

Supply Chain & Procurement Fraud Management

16-17 September, Hotel Sahara Star, Mumbai

Is your supply chain and procurement fraud free?

Still thinking and your thoughts are *maybe* and *not sure* then read on....

Supply chain operations and procurement functions are very susceptible to fraud due to their nature made more complex in today's global environment.

Organizations can be victims of fraudulent activities – including *theft* and *product substitution* – at every step in its supply chain both internally and externally and through internal-external collusions.

The failure to detect and reduce fraud at the source can lead to large financial losses as the fraud manifests itself through the supply chain and results in consumer *injury* and *death*. Good governance demands a thorough risk analysis, which includes an organization's susceptibility to fraud.

Supply chain fraud detection and reduction requires a new examination of an organization's activities beyond starting at the end: the financial statements.

Minor fraudulent activity can turn into a larger one leading to a hard impact, as the fraudster gains more confidence with increasing non-detection.

Join this knowledge forum to gain new insights into supply chain fraud and learn achievable detection and reduction methodologies.

An opportunity to interact with the leading expert and thought leader on supply chain fraud.



Norman Katz, President,
Katzscan, Inc

Norman has combined his 25+ years of supply chain operations expertise and technologies knowledge with recognized anti-fraud credentials and experiences to create a unique business model focused on detecting and reducing fraud within supply chain operations using good governance (involving Sarbanes-Oxley compliance frameworks) as the foundation.

Norman has presented this business model to audiences that included anti-fraud, law enforcement, legal, accounting, auditing, supply chain, and manufacturing professionals to *rave reviews* and accolades for its *paradigm-shifting perspective*.

For more information go to www.supplychainfraud.com. Look for the book – currently being written – to be published March 2011.



Leading experts will share with you - the nature and eventuality of fraudulent activities that can happen in your supply chain, procurement and best practices and strategy for prevention, detection and investigation

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AND CORPORATE AFFAIRS

Supply Chain & Procurement Fraud Management

Thursday, 16th September 2010

08.30 Registration and morning refreshment

09.00 Opening remarks by chairman

09.15 Keynote: Key elements where supply chain fraud happens

Supply chain fraud can cover the entire breadth and depth of an organization, affecting activities and relationships inside and outside the organization, involving both occupational and organizational fraud. The results of fraud are invariably the same: greater risk, increased losses, decreased profits, and less control.

- What are the key elements of supply chain fraud?
- How does supply chain fraud affect your inbound or outbound supply chain?
- Reviewing supply chain fraud - purchasing, accounting, manufacturing, distribution, shipping, sales order processing, inventory control, quality assurance, and fixed asset management
- Case review: examples of supply chain fraud and impact

Norman Katz, President, Katzscan, Inc

10.30 Supply chain fraud identification checklist and minimisation program*

- How you identify gaps in the procedures and processes of your external and internal supply chain, which are vulnerable to fraud?
- Techniques, methodologies and tools to detect and reduce supply chain fraud
- How do you predict fraudulent activities in the supply chain
- Case analysis of managing and detecting supply chain fraud in industries such as retail, telecom, automotive etc
- Case analysis: inventory frauds, sales and distribution frauds, purchase order frauds, manufacturing frauds
- Tricks to deceive auditors

Dipak Ghose, Managing Consultant, Deloitte Past: Chief Audit and Risk Officer, Tata Chemicals

11.15 Refreshment and networking break

11.45 Preventing and detecting procurement and contract fraud

Procurement fraud can occur through departmental purchasing as well as through contractual arrangements with service providers. Procurement and contract fraud can happen in many ways, internal staff, collusion between internal staff and external service providers, industry collusions. etc. This session will explore :-

- Characteristics of procurement fraud
- Procurement fraud schemes
- What are the 'red flags' of procurement fraud
- The red flags of bribes and kickbacks
- Tender rigging

Jayant Dwivedy, CEO, Empronc Solutions

Past: President- Global Supply Chain, Piramal Healthcare Ltd.

Vice President- Procurement (South Asia), GlaxoSmithKline

12.30 Interactive discussion:

- What is the role of the internal auditor, risk manager and compliance in detecting and deterring procurement fraud? How do you work with the senior management?
- How do you investigate report of kickbacks against senior management?
- Investigating procurement frauds
- Checklist of procurement fraud investigation
- Contracting task and controls
- What are the controls that should be in place to deter purchasing fraud



Rohit Mahajan, Executive Director, KPMG

13.15 Networking lunch

14.30 Warehouse design flaws leading to fraud

- The current design and the anomalies
- Types of frauds related to each anomaly
- Product flow / layout shortcomings
- Corrected designs and its benefit



Arif A Siddiqui, Coign Consulting

15.00 The double-edged sword of technology in fraud

On one hand, technology can help deploy an array of controls to prevent and detect fraud in supply chain management, and on the other hand it can also facilitate the fraudster's malicious intentions. Using the P2P (Procure 2Pay) cycle, this presentation briefly covers the following topics:

- Use of data analytics to detect fraud in SCM related to the P2P cycle
- Use of digital forensics to discover evidence of fraud
- Examples of failures in ERP controls leading to supply chain fraud
- Top 10 technology aspects to keep in mind from fraud management perspective



Kanwal K. Mookhey, Principal Consultant and Founder, Network Intelligence

15.45 Refreshment break

16.30 Investigating supply chain and procurement frauds

- Detecting bribery and corruption
- Dealing with whistle blowers
- The role of discreet and covert intelligence gathering in investigating fraud, bribery and corruption
- Building stronger systems with effective compliance



Richard Dailly, Managing Director, Kroll (India)

17.30 Summation and end of day one



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Conference Day Two: Friday, 17th September 2010

09.30 Keynote: Internal Controls and procedures – learning's in managing procurement and supply chain fraud

10.15 Corporate governance for supply chain operations

Good governance ensures that your organisation complies with regulatory requirements and fulfils performance goals and profit projections. Enterprises following good governance are able to remain competitive and are likely to suffer far less turmoil, such as fraud and employee turnover.

The basic principles of good governance and compliance are often compromised due to changes in employee numbers dependent on economic environment. There are several SOX compliance frameworks that offer excellent foundations to fraud reduction and good governance and could be used for guidance. If an enterprise did not take the necessary steps to fully embrace good governance principles, they are exposed to increased risks of fraud.

An enterprise exposed is an enterprise at risk, and good governance helps close gaps in business processes and supporting technologies to help decrease risk exposure for all stakeholders (investors, potential investors, customers, suppliers, and employees).

This presentation will cover the following

- Control environment
- Risk assessment
- Control activities
- Information & communication
- Monitoring
- Supply Chain Code Of Conduct
- Supply Chain Integrity

Norman Katz, President, Katzscan, Inc

12.30 Networking Lunch

14.00 Supply chain vendor compliance

The failure to establish clear and achievable supply chain vendor compliance requirements increases costs for both trading partners - the buyer and the seller - in a supply chain relationship. The buyer often takes a more combative and less collaborative approach to the treatment of the seller (vendor or supplier) simply because they can do so, with the impact being breaches of good governance guidelines, ethics, and even governing laws, resulting in excessive operating costs for both the buyer and seller.

The solution to less disruptive supply chains and lower operating costs can be found first in simply doing a better job of explaining vendor compliance guidelines:

Thank to all, who have actively supported, helped and encouraged us with the organisation and research of this event, especially all speakers and panel members who have committed their time well in advance. Your encouragement and support have made this forum possible.

Abidali Dossa - Conference Production

Detecting fraudulent behavior first requires establishing a baseline for normal behavior and then determining if abnormal behavior is the result of illicit activities or indifferent trading partners. Vendor compliance guidelines provide the foundation for the customer-supplier relationship.

- Before you begin: analyzing the supplier base for compliance expectations
- Legal framework and standards organizations
- Key areas to include in vendor compliance guidelines
- Metrics and the vendor scorecard
- Enforcement and chargebacks
- Reducing excessive operating costs

Norman Katz, President, Katzscan, Inc

15.30 Case Review: Practical insights into vendor fraud management



Sreedhar K, Vice President -Supply Chain Management & Finance, VKL

16.00 Refreshment & Networking break

16.30 Interactive discussion

Attendees and experts from supply chain will discuss supply chain governance, fraud risk points and preventive measure specific to their industry automotive, retail, telecom, pharmaceuticals and food

17.30 Summation and end of day two

- Internal auditor, audit manager
- Financial controller, accountant
- Head of corporate governance
- CFO, VP Finance
- CEO & MD
- Head of Supply Chain
- Head of Purchasing & Procurement
- Buyer, Merchandiser
- Fraud investigator
- Legal & compliance manager
- Company Director
- Risk Management & Regulatory Manager
- Internal Control Officer

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Speaker Profiles

Richard is a Managing Director for the world's leading risk consultancy Kroll, based in Mumbai India. He has significant experience working in international politics and political risk for the British government and Kroll.

Richard has deep understanding of investigative and intelligence techniques and analysis, in support of corporate investigations, due diligence, political risk, litigation support, and managing complex and varied multi-jurisdictional cases.

Professional Experience

Fraud: Richard has run and overseen numerous fraud, bribery, corruption and compliance focussed investigations in Europe and Asia.

Sophisticated Corporate Investigations: As head of Kroll in India, Richard has run and overseen numerous and varied corporate investigations for blue chip clients in South Asia.

Litigation Support: Richard has worked closely with legal counsel on a number of complex multijurisdictional cases in support of litigation involving detailed investigations in a variety of sectors.

Due Diligence: Richard has run numerous discreet investigative due diligence investigations, enabling clients to minimize their own risks and make informed business decisions before entering into new business relationships.

Jayant Dwivedy has with him a vast experience of 21 years and is a top notch professional with extensive experience and expertise at category management, cost reduction through strategic sourcing and IT Systems deployment. He is the CEO of Empronc Solutions.

He has been a past President-Global Supply Chain with Piramal Healthcare Ltd. (PHL) with responsibilities for India, China, USA, Canada and U.K supply chain. He is an Executive Committee Member of PHL's Global business.

Jayant has been a Member in the Executive Committee of the Board, of the GlaxoSmithKline Pharmaceuticals Ltd. (GSK), from 2003-2007. During the period he also served as a member of GSK's International Procurement Leadership Team, with responsibilities for South Asia. GSK has awarded him for leading an ERP implementation to become the first ERP compliant site in International. FreeMarkets Inc. (now Ariba), has awarded Jayant for pioneering e-Sourcing in India.

Jayant has been responsible for a number of geographic expansions and spearheaded integrations post acquisition. He has been a part of many business turnaround teams.

He has a number of papers and publications to his credit and has travelled across five continents in his various capacities. He is an International speaker on Sourcing and IT implementations in supply chain.

Kanwal K. Mookhey (CISA, CISSP, CISM) is the Principal Consultant and Founder at Network Intelligence as well as the Founder of The Institute of Information Security.

He is an internationally well-regarded expert in the field of IT governance, information risk management, forensic fraud investigations, compliance, and business continuity.

He has more than a decade of experience in this field, having worked with prestigious clients such as the The Indian Navy, United Nations, Abu Dhabi & Dubai Stock Exchanges, State Bank of India, Atos Origin, Saudi Telecom, World Customs Organization, Capgemini, Royal & Sun Alliance, and many others.

Dipak Ghose is a Fellow of the Institute Chartered Accountants of India and a Masters in Commerce from the University of Calcutta. He started his career with Price Waterhouse and moved to Industry. He has had a long stint with Tata Steel in various capacities in Finance, Accounts and Commercial. Transferred to Tata Steel's subsidiary Tata Special Steels Ltd. where he worked as the CFO. Moved to Tata Chemicals and had carried the responsibility as Chief Audit and Risk Officer.

Currently he is engaged as a Managing Consultant for Deloitte Touche Tohmatsu India Pvt. Ltd. His present assignments involve helping implement Clause 49 requirements for big Corporate and PSU's eg. Bharat Petroleum Corporation Limited and Hindustan Petroleum Corporation Ltd., SAIL, Oil India etc

He has been the President of the Institute of Internal Auditors of India, Mumbai Chapter, and also Certified Quality Assessor for the Institute of Internal Auditors, Inc.

He has presented many papers on Corporate Governance, Risk Management, Internal Control and Internal Audit at international and national forums.

Rohit Mahajan is an Executive Director with KPMG and leads the Forensic practice in South India. Rohit has lead various investigations across industries.

He is a Chartered Accountant and has 14 years of work experience with 10 years being with KPMG and Arthur Andersen. He has handled projects in the area of Financial Due Diligence and Valuation, Business Fraud Risk Review and Business Process Risk Consulting. In his last role with JP Morgan, he was responsible for the Investment Bank, Controllership Function for Asia/ UK/ EMEA with key focus on US GAAP reporting for over 200 entities. Prior to that, as Head of Global Credit/Receivables Accounting and Collections in Agilent Technologies, Rohit worked closely with the Businesses Heads on Risk and Liquidity management. His key responsibilities in this role were ROI Management, Strategic Transformation Programs (streamline Business Reporting on Customer accounts, conceptualize/ execute Global Process Efficiency initiatives).

Arif is a science graduate with an MBA. Overall 21 years of in-depth hands-on experience in sales, operations and business management of which 17 years in the logistics industry. 13 years with AFL Logistics Limited as CEO and Country Business Head for the Logistics and Supply Chain Solutions Business of AFL Limited till mid 2005.

Currently, running his own advisory and consultancy firm in the name of Coign Consulting, Arif advises leading multinational and Indian 3rd Party Logistics companies, Warehousing and Logistics infrastructure developers.

Arif has designed Supply Chain and distribution networks for leading brands like – Hewlett Packard, Canon, Sharp, Herbalife, Dell, Blue Star, etc...

He has also designed over 2.8 million square feet of modern warehouses and Logistics Parks including Cold Storages, High roof structures, Aircon Warehouses and open yards.

Sreedhar K is currently Vice President -Supply Chain Management & Finance at VKL.

He has 22 years of multinational experience in diversified industries – Agri business, bulk chemicals, specialty chemicals, flavours, fragrances and food industry working in companies such as Givaudan, Quest International and Hindustan Lever Limited.

His success derives from his in leadership role in commercial function, encompassing procurement, supply chain management and finance.

