The importance of Human Resources Development through training cannot be overemphasized. The Chinese philosopher, Guanzi (551 - 479 BC) said,

"When planning for one year, there's nothing better than planting grain, When planning for ten years, there's nothing better than planting trees, When planning for a lifetime, there's nothing better than planting men".

In his own words he explained that grain is something that is planted once and produces only a single harvest. Trees are planted once but may produce a hundred harvests. Men are things that are planted once but may produce a hundred harvests. HRD contributes to economic development. It does not by itself make such growth possible.

The Vision statement (Training plan) of the Department stipulated, among others, that each member of the organization has a role and must attain Basic skills, Occupational skills and Strategic skills to properly discharge his or her duties. RTIs are seen as major development points in their fulfilment. With off-loading of the basic courses to the field offices sometime during 1996, RTIs are left with value added courses/seminars/workshops and the subjects in which they were expected to specialize. As a Centre of Excellence in Audit of Fraud, Fraud Detection Techniques and Forensic Audit, we have been making sincere efforts to develop quality reading material, case studies (national and international) and research papers on the subject. During this year, the institute had brought out many such compilations and disseminated them to all the user offices and sister institutes.

I take this opportunity to congratulate my Faculty who had given thrust to the initiative of bringing out this Newsletter, which is primarily aimed at bringing out a brief on various events of the institute from time to time.
Auditing Tools in Excel

Track Changes
Microsoft Excel can maintain and display information about how a worksheet was changed. Change tracking log details about workbook changes each time user saves a workbook. User can use this history to understand what changes were made, and to accept or reject revisions. This capability is particularly useful when several users edit a workbook. It's also useful when user submits a workbook to reviewers for comments, and then want to merge input into one copy, selecting which changes and comments to keep. When user views the change history, either directly on the worksheet or on a separate History worksheet, user can see who made each change, what type of change was made, when it was made, what cells were affected, and what data was added or deleted. Change tracking is available only in shared workbooks. In fact, when user turns on change tracking, the workbook automatically becomes a shared workbook, although user doesn't have to store the workbook where others can access it.

Highlight Changes
1. Select & Save a Spreadsheet

2. Select
   Tools-Track Changes-Highlights Changes (This will keep track on the changes made in original worksheet from this point of time)

3. Highlight changes dialog box will be displayed.
   Accept
   Track changes while editing,
   when, who and

4. Change the name in second row from XYZ to PQR and focus the mouse pointer on the change cell.
   Observe the message displayed by Excel. This will provide the information about the user who made the change, date and time of change and original entry and new entry in cell. Similarly the modified cell change to new appearance.
   Save the Document.

Accept or Reject Changes
1. Open the Previous Saved Spread Sheet

2. Select
   Tools-Track Changes Accept or Reject Changes

3. In Accept or Reject Dialog Box Accept
   When
   Who
   Click on OK

4. Another dialog box prompts for series of changes made in worksheet.
   The user has to select to Accept, Reject, Accept All, Reject All Changes.

Tips
Change tracking differs from undo and backup: Unlike the Undo button, user can't use the change history to back out changes. However, the history includes a record of any deleted data, so that user can copy lost data from the History worksheet back to the original cells. Because change tracking isn't designed to help user return to earlier versions of a workbook, user should continue to back up workbooks that have change tracking in effect.

Some types of changes aren't tracked: Changes made to cell contents are tracked, but other changes, including formatting changes, are not. Some Excel features are unavailable in shared workbooks and therefore aren't tracked.

History is kept only for a set interval: When user turn on change tracking, the history is kept for 30 days. This limit keeps workbook size manageable. User can increase or decrease the number of days of history to keep. If user wants to keep the history indefinitely, user can specify a large number of days, or he can make periodic copies of the history information.

How history gets deleted? Excel determines what history is kept by counting back from the current date. Each time user closes the workbook, Excel erases any part of the change history that is older than the number of days in effect the last time the workbook was saved. For example, if user is keeping 30 days of change history, and he opens a workbook for the first time in two months, he will be able to view the history from two months ago. However, when user closes this workbook, the history from 31 to 60 days ago is deleted. If user turns off change tracking or stops sharing the workbook, history is permanently deleted.

Shri L.G. Bhute, AAO/CF

Future PCs

FUTURE P.C.
When companies like Canon, HPCL, Toshiba etc are on the mission of shrinking this vast, devices are becoming smaller and more powerful. Shaky graphics and outstanding performance is the aim of all virtual keyboards and virtual screens are the future of PCs.

* In the revolution of miniature of computers, the scientists are ahead with Bluetooth technology. See the forthcoming computers.

* think these are?
  PENS WITH HIDDEN CAMS ????? OMG!!!

* any wild guesses now?
  no clue.
  lasko and gentleman... congratulations!
you've just new looked into the future...

That's right! no kidding... you've seen something that would replace your PC in the near future...

NOW SEE THIS...

Smt. R. R. Shahare, AAO/CF
The institute, at the end of every training programme, conducts an evaluation test. Based on the criteria set by Headquarters, participants’ performance is evaluated and grades are awarded. The following table indicates the details of the participants who secured first and second positions in the tests. They were awarded token mementoes and merit certificates to sustain their interest and motivational levels. Names of the first, second and third rank holders were communicated to their respective Heads of the Department.

<table>
<thead>
<tr>
<th>GENERAL COURSES</th>
<th>Month &amp; Year</th>
<th>First Rank</th>
<th>Second Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Audit</td>
<td>October 2006</td>
<td>Shri Jai I. N. Sinha, AAO</td>
<td>Shri Abir Basak, AAO</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PDA, WC Rly, Jabalpur</td>
<td>PDA SE Central Rly, Bilsapurs</td>
</tr>
<tr>
<td>Gender Sensitisation</td>
<td>November 2006</td>
<td>Shri B. Srinivasan, AAO A.G. (A&amp;E)</td>
<td>Dr. P. H. Muddiar, Sr. A.O. A.G. (Au), Mah, Nagpur</td>
</tr>
<tr>
<td>Audit of Direct Taxes</td>
<td>December 2006</td>
<td>Shri Pramod Tiwari, SO PDA, C Rly, Mumbai</td>
<td>Shri Sanjay Kumar Singh, SO PDA, C Rly, Mumbai</td>
</tr>
<tr>
<td>Spl. Course on Entitlement</td>
<td>December 2006</td>
<td>Shri G. Ramakrishna, SO</td>
<td>Shri S. M. Darwhacker, Sr. A.O. A.G. (A&amp;E), Mah, Nagpur</td>
</tr>
<tr>
<td>- Citizens’ Charter and Grievances Handling</td>
<td></td>
<td>A.G. (A&amp;E), Hyderabad</td>
<td></td>
</tr>
<tr>
<td>Audit of Fraud, Fraud</td>
<td>December 2006</td>
<td>Shri Kunal Bose, SO</td>
<td>Shri Navin Kumar Shrivastava, SO</td>
</tr>
<tr>
<td>Detection Techniques and</td>
<td></td>
<td>DPA P&amp;T, Hyderabad</td>
<td>A.G. (W&amp;R), Bhopal</td>
</tr>
<tr>
<td>Forensic Audit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of Public Sector Undertakings</td>
<td></td>
<td>A.G. (C&amp;A) AAO</td>
<td></td>
</tr>
<tr>
<td>Performance Auditing and</td>
<td>February 2007</td>
<td>Shri Kailasith Kankani, SO</td>
<td>Shri Jai I. N. Sinha, AAO</td>
</tr>
<tr>
<td>HRM</td>
<td></td>
<td>DCA BHEL, Bhopal</td>
<td>PDA, WC Rly, Jabalpur</td>
</tr>
<tr>
<td>Cost Management and Cost Audit</td>
<td>March 2007</td>
<td>Shri R. Thinesh Kumar, AAO</td>
<td>S. Priyadarshi, SO</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PDCA, MAB, Hyderabad</td>
<td>PDA, WC Rly, Jabalpur</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EDPCourses (Lab I)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer training for SOGE Part II</td>
<td>November 2006</td>
<td>Shri Abhay Kowliwale, Sr. Acctt. A.G. (A&amp;E) Bhopal</td>
<td>Shri Ranjeet Deshmukh, Clerk DCA BHEL, Bhopal</td>
</tr>
<tr>
<td>candidates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training for Trainers (EDP)</td>
<td>December 2006</td>
<td>Shri V. Nagarajan, AAO A.G. (Au), Mah, Nagpur</td>
<td>Shri Deepak N. Koturwar, Sr. Acctt. A.G. (A&amp;E), Mah, Nagpur</td>
</tr>
<tr>
<td>IDEA for Windows</td>
<td>January 2007</td>
<td>Shri Udai Mohite, SO</td>
<td>Shri V. S. Soniyajul, Sr. Acctt. A.G. (A&amp;E), Hyderabad</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DA, P&amp;T, Nagpur</td>
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<tr>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Spl. Course on Developer</td>
<td>February 2007</td>
<td>Ms. Relha Narsikar, D.P.</td>
<td>Ms. K. S. Dara, DEO A.G. (A&amp;E), Mah, Nagpur</td>
</tr>
<tr>
<td>2000</td>
<td></td>
<td>A.G. (Au), Mah, Nagpur</td>
<td></td>
</tr>
<tr>
<td>C++ Language</td>
<td>March 2007</td>
<td>M. S. Karmalkar, AAO</td>
<td>Shri V. S. Gadge, AAO A.G. (Au), Mah, Nagpur</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A.G. (Au), Mah, Nagpur</td>
<td></td>
</tr>
<tr>
<td>M. S. Office</td>
<td>March 2007</td>
<td>Shri Biplob Dutta, Ar A.G. (Au), Mah, Nagpur</td>
<td>Ms. Suvrana A. Bade, Sr. Ar. A.G. (Au), Mah, Nagpur</td>
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<thead>
<tr>
<th>EDPCourses (Lab II)</th>
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</tr>
<tr>
<td>JAVA</td>
<td>February 2007</td>
<td>Shri P. V. Varma, Sr. Acctt. A.G. (A&amp;E), Mah, Nagpur</td>
<td>Shri Mahendra Pradke, AAO PDCA, MAB, Hyderabad</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oracle Database Administration</td>
<td>February 2007</td>
<td>Shri Abhay Kowliwale, Sr. Acctt. A.G. (A&amp;E), Bhopal</td>
<td>Shri Sushil Bhasik, Sr. Ar PDA, SEC Rly, Bilsapurs</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Course on SQL Server With MS Access</td>
<td>March 2007</td>
<td>Shri R. Chandrashhekhar, Sr. D.P. PDA, SC Rly, Secunderabad</td>
<td>Shri Srinivas Chirala, Sr. C.O. PAG (CA), Hyderabad</td>
</tr>
<tr>
<td>- Front Page</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Graduation of General Courses**

- A+ (>75%)
- B+ (>65%)
- 25%
- 75%

**Graduation of EDP Courses**

- A+ (>90%)
- B+ (>80%)
- C+ (>70%)
- 15%
- 62%

(Based on the marks secured by the participants in the end course evaluation tests)
Training Management Software

Shri L.G.Bhute, A.A.O/C.F(EDP) developed a Training Management software in M.S.Access. It has five modules viz., Training, Budget, Inventory, Library and Hostel. All the modules are integrated with user friendly menus and customized reports. It is fully functional since April 2007.

Material developed & disseminated

During 2006-07, the institute developed a series of Reading Material/Case Studies/Check lists on various subjects, particularly on “Audit of Frauds, Fraud Detection Techniques and Forensic Audit”. In order to facilitate their easy reference, a Compact Disc containing the material has been brought out.

Project ‘Class to Office’

- Under this, participants, as a part of their project work, present their work (on the topics assigned to them) to one or two subject matter specialists, for evaluation.
- The institute validates the contents of the presentation against the best practices followed. Validation may also involve supplementing the contents for their enrichment.
- The finished product (always found to be richer and comprehensive) is forwarded to the User offices.
- ‘Check list on Treasury Inspection’ is one of the products of this project. The participants worked on 3 key aspects viz., Pension, Personal Deposit / Personal Ledger Account and Stamps, in treasury inspection. In this issue, checklists pertaining to examination of Pension are given in the adjacent column.

Shri Rakesh Jain, Principal Director, Report States/Headquarters during his visit in connection with inauguration of a course on ‘Chapter I, Civil Audit Report’, released the C.D.

They were sent to all user offices/R.T.Is/ N.A.A.A/iCISA & Headquarters office.

<table>
<thead>
<tr>
<th>Treasury Inspection Checklist for PENSION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registers Maintained and details there of</td>
</tr>
<tr>
<td>Pension Payment Order (PPO)</td>
</tr>
<tr>
<td>- Name of the pensioner and Family Pensioner</td>
</tr>
<tr>
<td>- Date of Commencement of Pension, Rate of family Pension-Doublerate / Single rate.</td>
</tr>
<tr>
<td>- Date up to which double rate of family pension is to be paid. Limited period family pension.</td>
</tr>
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</tbody>
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(Continued on page 6)
THE MANDATE

Headquarters declared this institute as a Centre of Excellence in October 2003 with a mandate to act as a repository of information on the subject through developing quality reading material, case studies (national and international), research papers, and database of expert faculty and media reports. Significant developments in the matter are also to be reported through a newsletter for information to the user offices and sister institutes.

Reading Material
- Vol I -
  - Course proceedings
- Vol II -
  - Cyber Crimes
- Vol III
  - Auditing Standards
    - ASOSAI guidelines
    - AICPA guidelines
    - ICAI guidelines

Departmental Case Studies
- Fraud in tuition fee payments
  (based on Para 4.1.1 of A.R. of 2005-06, of Pr. A.G. (Civil Audit), A.P., Hyderabad)
- Fraud in physical verification of saw mills
  (based on para 4.1.1 of A.R. of 2004-05, of A.G., Chhattisgarh, Raipur)

International Case Studies
- Famous Corporate Frauds
  - Global Trust Bank
  - Worldcom
  - Enron
  - Parmalat
- Fraud vulnerability in SAP Environment

Material developed & disseminated

Contact us for material

E-mail: rtiNagpur@cag.gov.in
Ph: (0712)-2545420, 2545816, 2545829
Fax: 0712-2562577

AUDIT OF FRAUD MATTERS

FRAUD EXAMINATION IN INDIA

Brief History

In the Arthashastra, Kautilya discussed elaborately the different types of fraud and embezzlement that might be committed by the negligent government officials. Kautilya was a realistic jurist and admitted that just as it is impossible not to taste the honey or the poison that finds itself at the tip of the tongue, so it is impossible for a government servant not to eat up at least a bit of the King's revenue. In general it may be said that the government official who would not take into the Treasury the revenue collected or would not spend what was ordered or would misrepresent the amount collected was guilty of defalcation of State funds. In the Arthashastra, stress has been given both on fraud prevention as well as fraud detection. Some of these frauds are relevant in today's corporate environment also.

The possible ways of embezzlement of government revenue during Kautilya's period stated in his Arthashastra are as under:

- What is collected earlier is credited later.
- What is realized later is credited earlier.
- What ought to be collected is not collected.
- What cannot be collected is shown as collected.
- What is collected is shown as not collected.
- What has not been collected is shown as collected.
- What is collected in part is shown as collected in full.
- What is collected in full is shown as collected in part.
- What is collected under one head of account is shown as collected under a different head of account.

(to be continued in the next issue)

The audit department that chooses to be part of the fraud solution can look forward to continuing professional challenge. - Courtenay M. Thompson
The institute had released a series of case studies prepared based on the transaction audit paras reported in Chapter 4 of various State Audit Reports. In this issue, we are starting with a case on “Fraudulent Tuition Fee Payments” reported under para 4.1.1 of the Audit Report of Comptroller and Auditor General of India for the year 2005-06 of the state of Andhra Pradesh.

**Case study in brief**

Dr. B. R. Ambedkar University introduced a system of collection of tuition fee through postal stickers from 2002-03 onwards. Candidates pay the tuition fee in the post offices. In token of receipt of tuition fee, the post offices issue postal stickers in duplicate. The thicker and self-adhesive (original) copy is pasted on the application. The study centers were mostly manned by regular staff of the concerned institute/college to whom the University pays honorarium. They prepare Admission Registration List (ARL), which contains all the names and particulars of the students who had paid the tuition fees. The study centre forwards the ARL along with Compact Disks Forms to the Admission Section of Students Service Branch of University. Lack of diligence on the part of the staff coupled with intentional non-adherence to the prescribed accounting procedures created opportunities for misappropriation of remittances of tuition fees. Various methods adopted were as under:

- A single postal receipt number repeated for multiple candidates,
- Fee remittance Forms accepted without postal stickers,
- Fee particulars were either absent or were entered manually (found to be fictitious)
- Same demand draft number was used for more than one candidate

(Continued from page 4)

**Gratuity Payment Order (Name of pensioner, Order No. & date, Amount of Gratuity)**

i) Check from gratuity payment order register that provisional payment of gratuity has been adjusted at the time of making final payment of gratuity.

ii) In case of payment of provisional pension, gratuity is not continued without obtaining validation from office of the Accountant General.

iii) Check whether pension reduced by the amount of commuted value of pension was restored after completion of 15 years.

iv) For payment of provisional pension beyond the period of adjustment from final payment, check whether sanction of Accountant General was obtained.

v) Ensure that provisional gratuity was limited to 90% of the anticipated final gratuity.

vi) Check the voucher number and date of payment of provisional gratuity to see that it was adjusted from final payment.

**Register of Provisional Payment of Pension (Name of Pensioner, Order No. and date, Amount payable, Month upto which payable)**

i) Check that payment of provisional pension is not continued without obtaining re-validation from office of the Accountant General.

**Register of Provisional payment gratuity /pension/Committed value of Pension (Name of pensioner, Order No. and date, Amount payable)**

i) Check the voucher number and date of payment of provisional gratuity to see that it is adjusted from final payment.

ii) Check the rate at which the life time arrears were paid.

iii) Check the name of the pensioner and DDO in whose favour GPO was issued.

iv) Check that case was received from appropriate D.D.O.

v) Validity of gratuity payment order is one year. See that payment on expiry of one year from the date of issue of GPO was not made without revalidation of GPO.

vi) In respect of commuted value of pension, check the number and date of CPO.

vii) Check that the rate of commuted value was correct and amount payable was correctly worked out as per prescribed formulae.

viii) Check the effective date of commutation.

ix) Check the actual date of commutation.

x) Verify that the Senior Treasury Officer or any other officer nominated for the purpose attested the register of CPO.

xi) Verify that pension was reduced by the amount of commutation after the payment of lump sum amount of commuted value of pension.

xii) Ensure that no overpayment or less payment of pension/family pension or gratuity was made on any occasion.

When one person is given total control over the financial records, it is a licence to steal.

- Edwin Bliss & Idsum Aoki
Types of Frauds

Phishing - What is it?

The word 'phishing' comes from the analogy that Internet scammers are using e-mail lures to fish for passwords and financial data from the sea of Internet users. Phishing isn't really new -- it's a type of scam that has been around for years and in fact predates computers. Malicious crackers did it over the phone for years and called it 'social engineering'. What is new is its contemporary delivery vehicle -- spam and faked Web pages. It is an act of sending e-mail to a user, falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft. The e-mail directs the user to visit a Web site where they are asked to update personal information, such as passwords and credit card, social security, and bank account numbers, that the legitimate organization already has. The Web site, however, is bogus and is set up only to steal the user's information. At first glance, it may not be obvious to the recipients that what is in their inbox is not a legitimate e-mail from a company with whom they do business. The "From" field of the e-mail may have the .com address of the company mentioned in the e-mail, and the clickable link may also appear to be taking you to the company's Web site, but will in fact take you to a spoof Web site. Looks can be deceiving, but with phishing scams the e-mail is never from who is appears to be!

How to avoid a Phishing Scam?

The golden rule to avoid being phished is to never ever click the links within the text of the e-mail. Always delete the e-mail immediately. Once you have deleted the e-mail then empty the trash box in your e-mail client as well. This will prevent "accidental" clicks from happening as well. If, for some really odd reason you have this nagging feeling that this could just possibly be a legitimate e-mail and nothing can convince you otherwise, you still need to adhere to the golden rule and not click the link in the message.

Fraud Examination

The Fraud Triangle

The phases of fraud can best be illustrated by the Fraud Triangle. Employees who commit fraud generally are able to do so because there is opportunity, pressure and a rationalization.

Opportunity

Pressure

Rationalization

Opportunity is generally provided through weaknesses in the internal controls. Some examples include inadequate or no:
- Supervision and review
- Separation of duties
- Management approval
- Personal financial problems
- System controls

Pressure can be imposed due to:
- Personal vices.
- Unrealistic deadlines and performance goals

Rationalization occurs when the individual develops a justification for their fraudulent activities. The rationalization varies by case and individual. Some examples include:
- "I really need this money and I'll put it back when I get my paycheck"
- "I helped the organisation in times of trouble".
- "I just can't afford to lose everything my home, car, everything"

Fraud generally exploits an unfair or dishonest advantage that may also deceive an outside party. Perpetrators of such frauds usually benefit indirectly, since personal benefit usually occur when the Organization is aided by the act.

(Fraud Diamond, in the next issue)

In order to reduce the risk of fraud, organizations must develop a climate that reinforces ethical behaviour.

- Charles F. Tate
Red flags and Anti-Fraud Measures - Tendering in Public Works

Fraud is the biggest threat to the business environment today. Existence of strong internal controls act as the best defense shield against frauds. Expectedly, today's antifraud environment is also characterized by a decided shift from compliance-driven identification and investigation of incidents to proactive prevention and detection embedded into an organization's internal controls. To a growing extent, the stakeholders are now demanding proactive antifraud programmes characterized by a strong focus on the prevention and timely detection of fraud.

Although antifraud roles vary from one organisation to another, there is general agreement that top management owns the antifraud responsibility and audit serves as a critical line of defence against the threat of fraud, with a sharp focus on risk-monitoring as well as fraud prevention and detection.

In this column, an attempt has been made to give a sample list of red flag and anti-fraud measures for a key activity in Public Works Audit i.e. Tendering.

<table>
<thead>
<tr>
<th>Red flags (Fraud indicators)</th>
<th>Sample anti-fraud measures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Preventive</td>
</tr>
<tr>
<td>Invitation to tenders</td>
<td>Time is allowed as provided in the regulations and wide publicity is required to be given to tender. Notice to ensure fair competition.</td>
</tr>
<tr>
<td>Tender documents sold to contractors who have not been pre-qualified</td>
<td>The tender committee signifies their approval of the list of contractors who have been sold biding documents.</td>
</tr>
<tr>
<td>Time extension given arbitrarily, regardless of the number of tenders received</td>
<td>Time extensions are given only if reasonable competition is not likely and if more competition could be generated.</td>
</tr>
<tr>
<td>Tender Opening</td>
<td>The committee is appointed in accordance with the norms stipulated regarding its Composition and qualifications of the Members.</td>
</tr>
<tr>
<td>Tender Evaluation</td>
<td>All tenders received are recorded and kept in the custody of a responsible person.</td>
</tr>
<tr>
<td></td>
<td>The tender documents sales book is checked against tenders received and ascertain reasons recorded, if any, for non-receipt of all tenders sold.</td>
</tr>
<tr>
<td>Evaluation criteria set and applied prejudicially</td>
<td>Tender documents should describe the evaluation criteria and the weights to be applied to them.</td>
</tr>
<tr>
<td></td>
<td>All documents submitted with the tender are inititaled by those present at the tender opening. All tender documents received are kept in the custody of responsible person.</td>
</tr>
<tr>
<td>(As a result of collusion amongst tenderers) the lowest tender submitted was extraordinarily higher than the cost estimates.</td>
<td>Consideration is given to the current market conditions and to the price of similar or identical material purchased. At least 3 tenders are received and all tenderers are informed accordingly.</td>
</tr>
<tr>
<td>(As a result of collusion among contractors) the lowest bidder may not agree to extend the period of bid validity.</td>
<td>The initial period of bid validity allows enough time for bid evaluation and award. Extensions are granted only under exceptional circumstances.</td>
</tr>
</tbody>
</table>

Management committed most frauds !!!

"Over 60 percent of the perpetrators are members of top management. Senior managers have access to confidential information and their position makes it easier to bypass internal controls and inflict greater damage to the company", KPMG Fraudster Survey 2007 revealed.

The survey revealed that a typical fraudster is male aged between 36 and 55 years and working in financial department of the company for six or more years.

The desire for money and opportunity are the key factors, which drive a person to commit fraud. The survey took into account 360 cases entrusted to the forensic departments of KPMG in Europe, the Middle East, India and Africa.

The survey found the offenders to have committed multiple frauds over an extended period before being caught. In 91% cases investigated, officers committed several offences before being nabbed. In 76% cases the time span of frauds was more than six months and in 33% three or more years. In most of the cases, after catching the offenders, the companies preferred to undertake independent investigations rather than informing the police or public authorities for fear of negative image.

CROSSWORD - SYNONYMS OF 'FRAUD'

Across:
1. To get money or something else from devious trickery (8)
2. Someone who tricks or cheats people (8)
3. Something intended to deceive (6)
4. An untrained person who pretends to be a physician (5)
5. To obtain by fraudulent means (7)
6. Someone who tricks or cheats people (8)
7. A person who sells quack medicines from a platform (10)
8. A person who makes fraudulent claims to skill or knowledge (9)
9. To obtain by fraudulent means (7)
10. No genuine or real; counterfeit (5)

Down:
1. A person who sells quack medicines from a platform (10)
2. A person who makes fraudulent claims to skill or knowledge (9)
3. To obtain by fraudulent means (7)
4. No genuine or real; counterfeit (5)
5. Someone who tricks or cheats people (8)
6. A person who sells quack medicines from a platform (10)
7. Someone who tricks or cheats people (8)
8. To get money or something else from devious trickery (8)
9. Something intended to deceive (6)
10. An untrained person who pretends to be a physician (5)