



**M O R D E R N S T R A T E G I E S A N D T E C H N O L O G I E S F O R
M I T I G A T I N G F I N A N C I A L F R A U D**

B y H a r r i s o n N n a j i

Outline

What is Financial Fraud?

Types of Financial Fraud

The Digital Financial Ecosystem

Technologies for Mitigating Financial Fraud

Fraud Triangle

Strategies for Mitigating Fraud

Top Financial Fraud mitigation Challenges

Conclusion



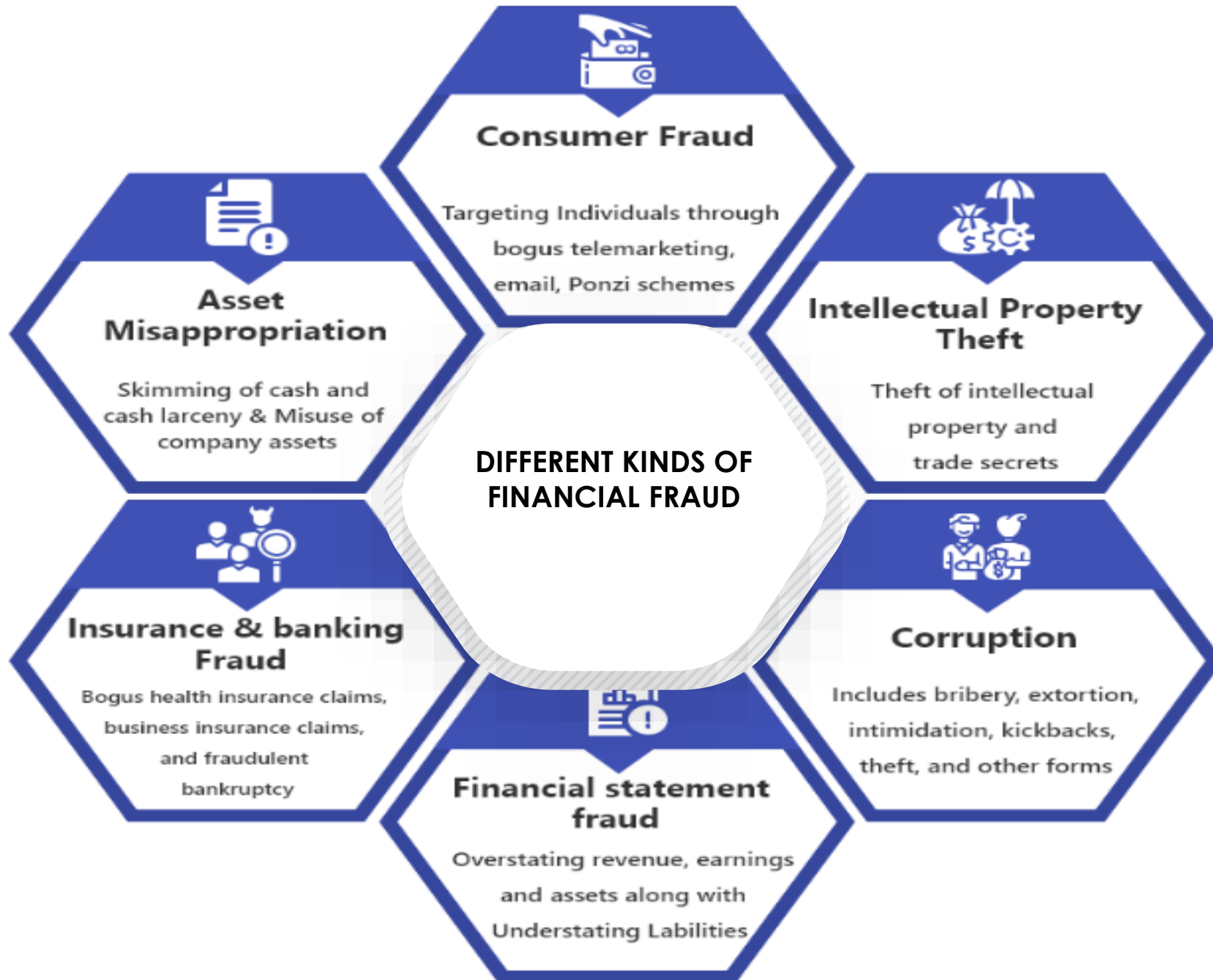
What is Financial Fraud?

Financial fraud can be broadly defined as an intentional act of deception involving financial transactions for purpose of personal gain

It encompasses **criminal offences** that involve deception and dishonesty to obtain some benefit or to cause detriment to some person or organization.

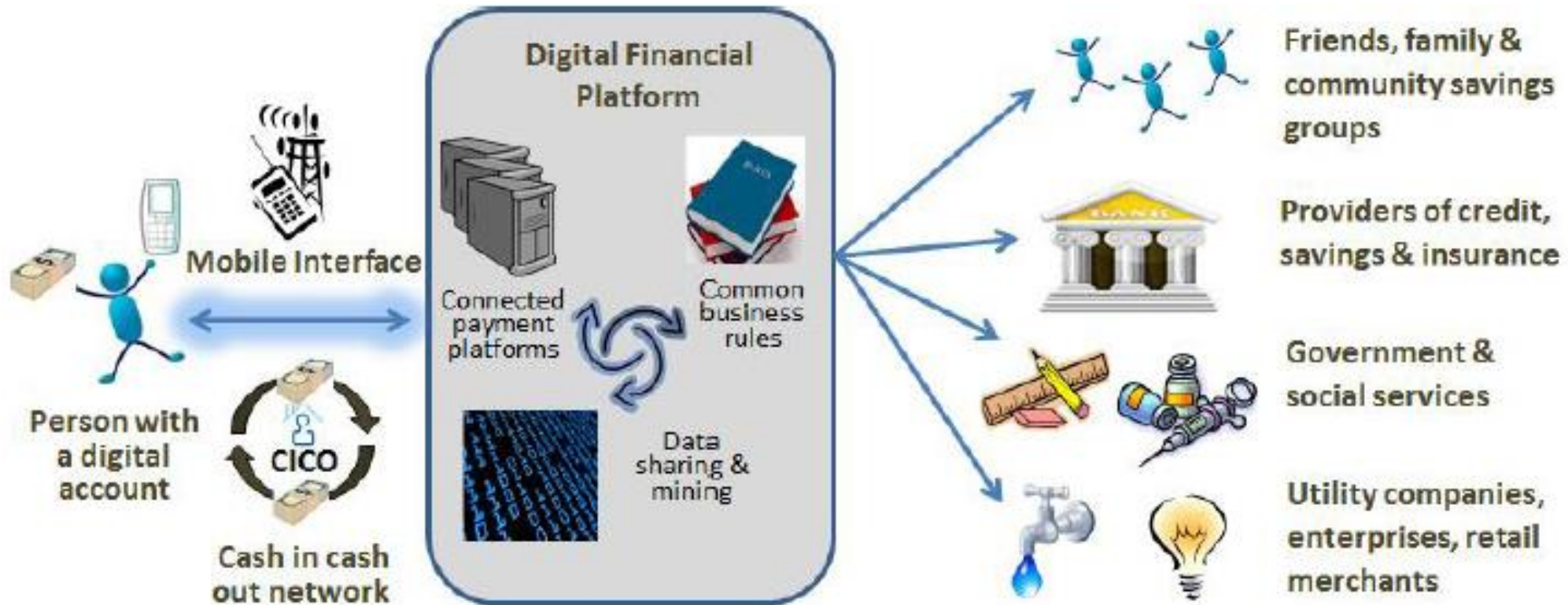
Deceit, trickery specifically : intentional perversion of truth in order to induce another to part with something of value or to surrender a legal right



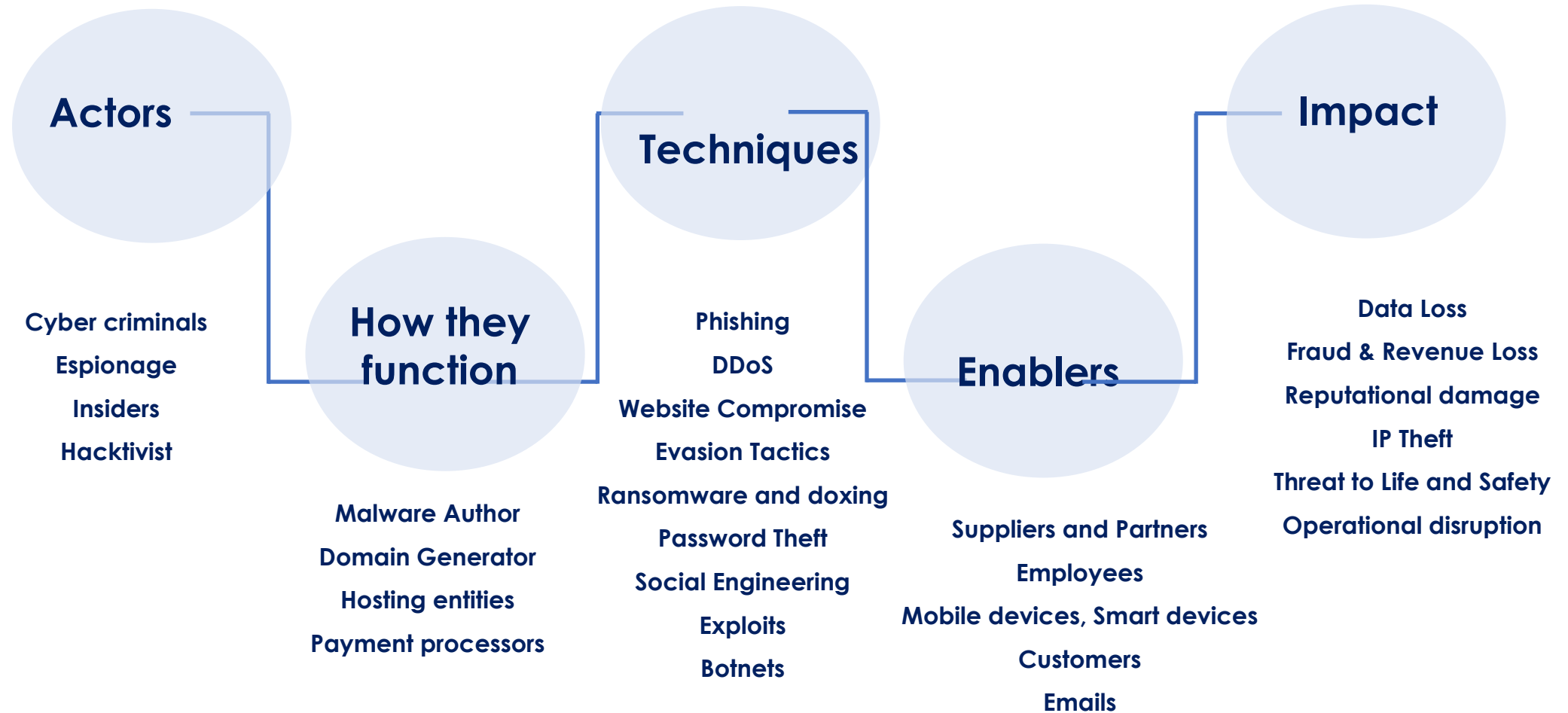


The Digital Financial Ecosystem

The financial ecosystem comprises a broad range of financial services accessed and delivered through digital channels, including payments, credit, savings, remittances and insurance. It also includes mobile financial services.



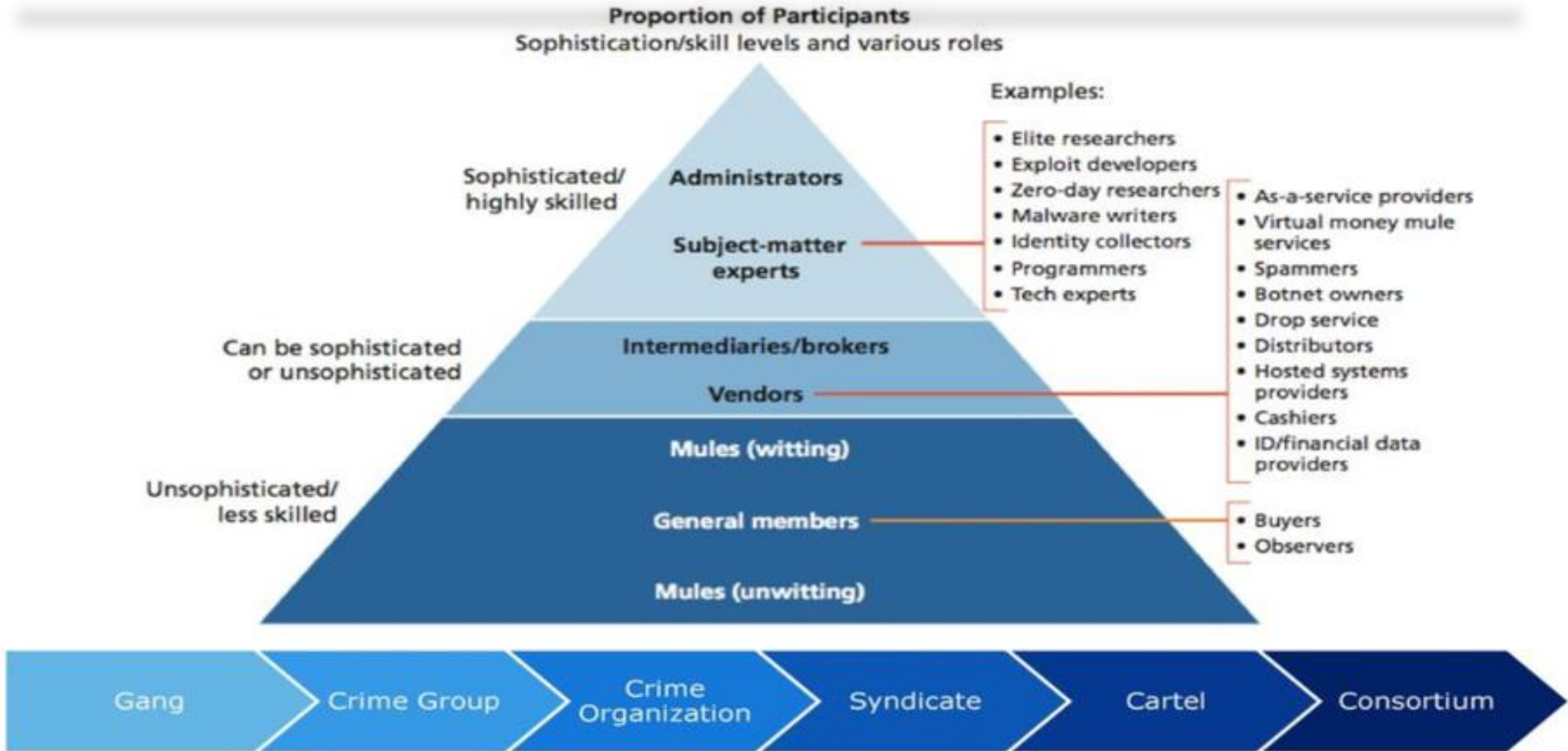
The Digital Financial Services Threat Landscape



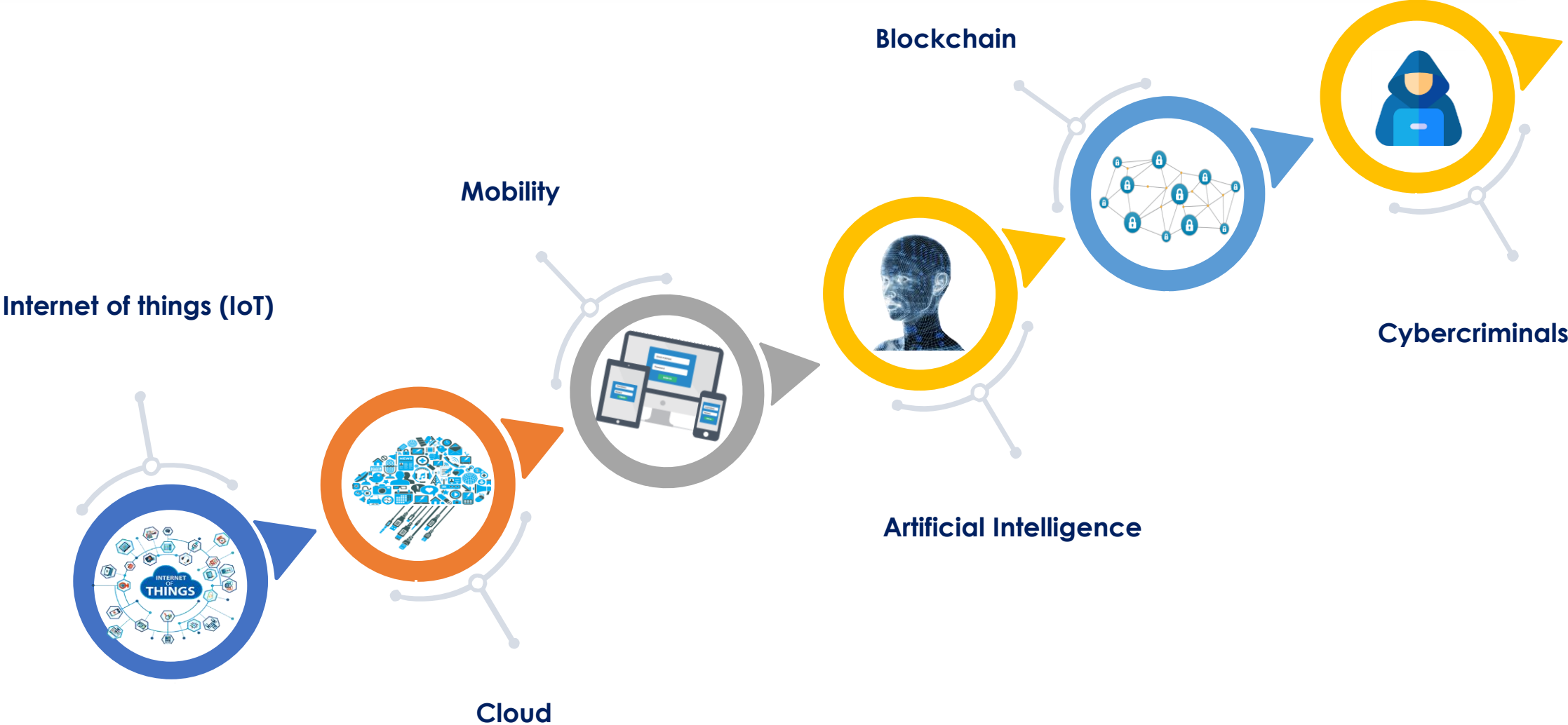
The FRAUD Triangle



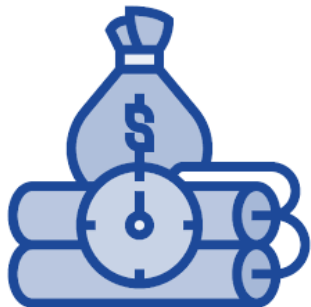
Category of Financial Fraudsters



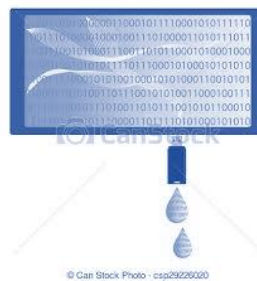
Financial Fraud Escalators



IMPACT OF FRAUD ON ORGANISATIONS



Personal liabilities and penalties



Data breaches



Loss of capital



Loss of Customers

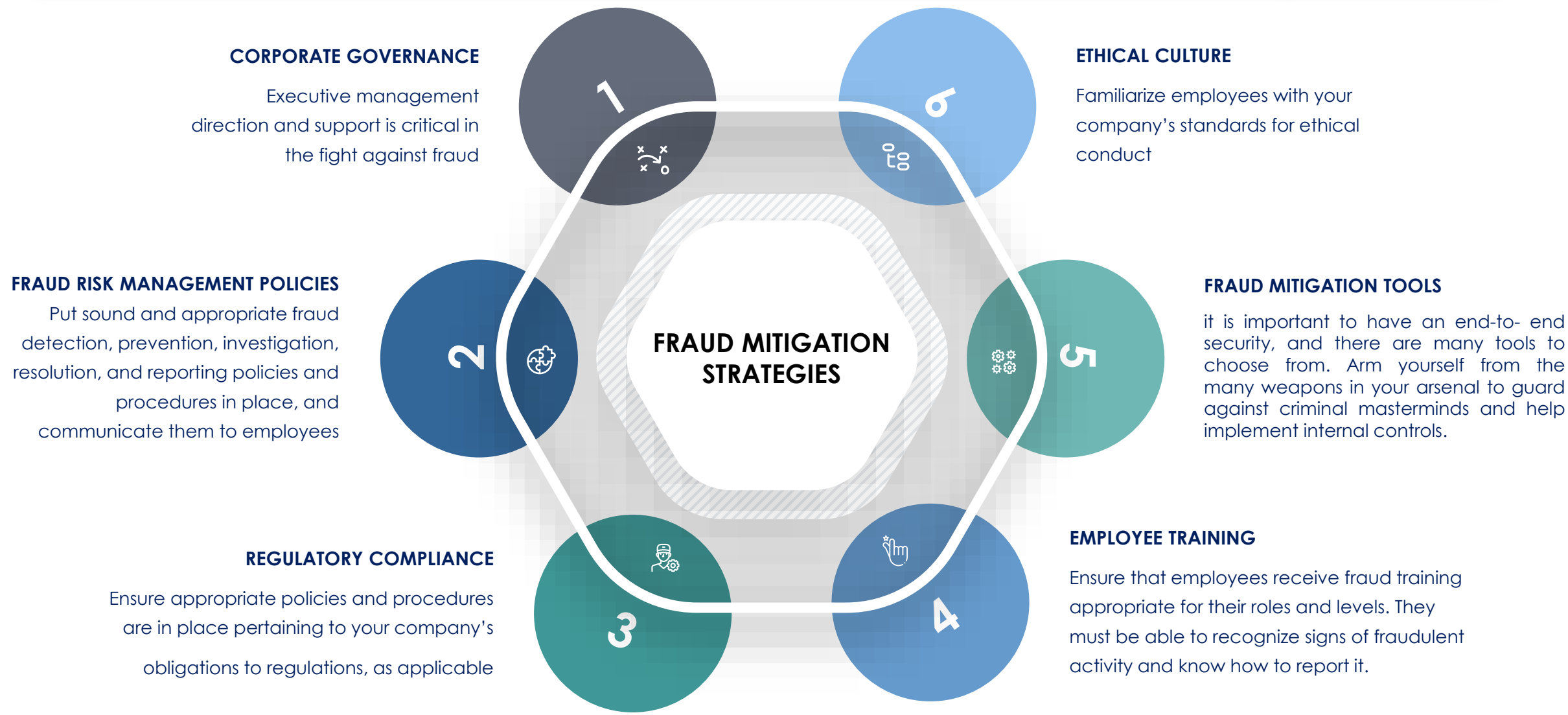


Reputational damage



Losing competitive advantage

Strategies for Mitigating Financial Fraud



Multi-Layered & Integrated Fraud Mitigation Strategy

Governance

- Polices
- SLA / OLA
- Guidelines
- Processes
- SoW
- SOPs
- Standards
- Baselines
- Contracts
- SRD / FRD

People

- Background checks
- Job rotation
- Audits
- Leave
- Security / Process awareness
- Supervision / spot checks
- Maker Checker
- Segregation of duties
- Penalties and Sanctions
- Privilege Control
- Staff Welfare management / Rewards
- Health & Safety
- Education & Training
- Whistleblowing - Anonymous

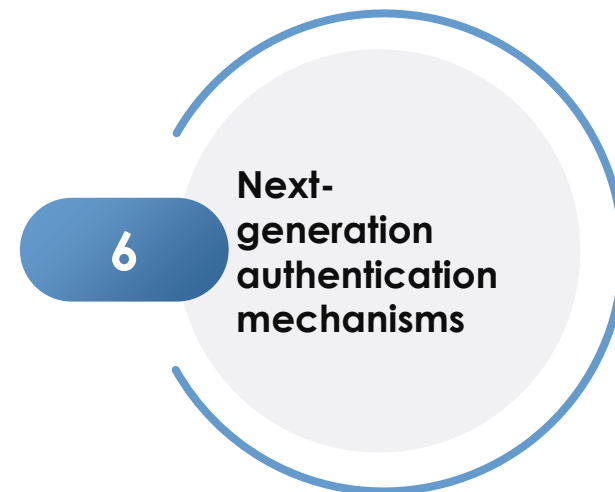
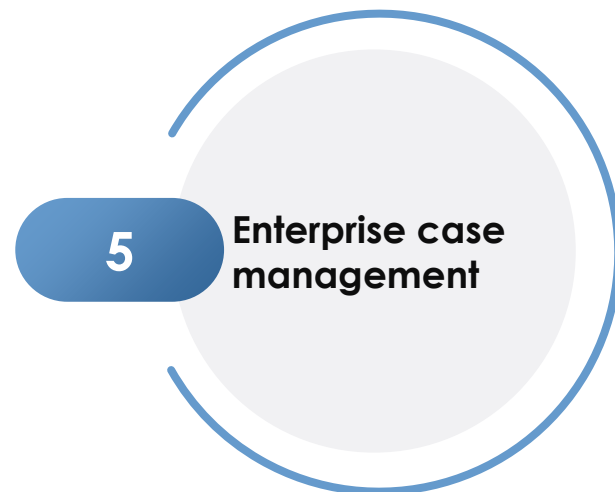
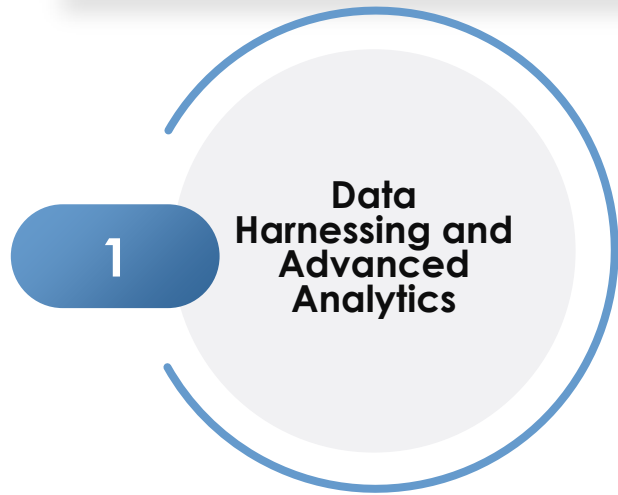
Control

- Technical
- Operational
- Organizational
- Risk Assessment
- Procedural / Administrative
- Governance
- Audit
- Inspection

Technology

- Perimeter Security
- Secure Connectivity
- Vulnerability Assessment tools
- Identity & Access Management
- Privilege Account Management
- File Integrity Monitoring
- Encryption
- Data masking
- Data Loss Prevention
- Network Access Control
- Internal Employee Fraud Management

Modern Technologies to tackle Financial Fraud



Top Financial Fraud Mitigation Challenges



1

Changing Fraud Pattern over time

This one is the toughest to address since the fraudsters are always in the lookout to find new and innovative ways to get around the systems to commit the act



2

Skills Gap

A skills gap is a major roadblock on the way towards the effective implementation of these solutions. Many organizations lack qualified financial Fraud experts who know how to manage fraud tools and analyze complex fraud cases.



3

Complexities in Regulation

Regulatory expectations continue to increase to match program design to real world risks presented by customers, products, and geographies.



4

Dramatic Shift to Remote services

The dramatic shift to remote services, which took root when the pandemic broke out, has reshaped the businesses and the financial services industry. Providers of fraud prevention systems had to quickly adjust their activities to new challenges and more stringent requirements of regulators and customers.

THANK YOU