



Fraud, Risks, and Controls- Oh My!



What is Fraud?

- A knowing misrepresentation of the truth or concealment of a material fact to induce another to act to his or her detriment.¹
- Internal (occupational) and external
- How fraud is committed

Corruption

- Bribery
- Conflicts of interest

Asset misappropriation

- Theft of cash
- Fraudulent disbursements
- Inventory and assets

Financial statement fraud



Higher Education

Examples

UNC Chapel Hill – student athlete academic scandal

Vassar College – \$2 million stolen by fictitious company

Stanford Medical School – paid promotional speeches

Iona College – \$850,000 from personal purchases and false expenses

LSU is not immune!

Fraud Facts²

5% of revenues in a given year lost to fraud

LSU represented in 3 of the top 5 victim industries

Government and public administration (11%)

Healthcare (7%)

Education (6%)

Most common methods of concealment were creating and altering physical documents

Lack of internal controls cited in 29% of cases and override of existing controls contributed to over 20%.

(Y)our Role

Training

Management review

Security of assets

Account reconciliation

Segregation of duties

Internal Audit

Independent and objective

Add value through collaboration

Evaluate risk and assess controls

Types of engagements:

- Compliance
- Operational
- Consultations
- Investigations

LSU

Office of
Anti-Racism & Equity

Risk assessment



Contact Info

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