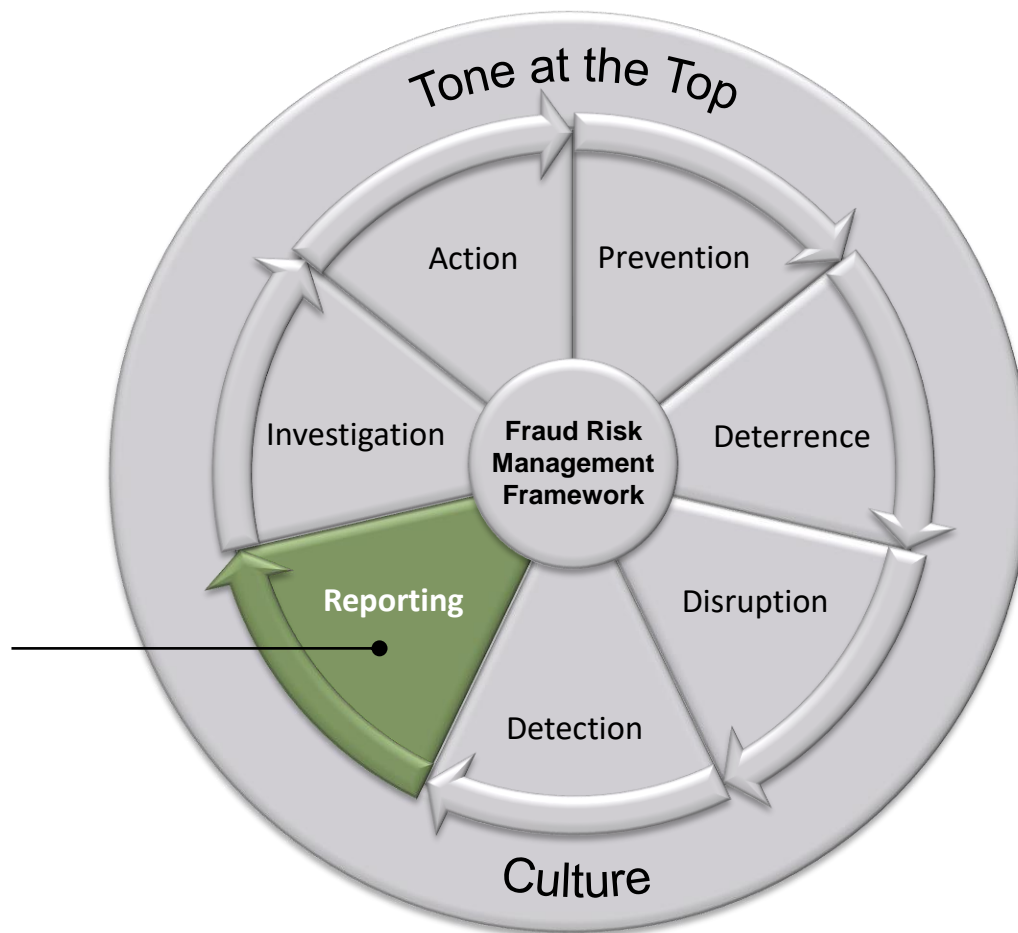


- Audit
- Management review
- Data analytics tools



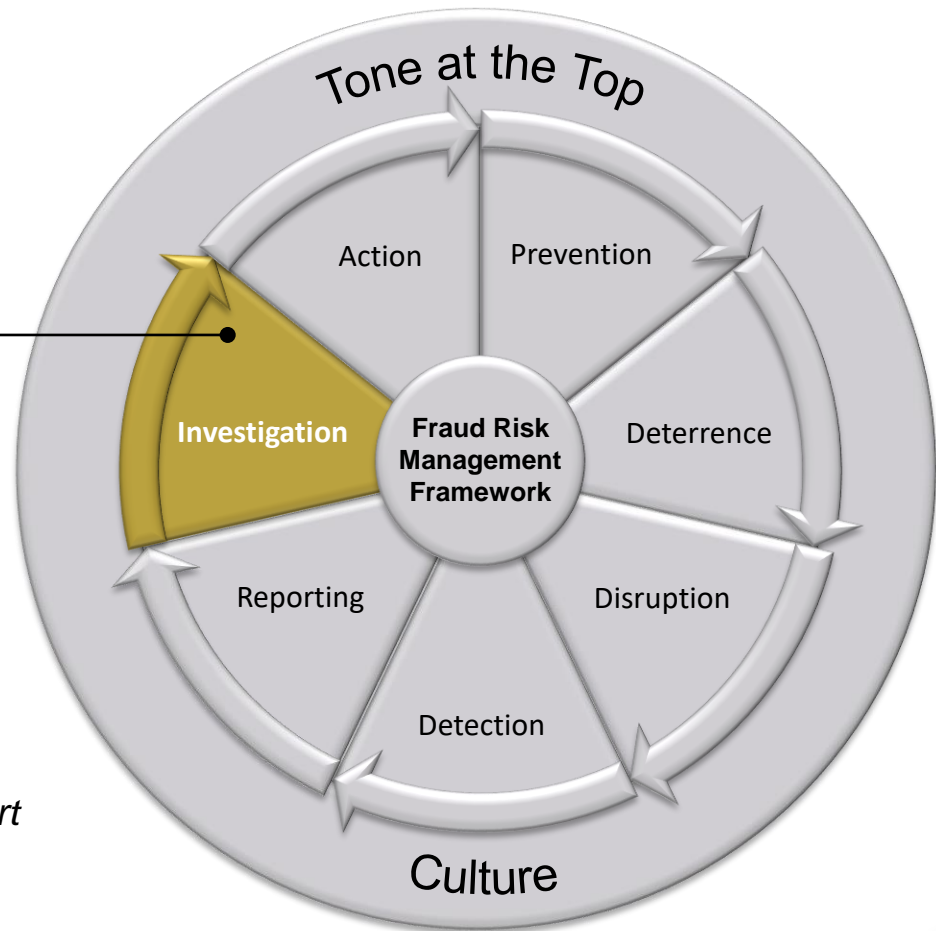
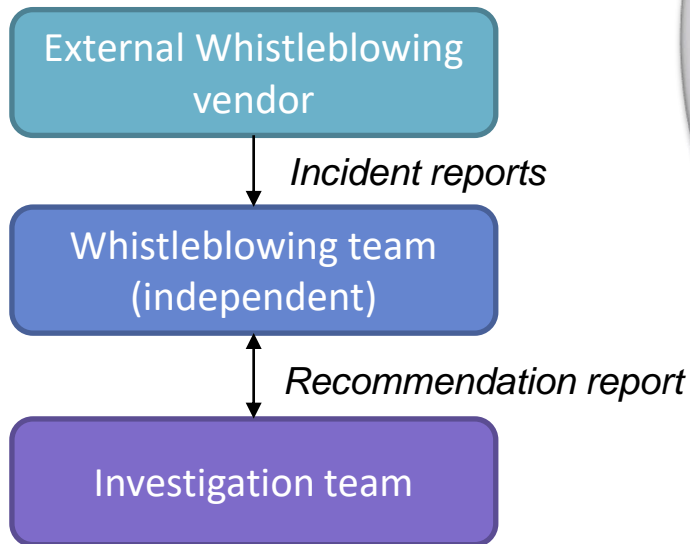
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- Tip-offs
- Whistle blowing



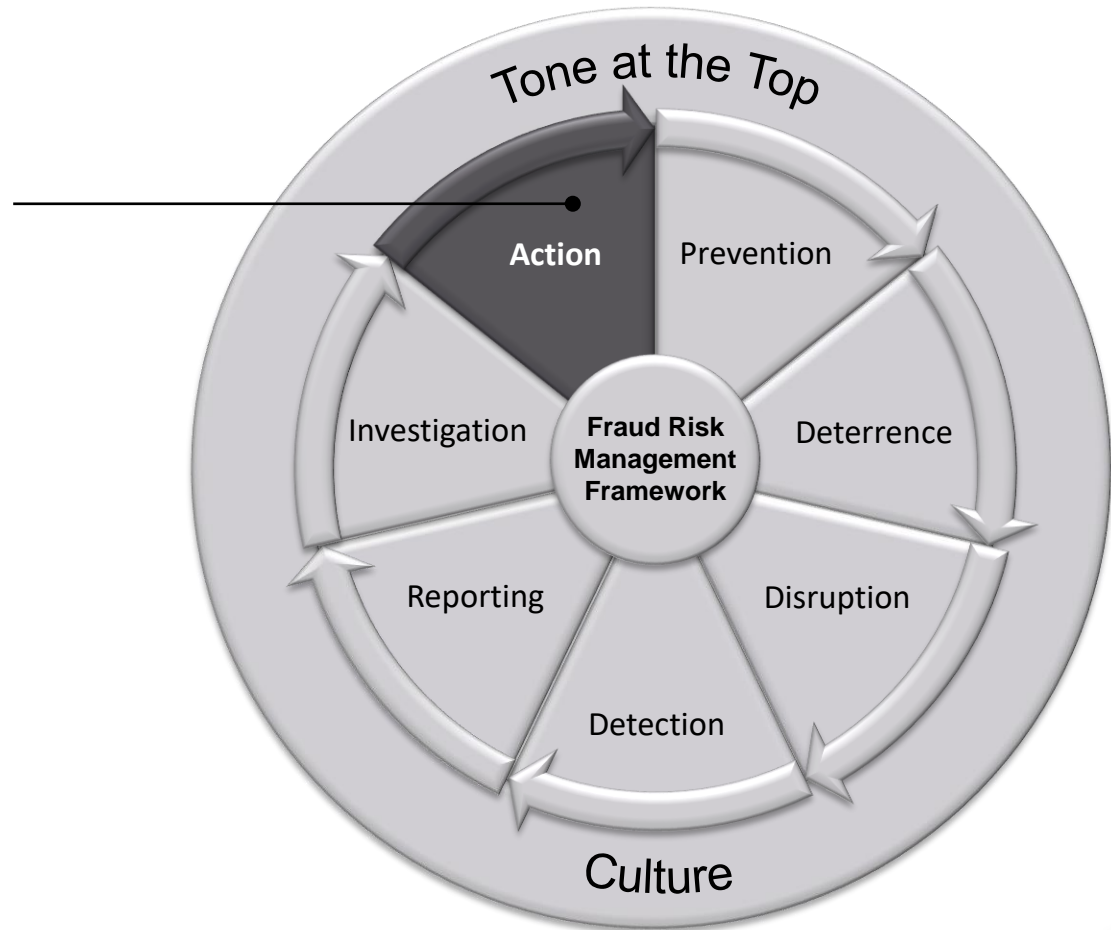
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- Investigation policy
- Investigation process



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- Effective response
- Remedy actions
- Review



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Challenges & Lessons

- Regular assessment, reviews & monitoring
- More level of checks \neq less fraud occurrence
- Find balance within operating environment
- Collaboration & synergy among relevant department/units
- Best defence is to have an integrated fraud risk management framework



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Thank you

