



## Internal Fraud A case study

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## Internal Fraud

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- The Fraud
- Internal investigation
- Warning signs
- Lessons learnt
- Good News



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## The Fraud

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- Christmas
- What happened
- Control report exception




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## Internal investigation

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- Closed loop internal communications
- System analysis
- Police involved
- Internal security arrangements for the individual

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 **Warning signs (in hindsight!)**

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- Abuse of position
  - Knowledge of systems and controls
  - Operational knowledge
  - Relationships with colleagues
- Always available for overtime especially 'late'
- Reason for fraud
  - Money problems
  - Depression



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 **Lessons learnt**

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- 1-1 conversations with key individuals
- Internal communication
- Re-iteration of whistle blowing policy
- Enhanced controls
- Fraud response policy
- Reputational risk



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## Good news

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- Individual arrested, charged and convicted
- All monies returned (£21,398.34)