






PROCUREMENT INTEGRITY CONSULTING SERVICES, LLC
"Specializing in assessment and mitigation strategies for procurement integrity to reduce the risk of financial and reputation losses"

PROCUREMENT FRAUD AND ABUSE RISK ASSESSMENT

Working in partnership with our clients and utilizing a "Procurement Fraud Schemes Analysis" methodology designed by our company, we:




-  Identify our client's unique degree of risks to the traditional forty-four (44) misconduct schemes of fraud and abuse found in today's procurement and purchasing methods;
-  Pinpoint which of the 44 schemes are most likely to occur within the client's processes; and
-  Determine the potential impacts if the schemes are not prevented, detected and/or corrected.

Our assessment methodology is adaptable and can be structured to evaluate a single type of misconduct (i.e. time and attendance, conflict of interest, bribes, and gratuities) or multiple schemes of procurement fraud and/or abuse. Our methodology can further assess the procurement or purchasing process of a contract, particular division within an organization or across an enterprise as a whole.



We summarize the results and make suggestions for areas of improvement to reduce the vulnerabilities and the probability of future occurrence, consistent with the client's business structure and risk tolerance thresholds. With the knowledge of their high risk areas, our clients are better positioned to design sound integrity controls (internal policy, procedures, and/or processes designed to prevent and detect fraud and abuse) consistent with their overall business environment.

Our **Procurement Fraud and Abuse Risk Assessment** will include:

1. Management's Perceived Vulnerabilities:






-  Using a structured interview format, we will identify management's perception of area(s) that they believe may be vulnerable to misconduct schemes;
-  Gain an understanding of the potential financial, operational, and reputational impacts if a scheme is successful; and
-  Attain the potential of non-compliance to internal policy, procedures, and/or processes.

2. Documented Guidelines Vulnerabilities:



-  Perform a baseline assessment on the effectiveness of the client's documented integrity controls' (internal policy, procedures, and/or processes designed to prevent and detect misconduct) against the traditional procurement and purchasing schemes; and
-  Develop "scheme risk theories" on how a particular portion of the client's documented processes can be compromised with a specific scheme(s), at a specific decision point (occupation), and the specific steps on how it could occur.





3. Employee Perceived Vulnerabilities:

-  Identify the work-force's perception of risk in the areas of procurement and/or purchasing;
-  Obtain their understanding on the effectiveness of the client's integrity controls;
-  Gauge their belief of likelihood of occurrence of our "scheme risk theories";
-  Gather information on the operational and financial impact of the more likely schemes; and
-  Determine any differences between management and the work-force in perceptions of vulnerabilities, risk tolerance and commitment to integrity.

4. Testing Vulnerabilities:

-  Interview the employees working in the operations linked to any high risk processes and determine the probability of occurrence and compromise; and
-  Interview employees involved with the governance responsibilities related to the integrity controls.

5. Summarizing Results:

-  Perform an analysis of the schemes creating the greatest threats and identify the contributing factors; and
-  Make suggestions for improvement to reduce the vulnerabilities and future probability of occurrence.

