



PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

Procurement Fraud: Prevention, Detection and Investigation

Course code: PSCM-024

SPARK TRAINING

Professional training courses for leaders, specialists, and organizations seeking practical capability development.

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— Workshop Overview

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.

Why Attend

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,

Who Should Attend

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

— Learning Objectives

- 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

- 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

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
- 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
- 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
- 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

— Upcoming Classroom Dates

Schedule available on request. Contact SPARK Training for current dates, locations, and fees.

— Certificate and Registration

Participants who attend and complete the full programme receive a SPARK Training Certificate of Completion. For registration, in-house delivery, or availability questions, contact info@sparktraining.eu or +31 85 115 0004.