

## Circular to Clients and Prospective Clients

### How to Properly React to a Fraud or Suspicion of Fraud at the Workplace

#### Introduction

We at Crowe Forensics have found, and are being called upon to attend to, an upsurge in fraud and other white-collar misdemeanors at various workplaces in Zimbabwe. This surge has become relentless as of the onset of the COVID-19 pandemic.

On the other hand, Courts have virtually desisted from entertaining any workplace fraud case without a Forensic Audit Report. Though this judicial requirement has always been in existence, it has now almost become obligatory.

It is in view of these developments that Crowe Forensics has found it necessary to forewarn clients and other organisations of the pitfalls of having the Court or public prosecutors order a Forensic Audit when a case is presented before them. The result of such an order will invariably entail a near panic scramble to find qualified Forensic auditors amid tight timeframes.

#### Be Prepared

Here is a primary action checklist when a fraud is discovered or suspected:

1. Alert the designated fraud incident go-to person that an allegation or suspicion exists<sup>1</sup>
2. Document the date, time and details of initial report or discovery.
3. Take notes of all observations and actions – it's better to have more notes than less.
4. Maintain confidentiality (operate on a need-to-know basis). Unwarranted disclosure may cause unnecessary panic and harm investigations. Do not confront the suspect, yet.
5. Write out in full the suspected act or wrongdoing, including what we call the *5wh* checklist:
  - What is alleged to have occurred?
  - Who is alleged to have committed the act?
  - When did it occur - Is continuing?
  - Where did it occur?
  - What is the value of the loss or potential loss?
  - Who knows of the activity?
  - How and why was there an internal control lapse?
6. Identify all documentary and other evidence connected to the activity.
  - Invoices
  - Contracts
  - Purchase orders
  - Cheques
  - Computers, networks, and other devices
  - All relevant vouchers and documents
7. Overtly obtain proof or evidence of the activity and place in a secure place

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<sup>1</sup> It is advisable to have a senior person as the designated go-to person within the organisation. Crowe Forensics can assist with crafting appropriate Fraud Policy and Procedure manual for any organisation.

8. Protect evidence from damage or contamination<sup>2</sup>
9. List each item individually taking note of acquisition, including, time, date, person and location and where the item was securely stored.
10. Identify all potential witnesses.
11. Secure electronic evidence. Do not go into the suspect/target computer systems – leave the device as it is.
12. Secure and/or remove suspect's access to relevant computers and systems. Do not allow IT department or anyone besides a forensic specialist to examine the computer systems.
13. Consider other potential suspects or conspirators and extent of fraud.
14. Alert or approach Crowe Forensics (or any other competent and certified Forensic<sup>3</sup> Auditor) as soon as possible, preferably within 12 hours.

It is therefore our advice to have a trusted Forensic Auditor on call so that advice and assistance can be available at the press of a button.

Yours sincerely



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<sup>2</sup> *Contamination of Evidence* is the unwanted alteration of *evidence* that could affect the integrity of the original exhibit or the crime scene.

<sup>3</sup> Forensic simply means "relating to courts of law"