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Faculty of Business and Economics

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Department of Accounting

FRAUD EXAMINATION AND ANALYSIS

(430)

ACFE FRAUD PREVENTION CHECK-UP

(PROJECT)

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Name : Loai Qadi

Student ID: 1132085

Instructor: Hanna Quffa

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In order to make the ACFE fraud prevention checkup in Qatr ALnada manufacture which is a cleaning material small size manufacturing firm in Ramallah an interview was made with each of Mr. Khaled Mahmoud (board of director member and owner) and with Emad keswani (financial manager). as a result, it has a total score of 55 point. the main finding from the checkup are as following:

- There is no written policy to manage fraud risks and no effective risk oversight process.
- There is no member of senior management Who have the responsibility for managing all fraud risks within the organization and by explicitly communicating to business unit managers that they are responsible for managing fraud risks within their area.
- They do have a fraud risk assessment which include risk identification, risk likelihood and significance assessment, and risk response.
- Although fraud risk is known for all member of board of director and owner, these risk are not discussed and there is no policy on how they will manage the fraud risk.
- They have poor process level anti-fraud control and no tendency of reengineering some process with high fraud risk to reduce fraud or eliminate this risk.
- there is no member of management who is responsible for the organization's processes to promote ethical behavior, deter wrongdoing and communicate appropriately on difficult issues and this task is not held by an existing member of management.
- there is clear guidance on what behavior and actions are permitted and which ones are prohibited with no written code of conduct.
- there is some Training for all personnel upon hiring, for how to do the job but not concerning the code of conduct, seeking advice and communicating potential wrongdoing.
- Poor proactive fraud detection procedure.

Report finding



Depending on the checkup finding we highly recommend the following preventive and corrective steps:

- Establish a written policy to manage fraud risks ✓
- identifying a member of senior management as having responsibility for managing all fraud risks within the organization. ✓
- The board should also monitor the organization's fraud risk management effectiveness, which should be a regular item on its agenda.
- Improvement of process level anti-fraud control (i.e. more duty segregation).
- Development of new proactive fraud detection procedure ✓

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ethics

— also

what about  
mechanisms for reporting  
of wrong doing