

COVID-19: KPMG Fraud Survey

Integrity Insights

Organisations are vulnerable to fraud and corruption in the COVID-19 era – a KPMG survey reveals.

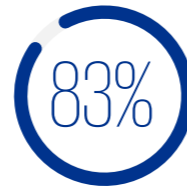
Fraud and corruption is an increasing concern in corporate Australia just weeks into the COVID-19 shutdown, a survey of major companies and government sector organisations by KPMG Forensic has shown.

Australian organisations are reporting a rise in the risk of fraud or corruption. At the same time over a quarter of organisations have deferred key prevention programs and over two thirds see their ability to investigate fraud or corruption inhibited.

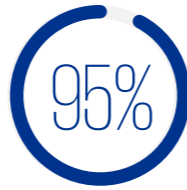
The survey, which 85 senior executives responded to, was performed in mid-April and included ASX companies, government agencies, multinationals and large private Australian companies.

April 2020

COVID-19 is delivering an increased fraud and corruption risk:

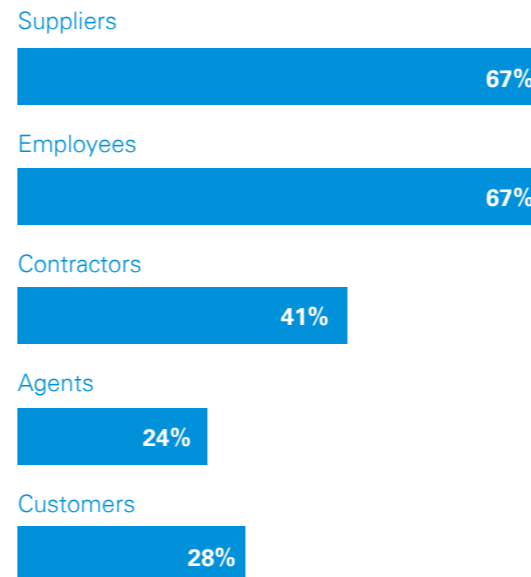


of executives believed their organisation was vulnerable to fraud taking place in this new working environment.



of executives believe that cyber-enabled fraud and corruption will rise during COVID-19.

Biggest threat for organisations:



Issues driving a rise in fraud and corruption risk during the COVID-19 era:



Distracted business not focusing on controls

75%



Remote working

69%



IT systems limitations

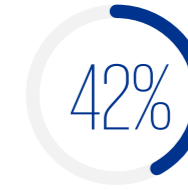
40%



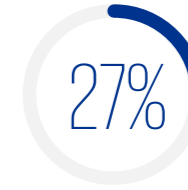
Inability to physically verify goods or services delivered

32%

Fraud and corruption risk is increasing dramatically but controls are decreasing:

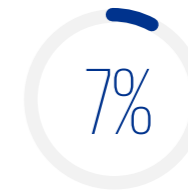


of executives said that their ability to conduct investigations into fraud and corruption was inhibited by COVID-19.



of executives said that their organisations have had to delay their fraud and corruption prevention programs due to the impacts of COVID-19.

Just a few weeks into COVID-19 era working conditions, the cracks are starting to show:



of executives said they had already seen fraudulent or corrupt behaviour that they would attribute to COVID-19 era remote working conditions.



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