



OFFICE OF ANTICORRUPTION AND INTEGRITY

# FORENSIC ACCOUNTING WORKSHOP

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**H. Lorraine Wang**  
Advisor, OAI

**Maria Dionelle B. Facun**  
Associate Integrity Officer, OAI

**iACT** to fight corruption!



# Training Objective



DAY 1

***Become proactive in identifying fraud and corruption***

- Why are we here?
- What is fraud and corruption?
- How do we detect fraud and corruption?

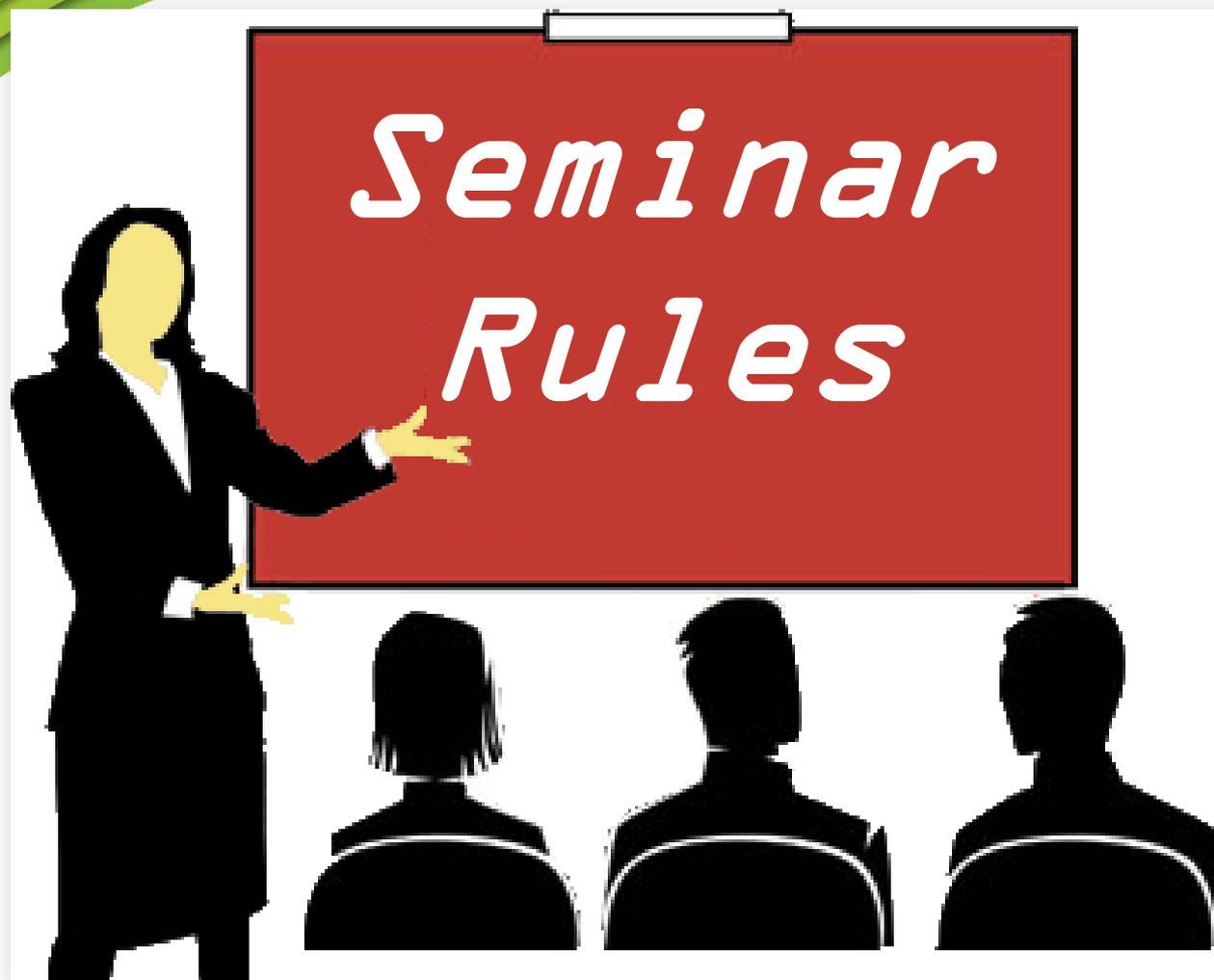


# Training Objective

## *Sharpen fraud detection skills*



- What kind of irregularities has ADB encountered?
- What can you do?



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# Punctual



# Presence



# Pay attention





Interactive – the more you put in, the more you take away.

Safe and confidential environment for learning and sharing.

No penalties for wrong answers. Please answer based on existing knowledge and learnings from this session.

Please feel free to interrupt—remember no question is stupid...

# Ice Breaker



Introduce yourself to your team



Choose a name for your team and nominate a leader



Display team names on each table



The nominated leader will explain the rationale for the name



**Why are we here?**

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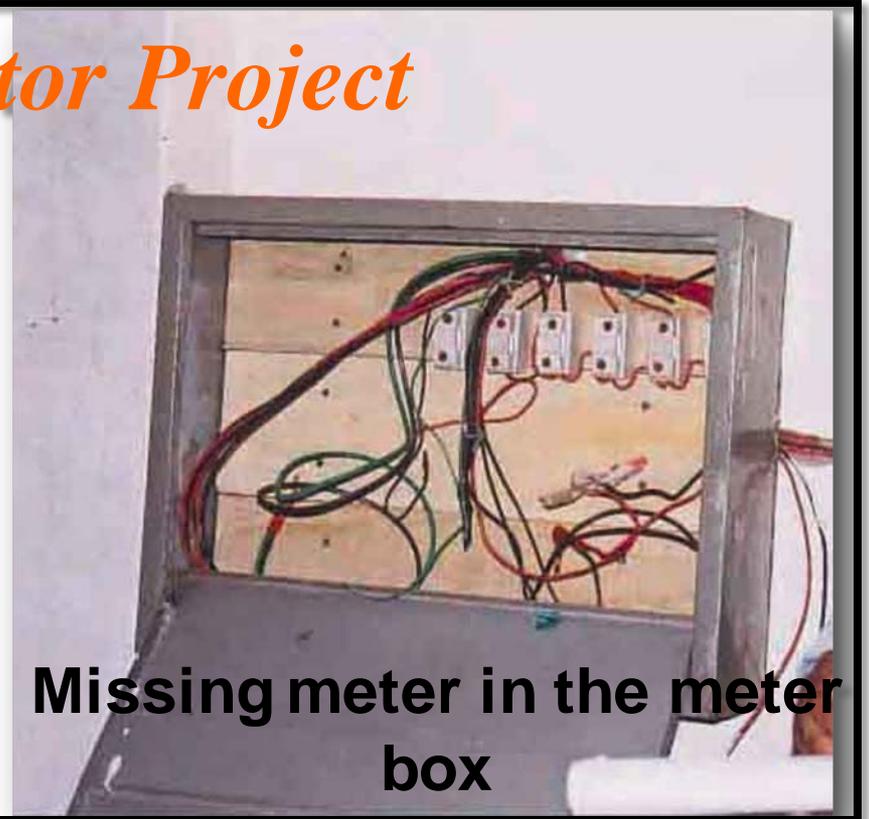


# Why are we here?

## *Forestry Sector Project*



**Unfinished building**



**Missing meter in the meter box**

## *Transport Sector Project*



**Washed out approach of bridge**

## *Rural Development Project*



**Poor workmanship of a retaining wall, causing collapse – lack of mortar**

*Community-Based In*  
*Services Secto*

***Worms found in the muddy well***

**Non- operational water pur  
due to non-maintenance  
mechanical problems**



## *Rural Development Project*



**Slope improperly cut & no drains constructed**



**Drain made by local residents**

## *Rural Infrastructure Project*



**Defective work on gabion boxes**



## *Hospital Project*



**Substandard work**

## *Hospital Project*

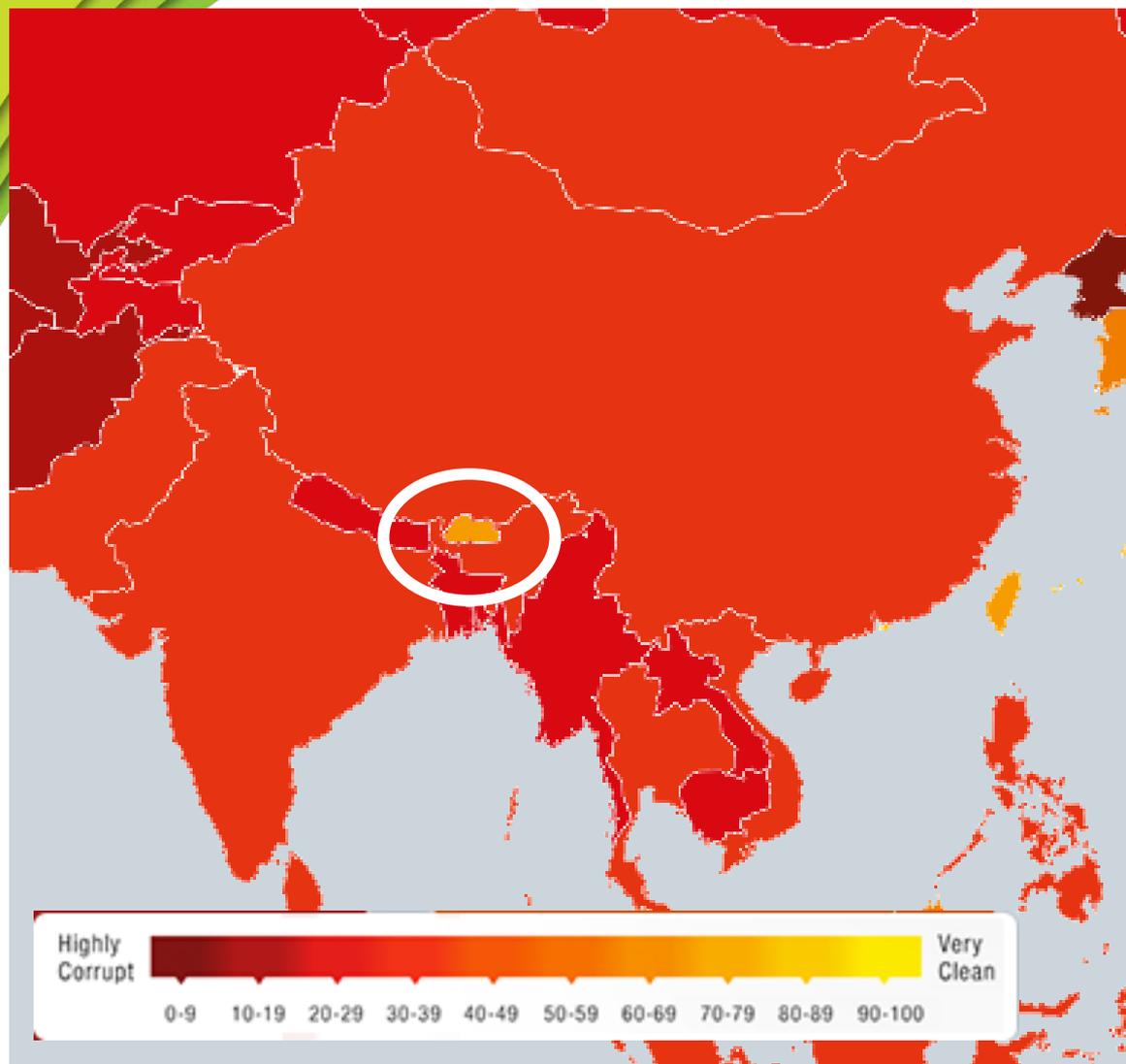


**Half-built**

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# Transparency International

## Corruption Perceptions Index 2015 and Proportion of Population Below Poverty Line



<u>Country</u>	<u>CPI Rank</u>	<u>Poverty</u>
Denmark	1	
Belgium	15	
Japan	18	
United States	16	
<b>Bhutan</b>	<b>27</b>	<b>12%</b>
South Korea	37	16.5%
Mongolia	72	27.4%
India	76	21.9%
PR China	83	8.5%
Viet Nam	112	9.8%
Pakistan	117	12.4%
Nepal	130	25.2%
Bangladesh	139	31.5%
Afghanistan	166	36.5%
North Korea	167	17

# Vicious Circle



*iACT to fight corruption!*

# Corruption and Human Resources and Development

**% OF POPULATION WHO PAID A BRIBE IN THE PAST YEAR\*\***

LESS THAN 30%

30% - 60%

MORE THAN 60%

## WOMEN DYING IN CHILD BIRTH

Average maternal mortality rate per 100,000 live births in 2010.



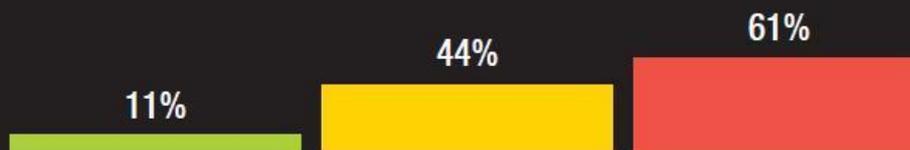
## YOUNG PEOPLE WHO CAN'T READ

Illiteracy rate of 15-24 year olds (%) in 2010/2011.



## PEOPLE WITHOUT TOILETS

Proportion of the population who did not have access to sanitation in 2011.



# Why are we here?

## Summary

- Fraud and corruption results in incomplete, sub-standard, or undelivered project outputs
- Corruption is linked to poverty, failure of public service delivery, and human underdevelopment

# Forensic Accounting vs Fraud Auditing





# What should a Forensic Accountant know and be able to do?

- Ability to identify fraud with minimal initial information
- Identification of financial issues
- Knowledge of investigative techniques
- Knowledge of evidence
- Interpretation of information
- Presentation of findings