



Fraud Risk Management

Prevent corporate criminal behavior

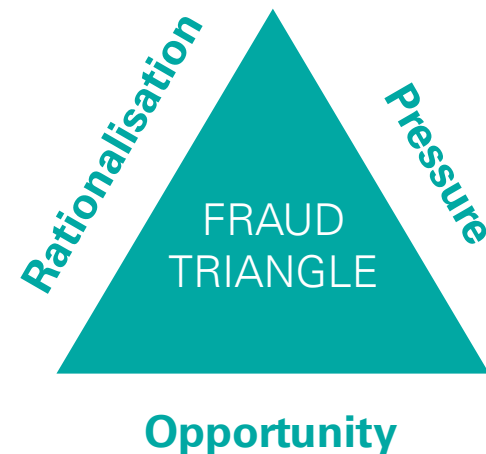


Fraud Risk Management

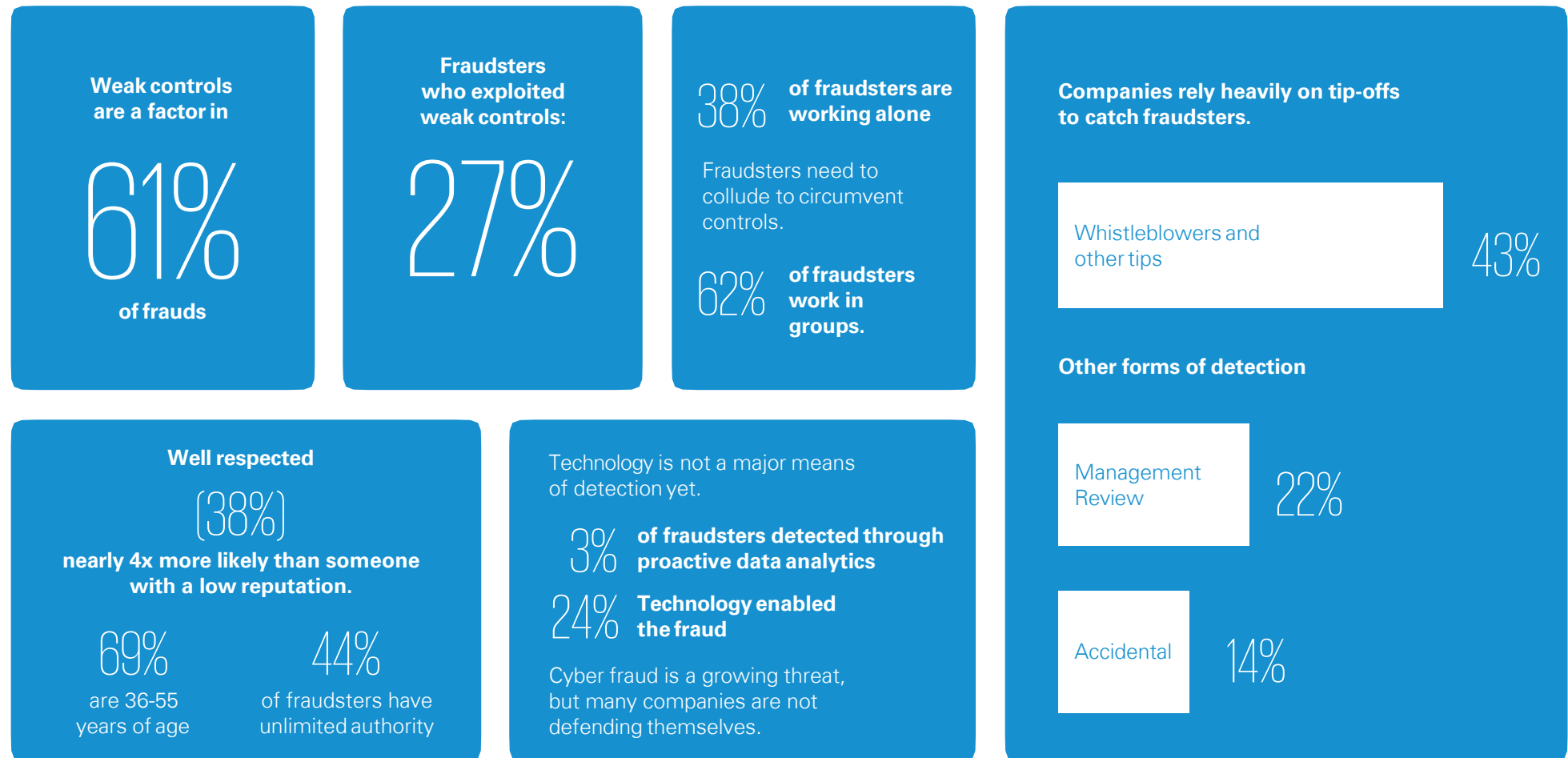
Prevent corporate criminal behavior

All companies are potentially subject to fraud. Fraud is an **intentional act** or **omission** that is designed **to deceive** others. It harms reputation, brand image and stakeholders' trust. In addition, there can be significant financial losses incurred from the perpetrator's gain or resulting from **finances, penalties** and **litigation costs**.

This is why it is key for companies to manage fraud risks through the implementation of an effective Fraud Risk Management Program. It mitigates fraud risks through prevention, detection and response, and provides a strong deterrence effect.



Global Profiles of a Fraudster



Fraud Risk Management

Prevent corporate criminal behavior

Senior Management

- Tone at the top
- Fraud Risk Management Framework

Communication of commitment to deter fraud

- Policies
- Roles and responsibilities
- Documented and updated Fraud Risk Management Framework
- Zero tolerance
- Reporting mechanisms
- Potential types of fraud

Business Lines

- First line of defense
- Confirm understanding of policies and potential fraud risks
- Permanent education

Accountability of everyone

Prevention

- Ethics & integrity
- Training, development & evaluation
- Fraud risk assessment
- Fraud controls (preventive)

Detection

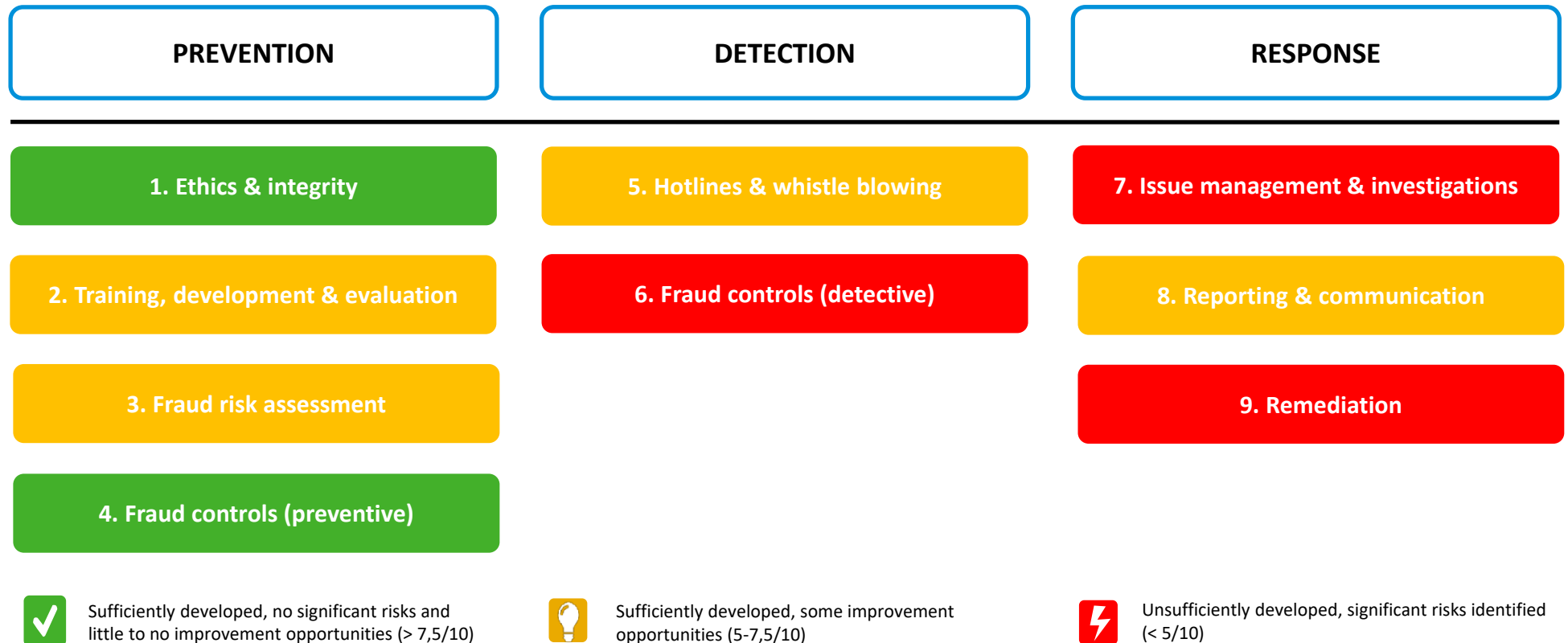
- Hotlines and whistleblowing
- Fraud controls (detective)

Response

- Issue management and investigations
- Reporting & communication
- Remediation

Fraud Risk Management Quick Scan

Assess the maturity of your organization's fraud risk management



SOME TAKEAWAYS	Main objectives	Potential fraud risks	Main tools	Potential benefits
	<ul style="list-style-type: none"> - Maturity assessment - Directions for improvements - Margin of progression 	<ul style="list-style-type: none"> - Weak internal controls - Unidentified fraud schemes 	<ul style="list-style-type: none"> - Interviews - Document review - Questionnaires - Workshops 	<ul style="list-style-type: none"> - Overview of risk areas - Risk scoring - Fraud risk awareness

Fraud Risk Assessment

Identify your key fraud risk area's



1 Definition of fraud risk assessment team

- Appropriate management levels
- All organizational components

2 Identification of potential fraud risks

- Internal factors
- External factors
- Risk of management override

3 Rating of likelihood and significance of identified fraud risks

- 4 Assessment of related internal controls**
- Effectiveness of existing controls

5 Define action for residual risks

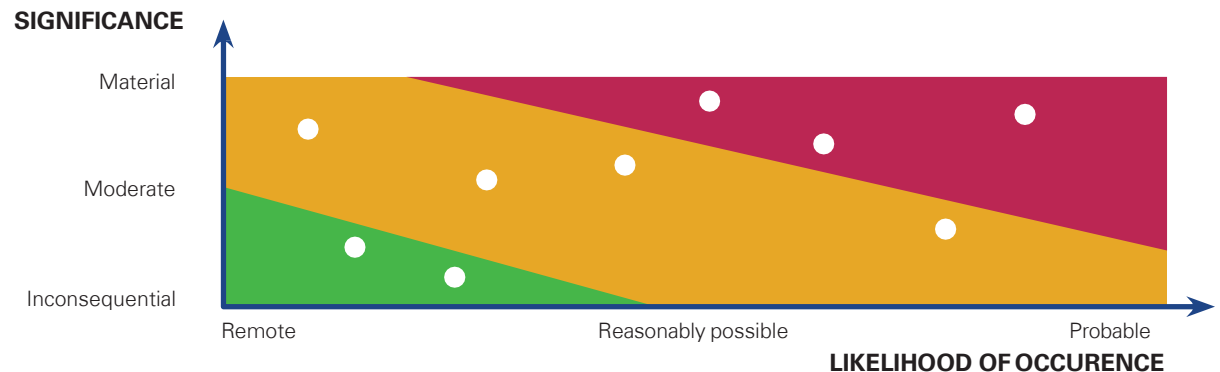
- Strengthen existing controls
- Avoid activity
- Insurance

6 Documentation of the fraud risk assessment

- Fraud risk register
- Types of fraud identified

7 Iterative fraud risk assessment

- External changes
- Operational changes
- Leadership changes



SOME TAKEAWAYS

Main objectives

- Fraud schemes Identification
- Internal fraud risks
- External fraud risks

Potential fraud risks

- Financial reporting
- Asset misappropriation
- Other illegal acts & corruption

Main tools

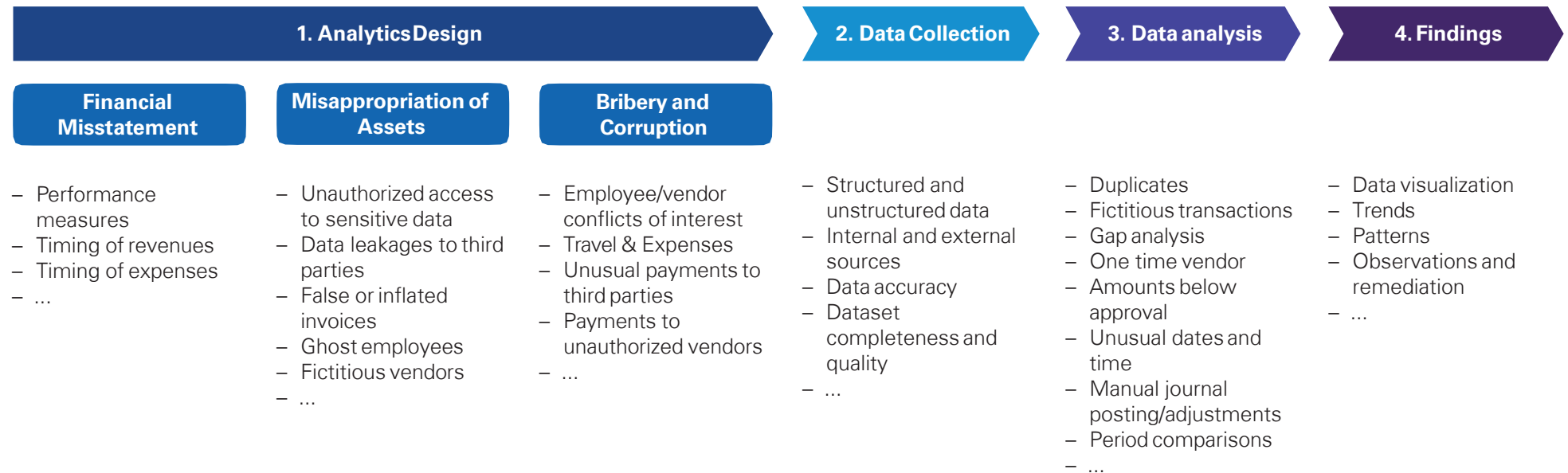
- Interviews
- Document review/testing
- Data analytics
- Data visualization

Potential benefits

- Anticipation
- Proactive detection of collusion schemes
- Transparency in risks

Fraud Data Analytics

Highlight hidden patterns in your data



SOME TAKEWAYS

Main objectives

- Proactive detection
- Iterative approach

Potential fraud risks

- Financial misstatement
- Misappropriation of assets
- Bribery and corruption

Main tools

- Data analytics
- Data visualization

Potential benefits

- Cost-effective detection
- Start for a remediation and investigation plan

Contact us



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