



2013-2014 ACFE Vancouver Chapter Board of Directors

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ACFE Vancouver Chapter Officers and Committees:

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COMMUNICATIONS

John Dumfries/Latika Martins/Brian Ison

September 2014 Edition

Chapter Announcements:

Renew your Chapter membership to receive an early bird discount!

We are pleased to offer an early bird membership renewal/registration if you pay online via PayPal before **October 1st**.

One Year Membership: \$78.75 (incl. GST)

Two year membership at \$147.00 (incl. GST)

Go to:

<http://cfevancouver.com/membership.php>

Group Membership: A discounted rate is available for two or more members from the same organization. Contact: cfevancouver@yahoo.ca

Connect with the ACFE Vancouver Chapter via [Twitter](#) and [LinkedIn](#). Also, check the Chapter's website for up to date content www.cfevancouver.com.

Find a Fraud Examiner

If you are a CFE and a current ACFE Vancouver Chapter member and would like your name and contact information on our website, please send us your contact information to website@cfevancouver.com.

Website Job Postings

We are offering a free posting to any companies who have at least one employee as a member of our chapter. To post a position, contact John Dumfries at: website@cfevancouver.com.

Publisher's message

On behalf of the Chapter President and Board of Directors, we wish to welcome you back from the summer break.

Our first event will be held on September 24th at the Terminal City Club. There will be a short Extraordinary General Meeting (EGM) to discuss and vote on important Chapter related matters detailed below. Following the EGM, there will be a presentation on Securities Fraud Investigations by David Ingles and Andy Poon from the BCSC.

As you may be aware, the new *Canada Not-for profit Corporations Act* (NFP Act) requires the Chapter to complete a two-step transition process by **October 17, 2014**. The EGM will allow Chapter members to vote on the following Special Resolutions:

NFP Act Transition

- 1) Special resolution to replace the Chapter's Letters Patent with Articles of Continuance in accordance with the new Act, which will be filed with the Director in order to obtain a Certificate of Continuance.
- 2) Special resolution to replace the Chapter's existing Bylaws. The new Bylaws will then be filed with the Director to complete the transition process.

Change in Annual General Meeting (AGM) Date from November to February

- 3) Resolution to amend the date of the AGM from November to February to provide sufficient time to comply with the new NFP Act regarding preparation, approval and circulation to the members of the Chapter's annual audited financial statements.

We request that you review the below documents prior to the meeting on September 24, 2014. Click on each document below to review it on a separate page.

- 1) **Notice of the Extraordinary General Meeting**
- 2) **Draft Bylaws**
- 3) **Draft Articles of Continuance**
- 4) **Information circular followed by the two special resolutions**
- 5) **Resolution to amend the AGM Date**
- 6) **Proxy Form**

Should you have any questions with regards to this matter, please do not hesitate to contact Rosanne Walters at RWalters@bdo.ca or Latika Martins at latikamartins@gmail.com

- Prepared by John Dumfries, CPA, CGA, CFE, CIA

Upcoming Events:**ACFE Vancouver Chapter****Extraordinary General Meeting and Luncheon**

When: September 24th, 2014

Registration: 11:45am

Time: 12:00pm to 1:30pm

Speakers: Dave Inglis and Andrew Poon

Topic: Securities Fraud Investigations

Where: Terminal City Club (837 West Hastings Vancouver)

Cost: \$40 for members, \$50 for non-members/guests

To register: <http://cfevancouver.com/events.php>

Cancellations after September 19th will not be processed.

Topic and speaker bios are below.

Outside Training Event:**Forensic Accounting**

When: October 18th, 25th, November 8th, 15th, 22nd 2014

Time: 9:00am to 6:00pm

Instructor: Karen Keating, CPA, CA

Where: BCIT Burnaby Campus (3700 Willingdon Avenue, Burnaby)

Cost: \$798.89

To register: [Click Here](#)

Mark your calendars for these upcoming events:

- **November 26th, 2014:** Training session at Justice Institute of BC
- **December 17th, 2014:** Christmas luncheon at Terminal City Club

Training Preview September 24, 2014: Securities Fraud Investigations

Securities fraud cases can pose unique challenges and situations for investigators. The BC Securities Commission is the government agency that sets the rules for securities trading, ensures compliance and takes enforcement action when required to protect investors in BC.

In this session, BCSC staff will explain how they conduct administrative investigations and some of the benefits and advantages in pursuing cases in this fashion - The key being the ability to act quickly to prevent further harm to investors.

They will illustrate this with an examination of a recent high-profile case of an alleged multi-million dollar Ponzi scheme in the Lower Mainland. Within 60 days of receiving a tip, staff froze assets, issued an Investor Alert, interviewed victims, settled with one participant and issued a notice of hearing against another, alleging that she and the companies she controlled committed fraud involving hundreds of investors.

The speakers will illustrate how BCSC staff was able to take swift and decisive action using this case as an example.

Speaker Bios:***Dave Inglis - Analyst/Researcher, Case Assessment Branch***

Since 2001, Dave has been investigating violations of the Securities Act as the Analyst/Researcher for the Enforcement Division of the BC Securities Commission. Before joining the BCSC, he worked as an analyst with the Open Source Section of the Coordinated Law Enforcement Unit (CLEU) and the Organized Crime Agency of British Columbia (OCABC). Both CLEU and OCABC had as their mandate the suppression and disruption of Organized Crime in British Columbia. Dave has a BA (Hon.) and a MA in History from SFU.

Andy Poon - Community Relations, Communications & Education

Andy manages the BC Securities Commission's community relations program to promote awareness of the BCSC and its investor education resources. He works closely with leaders, stakeholders and organizations in various communities including those in ethnic communities and enforcement agencies such as the RCMP and municipal police services.

A former journalist, Andy joined the BCSC in April 2001. He has a BSc and MBA from Dalhousie University in Halifax, N.S. and a MA in journalism from University of Western Ontario.

Training Review: Auditing for Internal Fraud

This July, the ACFE Austin held a two-day course on *Auditing for Internal Fraud* in Vancouver. Our Chapter played host at the Fairmont Waterfront to 40 participants from across Canada and the US.

Ms. Tiffany Couch, the principal of Acuity Forensics, an ACFE faculty member and award-winning speaker led the 16 hour CPE course.

The first day focused on the fundamentals of auditing for fraud. The basics such as the fraud triangle were built upon to address the in-depth topics of fraud risk assessment and audit planning.

Ms. Couch gave examples from the dozens of cases she has personally investigated. They ranged from the serious to the absurd and brazen. She also gave firsthand accounts of dealing with fraudsters - bringing to the forefront that fraud is a human problem, not an accounting problem. She reiterated the idea we as CFEs are so familiar with, that trust is not an internal control.

The second day allowed for group interaction and focused on effective interview techniques to elicit information from suspects. Preparation and planning were emphasized as key first steps to conducting an interview. Videos of convicted fraudsters were reviewed to study body language, tone and vocabulary. Practical tips such as using props, seating arrangements and how to keep the interview conversational without hindering communication were shared.

The relaxed setting encouraged networking and learning opportunities through the interaction with the other participants. We were able to share our own experiences and had the opportunity to work through the case examples as a group. Ms. Couch's ability to enliven familiar concepts with her confidence, clear communication and stories peppered with humour created a lively atmosphere of learning.

Auditing for Internal Fraud was a comprehensive course that explored the common challenges faced by fraud examiners. As one participant commented "the course gave me a new way to think about my approaches to preventing and detecting fraud."

- Prepared by Latika Martins, CPA, CGA, CFE



Latest news from the BC Securities Commission:

[Click](#) on the headlines below to read more:

Panel finds Vancouver Island man committed \$65 million fraud

Panel finds that executives of a Burnaby Co. committed Securities violations

Panel finds that man made false statements and traded without being registered

BCSC Report Week ending September 5 2014

BC Securities Commission Resources

How to identify fraudsters

Upcoming hearing schedule

Disciplined persons list

Use new CSA resources to "Check Before You Invest"

Thinking of investing in a start-up? Check out BCSC's guide for investing in the private placement market .

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**In the News:**

[Click](#) on the headlines below to read more:

US News:

SEC finalizes tougher rating agency rules

SEC enacts new rules for loaned backed securities

SEC awards \$300K to a whistleblower with an internal audit role

SEC charges Telco execs in Revenue Recognition scheme

Canadian news:

Alleged Sino Forest fraud caused by deceitful conduct of management

Cyber attacks affect 36% of Canadian businesses

OSC vows to keep fighting insider trading

Canada will have national Securities watchdog with or without provincial support

Get Involved!

We welcome your ideas and input to make the Chapter newsletter a valuable resource for all members.

Please send comments or contributions to: newsletter@cfevancouver.com