

2017 FRAUD SURVEY

More than **500** professionals from the US and Canada were polled



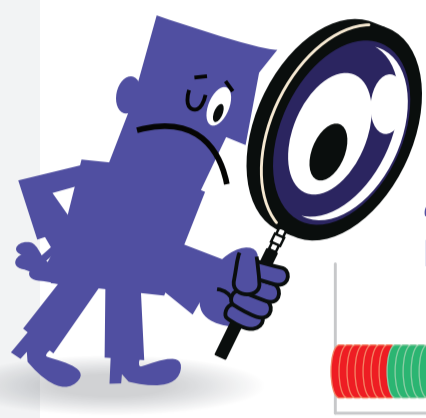
ACL, a risk management software provider helping governments and companies around the world stamp out fraud and corruption, polled more than 500 audit, risk management and compliance professionals in the US and Canada on anti-fraud practices.

The results are in.

PERCEPTION REALITY

When it comes to fraud and corruption, organizations are prone to believe 'alternative facts'

Industry research consistently shows that fraud occurs in nearly every organization.



2,410 = **+\$6.3B**
FRAUD CASES TOTAL ANNUAL LOSSES



5% AVG FRAUD LOSS
\$150,000 MEDIAN LOSS
1/4 OF CASES EXCEED \$1,000,000

**Report to the Nations on Occupational Fraud and Abuse.* Association of Certified Fraud Examiners (ACFE). 2016.

Business leaders, however, are running their organizations with a shockingly inaccurate perception of their fraud environment.



>80% THINK THEIR ORGANIZATION HAS MEDIUM TO NO EXPOSURE TO FRAUD

Yet...

63% Nearly 2/3 reported that a majority of fraud committed in their organisations **IS NOT DETECTED**
>75% of fraud detected **GOES UNREPORTED**



PRESSURE TO SUPPRESS FRAUD REPORTS AND FINDINGS COMES FROM ALL SIDES:

- colleagues/peers
- direct manager
- senior leadership
- board
- board - audit committee

CORPORATE VS GOVERNMENT FRAUD

Government agencies underperform on fraud detection & reporting

Fraud in government agencies is estimated to cost U.S. taxpayers more than

\$136B EACH YEAR IN IMPROPER PAYMENTS ALONE*



**Report to the Nations on Occupational Fraud and Abuse.* Association of Certified Fraud Examiners (ACFE). 2016.



However, **GOVERNMENT AGENCIES** perform significantly worse than the **BUSINESS SECTOR** on fraud detection and mitigation—and are hindered more by time, resources and approvals.

Recommendations to mitigate exposure to fraud are fully acted upon



Majority (51%-100%) of fraud is detected



Majority (51%-100%) of fraud is reported



Fraud detected could not be acted upon due to lack of resources or approvals



Both government and businesses said the primary reason for the failure to take action is a lack of time/resources or approvals.

