Our study includes an analysis of the fraud prevention and detection controls that organizations had in place at the time they were victimized by fraud.

Small companies had a significantly lower implementation rate for all anti-fraud controls than larger organizations did, leaving them particularly vulnerable to fraud.

External financial statement audits serve many useful purposes and were the most common control implemented by victim organizations. However, they were responsible for uncovering only 3% of frauds in our study.

CFEs cited the lack of effective internal controls as the primary contributing factor in nearly one-third of fraud cases.

Tips are the most common means by which frauds are detected, but only 54% of victim organizations had a formal reporting mechanism in place.

18.9% 8.4%
Override of Existing Internal Controls

Poor Tone at the Top

1.5% 0.7%
Lack of Clear Lines of Authority

Lack of Reporting Mechanism

3.5% 2.9%
Lack of Independent Checks/Audits

Lack of Employee Fraud Education

7.1% 4.9%
Lack of Competent Personnel in Oversight Roles

Other

32.2% 20.0%
Lack of Internal Controls

Lack of Management Review

Download the full Report and view interactive graphs at ACFE.com/RTTN.