



Let's fight fraud together

Description

The most cost-effective way to limit fraud losses is to prevent fraud from occurring in the first place – and we all have a role to play in a fraud-free workplace.

The Association of Certified Fraud Examiners (ACFE), which provides anti-fraud educational tools and practical solutions to more than 90 000 members worldwide, recently released the results of its global study.

The survey found occupational fraud is very likely the largest and most costly form of financial crime in the world, with estimated annual costs in the trillions of dollars. It threatens all types of organisations across all industries in every region of the world.



What is occupational fraud?

This crime falls into three primary categories:

1. **Asset misappropriation (89%)** – employees stealing or misusing organisation resources.
2. **Corruption (48%)** – behavior by those in positions of power and the wrongful use of influence to procure a benefit.
3. **Financial statement fraud (5%)** – the perpetrator intentionally causes a material misstatement or omission in the organisation's financial statements.

Key report findings included that organisations lose an estimated 5% of their revenue per year because of fraud, with the median case loss at R2.75 million. A typical fraud case lasted 12 months before being detected, and most fraud cases were detected in the Operations departments.

Importantly, more than half of the frauds occurred due to a lack of robust internal controls and processes, or overriding those controls.

How is occupational fraud detected?

The study highlighted the importance of regular audits, management review, and the vital role whistleblowers play in detecting wrongdoing.

- 43% of fraud cases detected because of whistleblowers
- 14% came to light during internal audits
- 13% were spotted during management reviews

[See something, say something](#)

[Report suspected occupational fraud to toll-free number: 0800 112 811 | email: \[information@whistleblowing.co.za\]\(mailto:information@whistleblowing.co.za\) or \[fraud@medscheme.co.za\]\(mailto:fraud@medscheme.co.za\) | SMS 33490 or Whatsapp: 031 308 4446](#)

Category

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