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PROCUREMENT AND SUPPLY CHAIN MANAGEMENT | PSCM-024

Procurement Fraud: Prevention, Detection and Investigation

UK
+44 33 000 111 90
info@informatech.co.uk
https://informatech.uk
63-66 Hatton Garden Hatton Garden
EC1N 8LE , London

NL
+31 85 74 444 46
info@infomatech.nl
https://infomatech.nl
Waarderweg 50 - 2031PB
Haarlem - Netherlands

Course content

Why Attend

Procurement fraud can cause substantial financial losses, disrupt operations, undermine supplier competition, and damage organisational reputation. Fraud risks may arise at any stage of the procurement lifecycle, from supplier registration and tender evaluation to contract award, purchase order processing, goods receipt, invoicing, and payment. Common schemes include bid rigging, conflicts of interest, kickbacks, fictitious suppliers, duplicate invoicing, inflated pricing, and collusion between employees and external parties.

Preventing and detecting procurement fraud requires more than traditional purchasing controls. Organisations need an integrated approach combining fraud risk assessment, effective procurement governance, supplier due diligence, transaction analytics, internal controls, whistleblowing arrangements, and structured investigation procedures.

The Procurement Fraud: Prevention, Detection and Investigation course equips procurement, audit, compliance, finance, and risk management professionals with practical methods for identifying procurement fraud vulnerabilities, recognising suspicious activities, evaluating control weaknesses, and investigating potential misconduct.

Participants explore fraud schemes across the procurement-to-pay cycle, preventive and detective controls, data-driven fraud detection, forensic investigation techniques, evidence management, and fraud response procedures. The programme emphasises ethical decision-making, procedural fairness, confidentiality, and the development of sustainable procurement fraud risk management frameworks.

Professional Problems This Course Is Designed to Solve

• Undetected procurement fraud schemes: Recognising fraud indicators involving supplier collusion, bid manipulation, kickbacks, false invoices, and unauthorised purchasing activities.

• Weak supplier onboarding and due diligence: Strengthening supplier verification, beneficial ownership checks, conflict-of-interest declarations, and vendor master data controls.

• Manipulated tendering and contract awards: Identifying suspicious bidding patterns, restrictive specifications, unjustified sole-source awards, and irregular evaluation decisions.

• Fraudulent invoices and payments: Detecting duplicate payments, fictitious suppliers, inflated invoices, payment diversion, and discrepancies between purchase orders, receipts, and invoices.

Course content

Why Attend

• Inadequate segregation of duties: Evaluating incompatible purchasing, approval, receiving, supplier maintenance, and payment responsibilities that create opportunities for fraud.

• Limited fraud detection capabilities: Applying procurement data analytics, exception reporting, and continuous monitoring to identify unusual transactions and high-risk suppliers.

• Poor investigation and incident response: Establishing structured procedures for allegation assessment, evidence preservation, interviews, reporting, corrective actions, and appropriate escalation.

Course Methodology

The programme combines instructor-led discussions, procurement fraud case studies, fraud risk assessment exercises, internal control evaluations, transaction analytics workshops, and simulated investigation activities.

Participants examine realistic procurement records, supplier profiles, tender documentation, purchase orders, invoices, payment information, and control exceptions. Practical exercises focus on identifying fraud indicators, evaluating evidence, documenting findings, and recommending preventive and corrective actions.

Investigation activities are presented within appropriate legal, organisational, and professional boundaries, with emphasis on confidentiality, evidence integrity, and fair treatment of individuals involved.

Course Objectives

By the end of this course, participants will be able to:

• Identify common procurement fraud schemes and their underlying risk factors

• Assess fraud exposure across the procurement and purchase-to-pay lifecycle

• Recognise warning signs of supplier collusion, conflicts of interest, and bid manipulation

• Evaluate supplier due diligence and vendor master data controls

• Design preventive and detective controls for high-risk procurement activities

Course content

Course Objectives

- Apply transaction analytics to identify suspicious purchasing and payment patterns
- Assess segregation of duties and approval control weaknesses
- Develop fraud risk indicators and continuous monitoring procedures
- Plan and conduct structured preliminary procurement fraud investigations
- Apply appropriate evidence collection, preservation, and documentation practices
- Prepare objective investigation findings and management recommendations
- Develop a procurement fraud prevention and response framework

Target Audience

This course is suitable for:

- Procurement and purchasing managers
- Internal auditors and audit managers
- Fraud risk management and investigation professionals
- Compliance and ethics officers
- Governance, risk, and internal control specialists
- Financial controllers and accounts payable managers
- Contract management and supplier relationship professionals
- Public procurement and tender committee members
- Forensic accounting and assurance professionals
- Managers responsible for procurement governance and fraud prevention

Target Competencies

Participants will develop competencies in:

Course content

Target Competencies

• Procurement fraud risk assessment

• Fraud scheme identification

• Supplier due diligence and verification

• Tendering and bidding fraud detection

• Procurement internal controls

• Transaction anomaly analysis

• Fraud investigation planning

• Evidence preservation and documentation

• Fraud reporting and escalation

• Procurement fraud prevention and governance

Course outline

Day 1: Procurement Fraud Risks, Schemes and Vulnerabilities

• Understanding procurement fraud, occupational fraud, corruption, and misconduct within public and private sector purchasing environments

• Mapping fraud exposure across procurement planning, supplier registration, sourcing, tender evaluation, contract award, receiving, invoicing, and payment

• Examining common schemes including bid rigging, bid rotation, kickbacks, bribery, undisclosed conflicts of interest, and procurement collusion

• Identifying fraudulent supplier arrangements, fictitious vendors, inflated pricing, false invoicing, and unauthorised purchasing transactions

• Applying fraud risk assessment methods to evaluate incentives, opportunities, control weaknesses, and potential financial or operational consequences

Course content

Course outline

• Practical workshop: Developing a procurement fraud risk register identifying high-risk activities, fraud scenarios, existing controls, and required mitigation measures

Day 2: Procurement Fraud Prevention and Internal Control Design

• Establishing procurement governance arrangements covering purchasing policies, delegated authority, ethical conduct, transparency, and management accountability

• Strengthening supplier onboarding through identity verification, ownership checks, conflict-of-interest screening, and vendor master data controls

• Designing preventive controls for tender specifications, competitive bidding, supplier evaluation, contract approval, and sole-source procurement

• Evaluating segregation of duties across requisitioning, purchasing, supplier maintenance, goods receipt, invoice processing, and payment authorisation

• Applying purchase order controls, three-way matching, approval workflows, supplier bank detail verification, and exception management

• Practical exercise: Evaluating a procurement control framework and redesigning weak controls to reduce fraud opportunities

Day 3: Procurement Fraud Detection and Data Analytics

• Identifying procurement fraud red flags through unusual pricing, repeated contract awards, split purchases, abnormal bidding behaviour, and supplier concentration

• Analysing vendor master data for duplicate suppliers, shared addresses, inconsistent bank details, and unusual supplier changes

• Applying transaction testing to detect duplicate invoices, repeated payment amounts, purchase order splitting, and payments outside approved purchasing procedures

• Examining tender and contract award data for suspicious patterns, irregular bid evaluations, and potential supplier collusion indicators

• Using Excel, Power Query, and data analytics techniques to develop exception reports and fraud risk monitoring indicators

Course content

Course outline

• Practical workshop: Analysing procurement and accounts payable datasets to identify suspicious transactions, prioritise exceptions, and determine further verification requirements

Day 4: Procurement Fraud Investigation and Evidence Management

• Establishing investigation intake and preliminary assessment procedures for allegations, whistleblower reports, audit findings, and transaction anomalies

• Developing an investigation plan covering allegations, objectives, scope, relevant records, potential witnesses, responsibilities, and escalation requirements

• Collecting and preserving procurement documentation, tender records, contracts, invoices, communications, system logs, and electronic evidence

• Conducting document reviews, transaction tracing, supplier relationship analysis, and financial reconciliation procedures

• Applying appropriate interview planning, confidentiality safeguards, evidence evaluation, and procedural fairness throughout investigations

• Investigation simulation: Examining a suspected procurement fraud case, evaluating available evidence, identifying unresolved questions, and preparing preliminary findings

Day 5: Fraud Response, Reporting and Continuous Procurement Fraud Risk Management

• Preparing objective fraud investigation reports that distinguish established facts, supporting evidence, unresolved matters, and professional conclusions

• Understanding internal escalation procedures, legal consultation, disciplinary considerations, regulatory reporting obligations, and recovery options where applicable

• Conducting root-cause analysis to identify governance failures, control deficiencies, management oversight weaknesses, and process vulnerabilities

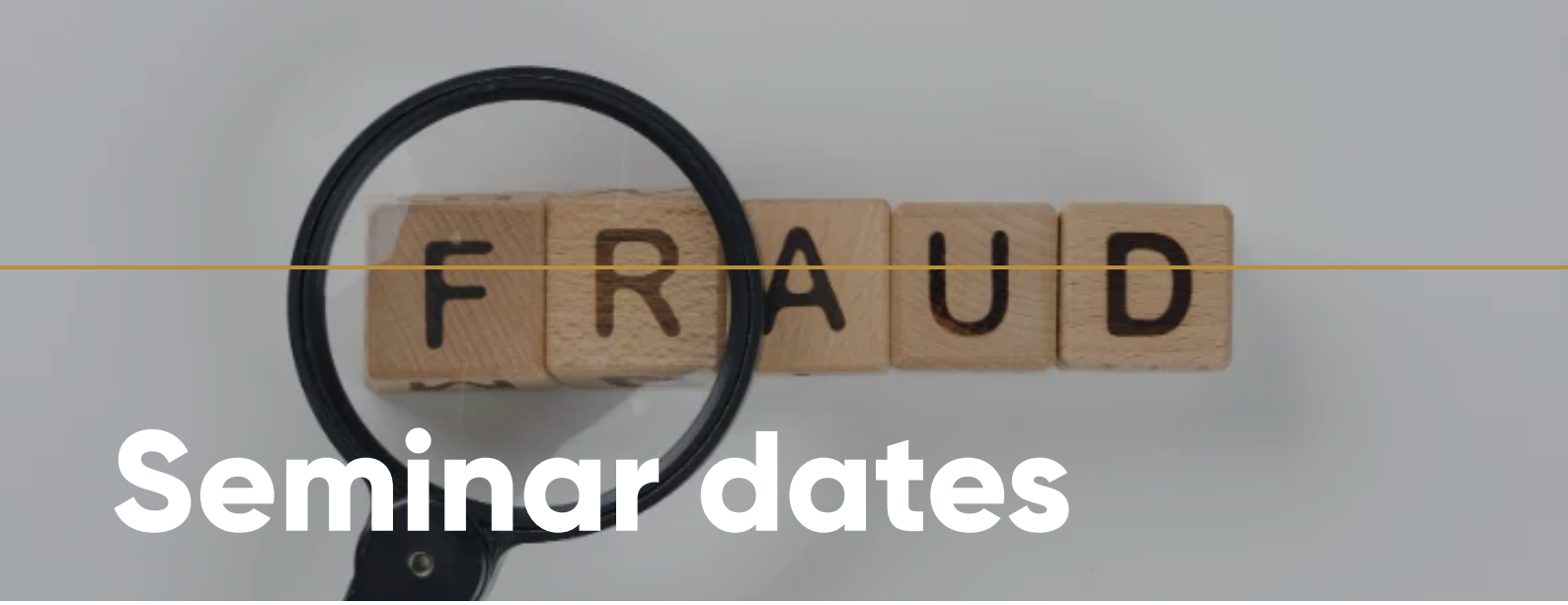
• Establishing continuous procurement fraud monitoring through exception reporting, risk indicators, supplier reviews, and targeted internal audit procedures

• Developing fraud awareness initiatives, reporting channels, management responsibilities, and periodic fraud risk assessment programmes

Course content

Course outline

• Capstone exercise: Developing a Procurement Fraud Prevention, Detection and Investigation Framework covering fraud risk assessment, preventive controls, analytical monitoring, investigation protocols, reporting arrangements, and corrective action priorities



Seminar dates

Available seminar dates

Live dates and pricing for Procurement Fraud: Prevention, Detection and Investigation generated from the course details page.

Date	Location	Format	Fee
Dates on request	Venue on request	Classroom	**Contact us**

Live online option	Online delivery is available at €1,850.-.