

PROGRAMMA

CERTIFIED ANTI-CORRUPTION MANAGER® (CACM) – LESPROGRAMMA

DAG I

Internal Control (IC)

Internal Control is the foundation of detecting fraud and corruption. The COSO principles and concepts constitute the framework that is widely used in preventing, deterring, and detecting fraud and corruption. Internal Control is not well understood by most decision makers and those charged with governance. This session discusses the definition, objectives, benefits, and the building blocks of Internal Control.

Internal Control (IC) components

Internal Control components and their associated principles form the Internal Control concept. This session provides an overview of those components and principles and shows the linkages for fraud and corruption prevention, deterrence, and detection.

Internal Control (IC) effectiveness

When would an Internal Control be effective? This session discusses the conditions that shall be met to conclude that an Internal Control is effective. In addition, the session discusses the Internal Control deficiencies. It also discusses the Internal Control limitations, including management override of Internal Control.

Foreign Corrupt Practices Act (FCPA)

The American Congress enacted the U.S. Foreign Corrupt Practices Act (FCPA) in 1977 in response to revelations of widespread bribery of foreign officials by U.S. companies. The FCPA was intended to stop those corrupt practices, create a level playing field for honest businesses, and restore public confidence in the integrity of the marketplace.

This session provides an overall overview of the basic requirements of the FCPA and its relationship with internal control and bribery prevention and deterrence.

Public Accounting Reform and Investor Protection Act (Sarbanes-Oxley/SOx)

In 2002 in response to a series of accounting scandals involving U.S. companies, American Congress enacted the Sarbanes-Oxley Act (SOx), which strengthened the accounting requirements for issuers. All issuers must comply with Sarbanes-Oxley's requirements, several of which have FCPA implications. The law aimed to improve financial reporting audit processes and to correct several of the board of directors, public accounting, and other practices. It impacted business processes in the U.S. and worldwide.

This session provides a high-level overview of the relevant titles and sections in the context of internal control and other significant professional and business issues. It also provides an overview of the objectives of SOx and its significant requirements.

DAG II

Fraud and corruption

Corruption is a business risk. This session provides an overview of the different definitions of fraud and corruption, and emphasizes the duties of board members, executive management, and other employees. It also addresses the misconceptions

about fraud and corruption.

The session discusses the costs and damages of corruption at the entity level and the country level. It concludes with an overview of Internal Control effectiveness with respect to selected transaction cycles and their red flags. This includes the revenue and procurement cycles.

Types of fraud and corruption

This session discusses the following fraud and corruption schemes:

- asset misappropriation: cash theft and fraudulent disbursements
- corruption: bribery, economic extortion, illegal gratuity, and conflicts of interest
- contract and procurement fraud (Bid-Rigging schemes)
- money laundering
- checks and credit card fraud

The session also provides an overview of the red flags for selected corruption schemes.

Money laundering

Money laundering is the process of disguising the origin, title, nature, existence, location, control, and use of cash or cash equivalent, whether derived from legal or illegal acts.

This session provides a high-level overview of what constitutes money laundering, associated costs, and damages. It also discusses the mechanisms used to launder money. The session discusses money laundering risks and methods used to prevent, deter, and detect illicit funds. We conclude with an overview of anti-money laundering mechanisms and what companies should do to prevent, deter, and detect money laundering.

Financial Statement Fraud (FSF)

It is an intentional act that uses deception by misstating or omitting material information and results in a misstatement in financial statements to deceive financial statements users. This session provides a high-level discussion of the following questions:

- what do we mean by financial statements?
- who is responsible to prepare fairly presented financial statements?
- what do we mean by Financial Statement Fraud (FSF)?
- who commits Financial Statement Fraud (FSF)?
- why and how do they commit Financial Statement Fraud (FSF)?
- what are the red flags of Financial Statement Fraud (FSF)?
- how can management prevent and detect Financial Statement Fraud (FSF)?

DAG III

Corporate governance

Governance is initially a socio-economic and political concept. It is always objective-oriented and tied to accountability. The primary goal of governance is the welfare of society. Therefore, people initiate governance, and their well-being is its objective. As a result, whether it is a society, community, government, or organization, there is a form of governance employed to achieve a set of agreed on purposes.

This session discusses the governance definition, nature, and objectives. It also discusses the formal and informal governance mechanisms.

The central role of the board of directors and the board's committees will also be addressed. The session also discusses the principles of corporate governance and provides an overview of those governance practices in companies. The session concludes with the differentiation between governance and corruption and their inter-relationships.

Auditing for those who are charged with governance and executive management

The purpose of an audit of a general purpose financial statement is providing the users of the financial statements with an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with the applicable financial reporting framework (such as the U.S. Generally Accepted Accounting Principles (GAAP) or the IFRS). Presented fairly means the financial statements as a whole are free from material misstatement, whether due to fraud or error.

When a company's management agrees with an independent auditor to audit the company's general purpose financial statements, management should adequately understand its responsibilities and those of the independent auditor. The company's management and the independent auditor usually sign what is called "terms of an audit engagement" which is a business contract. When an audit is conducted in accordance with the International Standards on Auditing (ISA), the terms of the audit engagement should be in writing. This session provides a high-level discussion of the following topics:

- the responsibilities of the independent auditor
- the responsibilities of management
- the audit engagement letter (contract)

This session follows on the discussion of the following crucial topics:

- the independent auditor's report
- modifications in the independent auditor's opinion
- written management representation letter, its contents, and objectives

CACM exam practice questions

The delegates practice solving real-time CACM exam questions. By the end of the session, a feedback for incorrect answers is provided to enhance understanding and maximize the chances to pass the Certified Anti-Corruption Manager® (CACM) exam.

DAG IV

Accounting for those who are charged with governance and executive management

Even though accounting has its global agreed on definition, it is the quantitative financial language of business. Whether managerial or financial accounting, the ultimate objective of its reports is to help and support decision makers to make informed choices and decisions. Therefore, the quality, economy, and effectiveness of such decisions depend not only on the significant characteristics of the reports, but also on the ability of users to understand and analyze their content.

This session provides a high-level overview of basic accounting terms and their definitions. It also discusses the structure and contents of the statement of financial position, income statement, and statement of cash flows.

This session follows on the discussion of the following crucial topics:

- Financial ratio analysis; nature and benefits
- Major financial ratios
- Liquidity ratios
- Activity ratios
- Profitability ratios
- Coverage ratios

Management and decision making

Peter Drucker, the father of modern management, states that the fundamental task of management is "to make people capable of joint performance through common goals, common values, the right structure, and the training and development they need to perform and to respond to change."

This session provides an overall review of the principles of management, the planning process, and strategic management.

Executive management and those charged with governance perform their duties through decisions. Decisions are informed judgements. Board members and management are expected to make effective decisions. A lack of adequate knowledge about what makes an effective decision will significantly increase the risks of failure of decisions made by the board or executive management. Strategic decisions, usually made by top management and the board, have significant consequences and effects that may reach further than the boundaries of the organization.

This session provides an overview of specific and significant aspects of the decision-making process and what constitutes an effective decision. It shows the pitfalls or traps of the decision-making process. It also discusses specific accounting and finance concepts that enhance and support the executives and those charged with governance decisions in various situations such as break-even point.

CACM exam practice questions

The delegates practice solving real-time CACM exam questions. By the end of the session, a feedback for incorrect answers is provided to enhance understanding and maximize the chances to pass the Certified Anti-Corruption Manager® (CACM exam).

DAG V

The global commitment to fight corruption

The United Nations Convention against Corruption is the only legally binding universal anti-corruption instrument. The Convention's far-reaching approach and the mandatory character of many of its provisions make it a unique tool for developing a comprehensive response to a global problem. The vast majority of United Nations member states are parties to the Convention. The Convention covers many different forms of corruption, such as bribery, trading in influence, abuse of functions, and various acts of corruption in the private sector.

This session provides a high-level overview of the U.N. Convention against corruption and discusses the concept of the "Rule of Law."

Review and CACM exam practice questions

This session highlights specific major concepts and emphasizes the major points

discussed throughout the course.

The delegates practice solving real-time CACM exam questions. By the end of the session, a feedback for incorrect answers is provided to enhance understanding and maximize the chances to pass the Certified Anti-Corruption Manager® (CACM) exam.

Certified Anti-Corruption Manager® (CACM) – official exam

The Certified Anti-Corruption Manager® (CACM) syllabus consists of the following subjects, which are also the base for the CACM exam:

Part I – 25% of the CACM exam

- Internal control
- U.S. Foreign Corrupt Practices Act (FCPA)
- Sarbanes-Oxley Act (SOx)

Part II, III, IV – 40% of the CACM exam

- Fraud and corruption
- Money laundering
- Financial Statement Fraud (FSF)

Part V – 10% of the CACM exam

- Corporate governance

Part VI – 7% of the CACM exam

- Auditing for those who are charged with governance and executive management

Part VII – 7% of the CACM exam

- Accounting for those who are charged with governance and executive management

Part VIII – 7% of the CACM exam

- Management and decision making

Part IX – 4% of the CACM exam

- The global commitment to fight corruption
- State of law and civil state by Abdullah II ibn Al Hussein
- United Nations Convention against Corruption (UNCAC)