



Audit Committee Forum No.58

Fraud Risk Management:
Strengthening oversight and foster transparency

Date: Tuesday 26 August 2025

Time: 1:00 p.m. - 3:00 p.m.

Venue: Boardroom, KPMG in Thailand



With you today

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Agenda

01

Introduction: AC's roles and responsibilities

02

Fraud landscape

03

Case sharing

04

Key takeaways

Introduction: AC's roles and responsibilities

Report to the Board if it finds or suspects that there is a transaction or any of the following acts, which may materially affect the company's financial condition and operating results:

A transaction which
causes a
CONFLICT OF INTEREST

Any **FRAUD**,
irregularity, or material
defect in an internal
control system

An infringement of the law on
securities and exchange, the
Exchange's regulations, or any
law relating to the Company's
business

Source: Bor Jor/Ror 01-04 Notification of the Stock Exchange of Thailand, Re: Qualifications and Scope of Work of the Audit Committee B.E. 2558 (2015)

Introduction: AC's roles and responsibilities

Engagement in building an ethical cultures

- To foster a strong ethical culture as a fundamental deterrent to fraudulent behavior

Fraud risk assessment and management

- To identify and evaluate the risks of fraud within the organization
- To ensure that the management has implemented appropriate risk management strategies to mitigate these risks

Monitoring emerging risks

- To stay informed about emerging fraud risks due to changes in technology, industry trends, regulatory environments and global economic conditions

Whistleblower and reporting mechanism

- To oversee the establishment and maintenance of an effective whistleblower program
- To ensure that there are secure and confidential channels for employees to report suspected fraud without fear of retaliation

Fraud investigations

- To ensure prompt and thorough investigation of any allegations or suspicions of fraud
- To review the results of investigations and monitor the follow-up actions taken by management or the board

Training and awareness programs

- To educate and raise employee's awareness about fraud risks, prevention and detection mechanisms.
- To promote a culture of ethics and compliance throughout the organization

Periodic reviews and updates

- To periodically review and update its policies, and procedures related to fraud oversight to ensure relevance and comprehensiveness.

Technology utilization

- To enhance fraud detection mechanisms using technology and data analytics and the AC's role in overseeing their implementation and effectiveness

Introduction to Fraud

Fraud

Fraud is defined as dishonestly obtaining a benefit, or causing a loss, by deception or other means.

CFEs estimate that their organisations LOSE

5% of revenue to
FRAUD each year.



The ACFE estimates the loss caused by fraud against GWP is US\$5 trillion* per year.

*ACFE Occupational Fraud 2024: A Report to the Nations.



Scam

A scam is where the victim is persuaded to hand their money or information over themselves, typically without any involvement or intervention from their bank, financial institution or trusted professional.

Myths about fraud



Fraud is not a real problem for our business



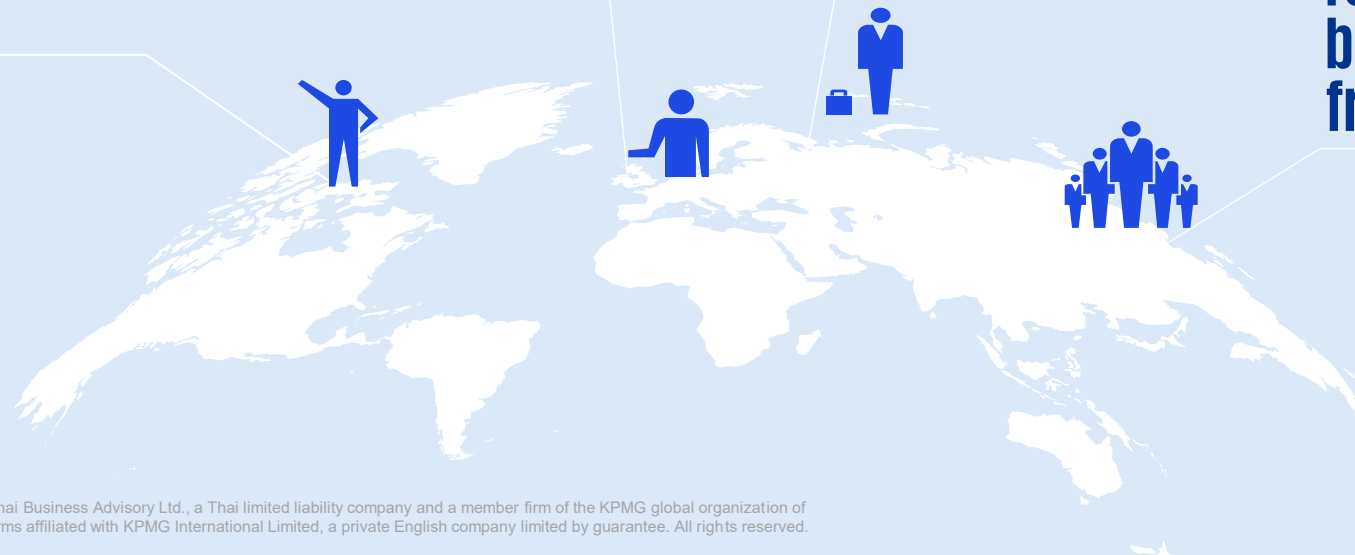
There is no fraud in our company



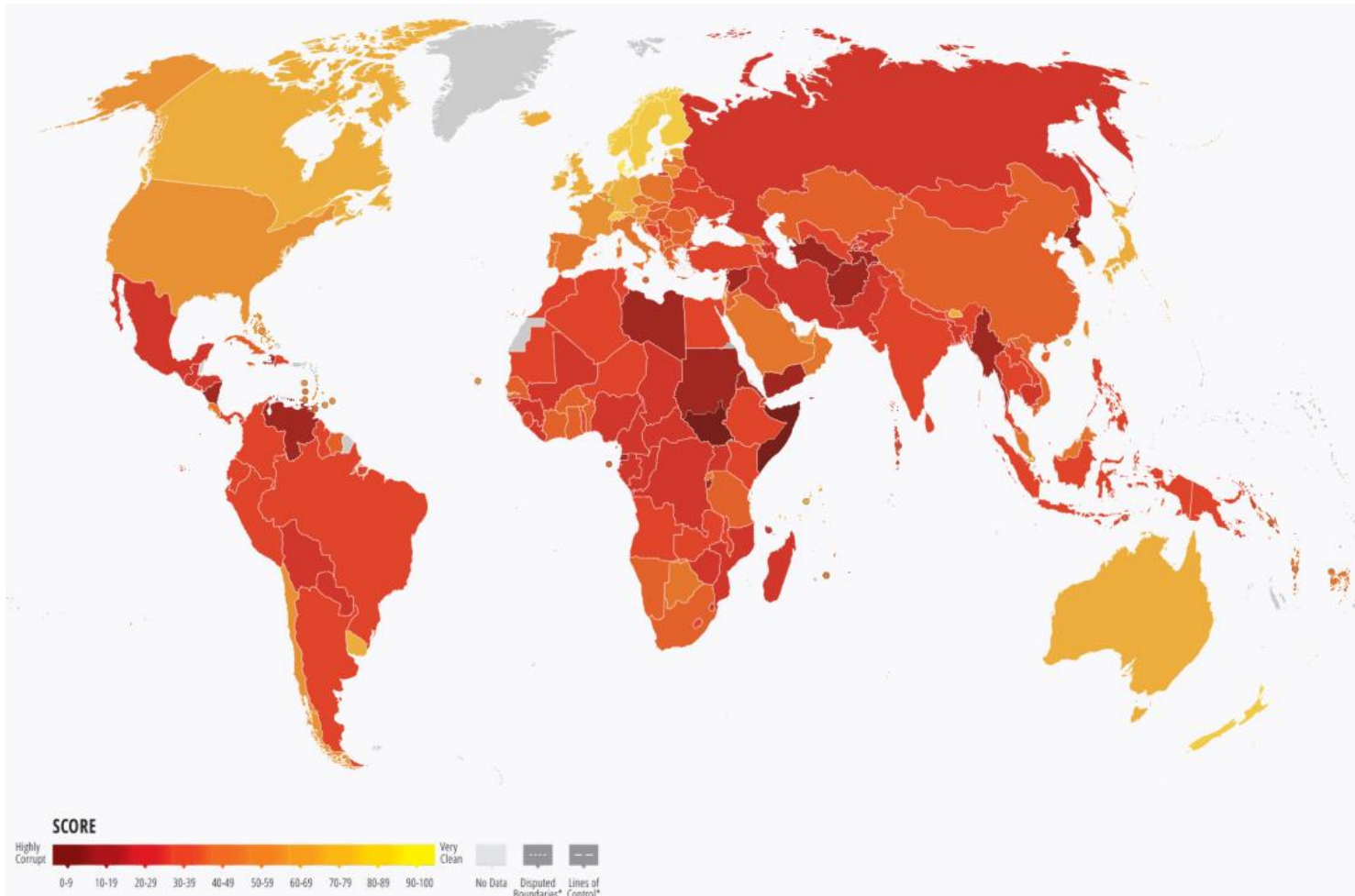
Auditor can detect fraud



“If our company follows government regulations, we will be protected against fraud.”



Corruption Perception Index (CPI)



THAILAND

Score **34/100** Rank **107/180** Score change **↓ -1** since 2023



Thailand's global rank of corruption perception*

- 2016: **101th** of 176
- 2017: **96th** of 180
- 2018: **99th** of 180
- 2019: **101th** of 180
- 2020: **104th** of 180
- 2021: **110th** of 180
- 2022: **110th** of 180
- 2023: **108th** of 180

*Rank#1 = Least corrupt

Source: [Corruption Perception Index Transparency International, 2024](#)

Occupational fraud

Corruption

- Conflict of interest
- Bribery
- Illegal gratuities
- Economic extortions

Asset misappropriation

- Theft of cash
- Fraudulent disbursement
- Misuse and larceny of inventory and other assets

Financial statement fraud

- Overstatement
- Understatement

Occupational fraud by category: frequency and median loss

Percentage of cases

Median loss



Asset misappropriation



Corruption



Financial statement fraud



Asset misappropriation



Corruption



Financial statement fraud

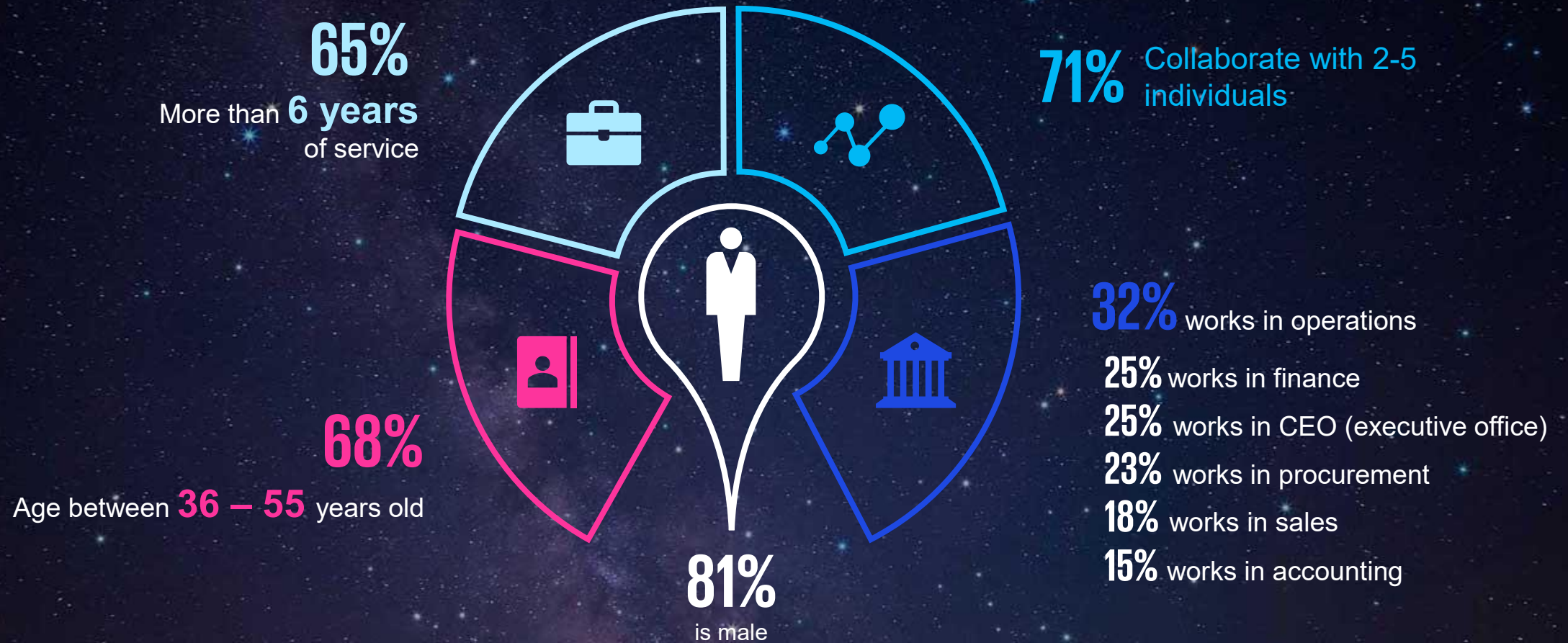
Source: [Occupational Fraud 2024: A Report to the Nations](#), Association of Certified Fraud Examiner, 2024.

Occupational fraud affects organizations in different industries



Profile of the fraudsters

Profile of the fraudsters



Source: *KPMG Global profiles of the fraudster, 2025*

What is the fraudster's **position and seniority** within the organization?

The fraudster's position and seniority

31% Executives

30% Management
(No executive capacity)

24% Staff members

6% Owner/
shareholders

Source: *KPMG Global profiles of the fraudster, 2025*



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Motivation of the perpetrator

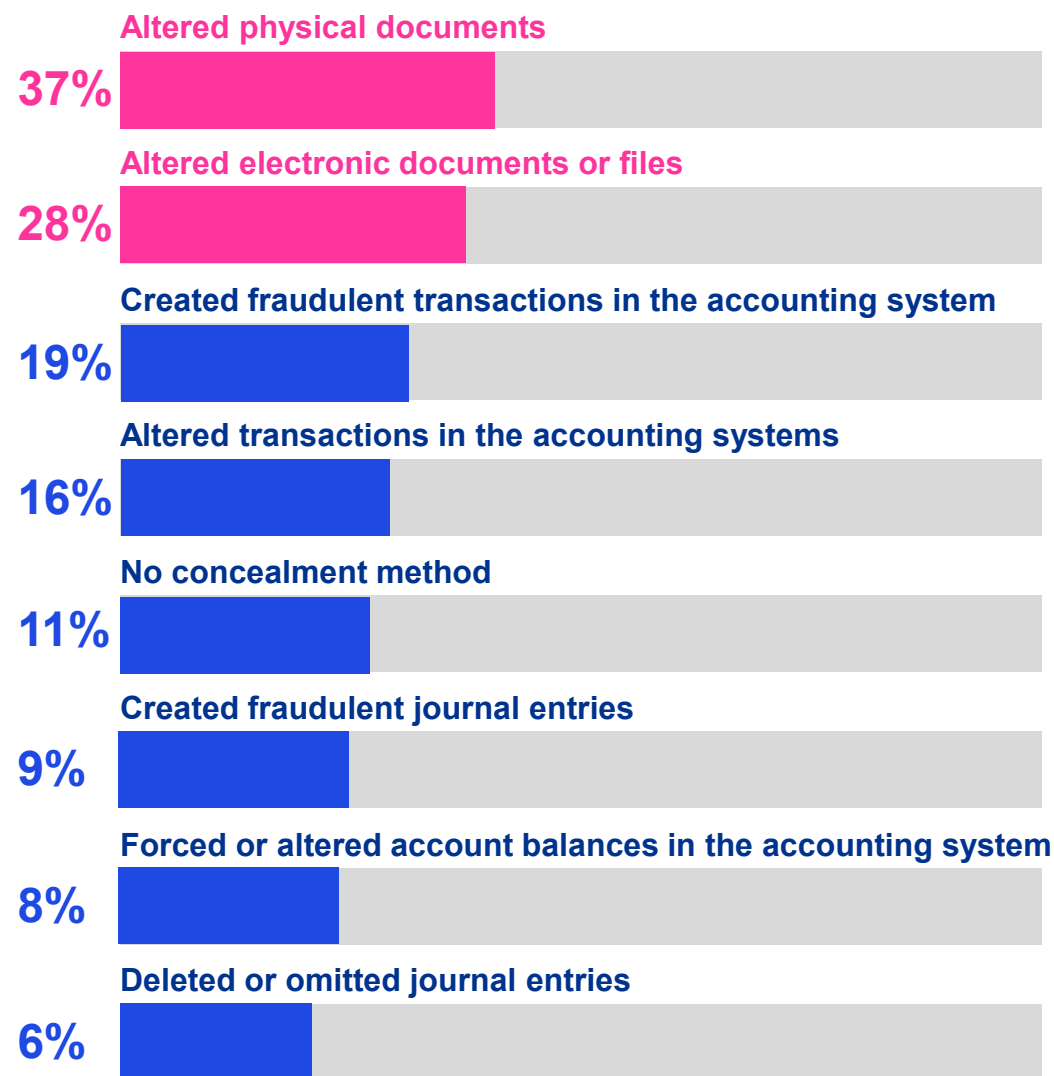
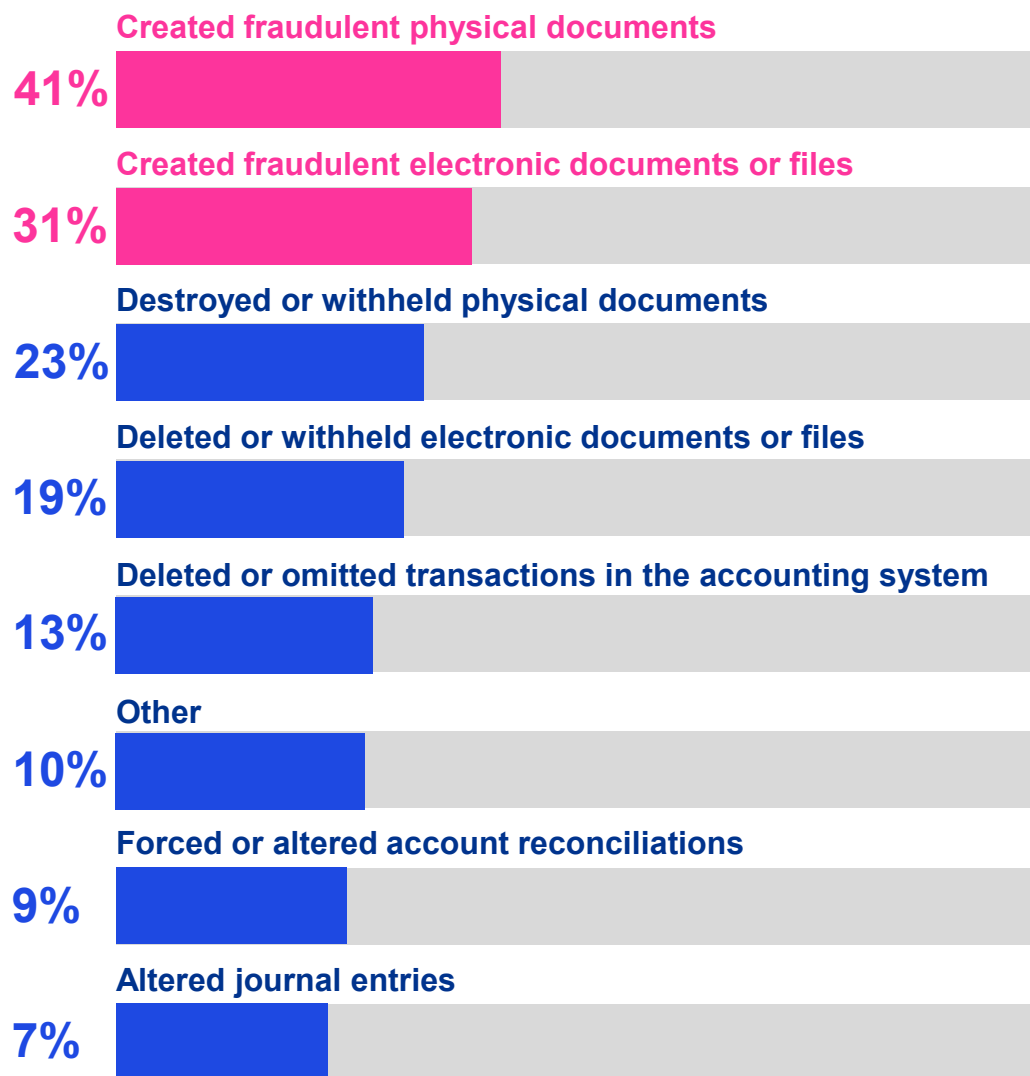


Source: [KPMG Global profiles of the fraudster, 2025](#)



How do occupational fraudsters conceal their schemes?

Concealment of occupational fraud



Source: [Occupational Fraud 2024: A Report to the Nations, Association of Certified Fraud Examiner, 2024.](#)



Fraud detection



How long do different occupational fraud schemes last?

Billing

Check and
payment
tampering

Skimming

“

18 months”

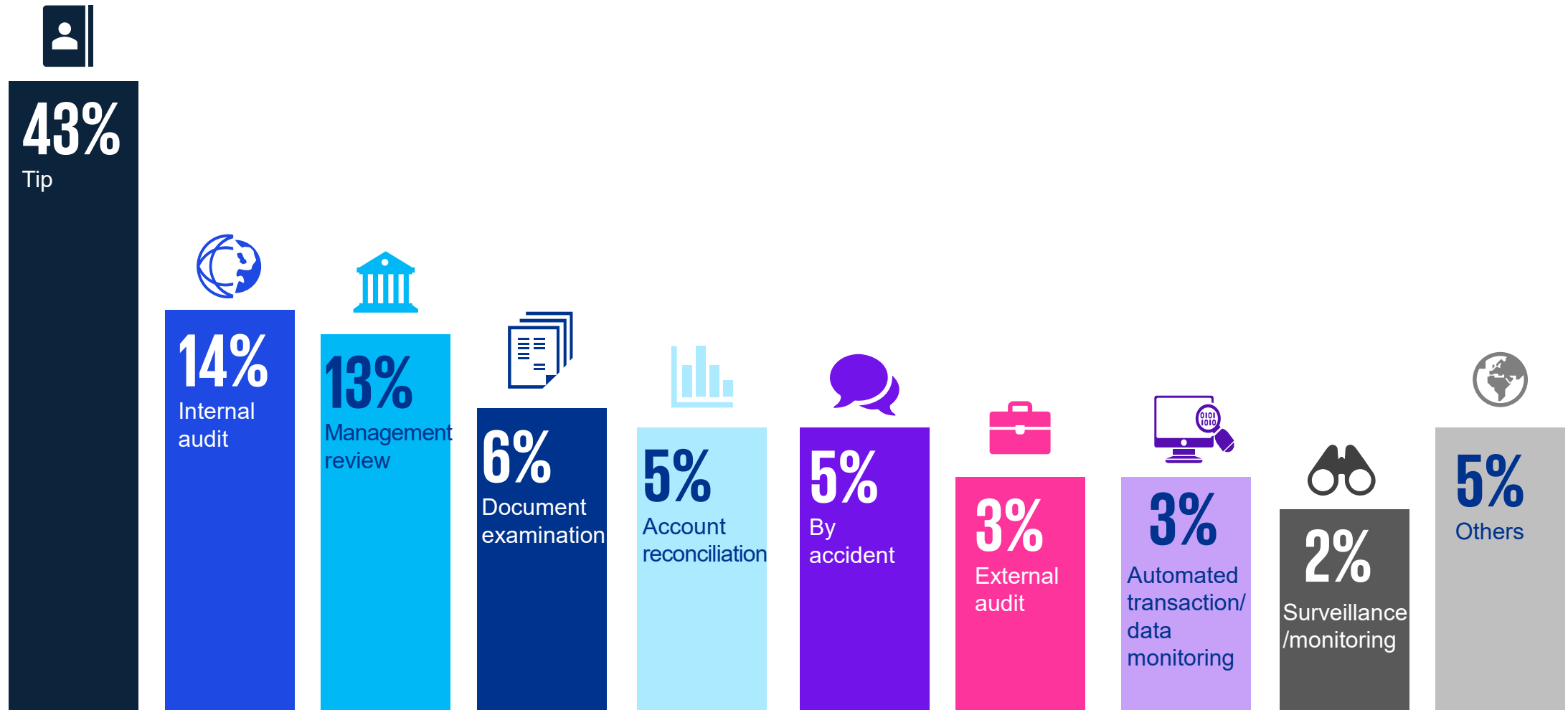
Financial
statement
fraud

Payroll

Expense
reimbursements

Source: *Occupational Fraud 2024: A Report to the Nations*. Association of Certified Fraud Examiner, 2024.

How is fraud initially detected?



Source: *Occupational Fraud 2024: A Report to the Nations*, Association of Certified Fraud Examiner, 2024.

Who reports occupational fraud?



43%
Tip



52% Employee



21% Customer



15% Anonymous



11% Vendor



9% Others

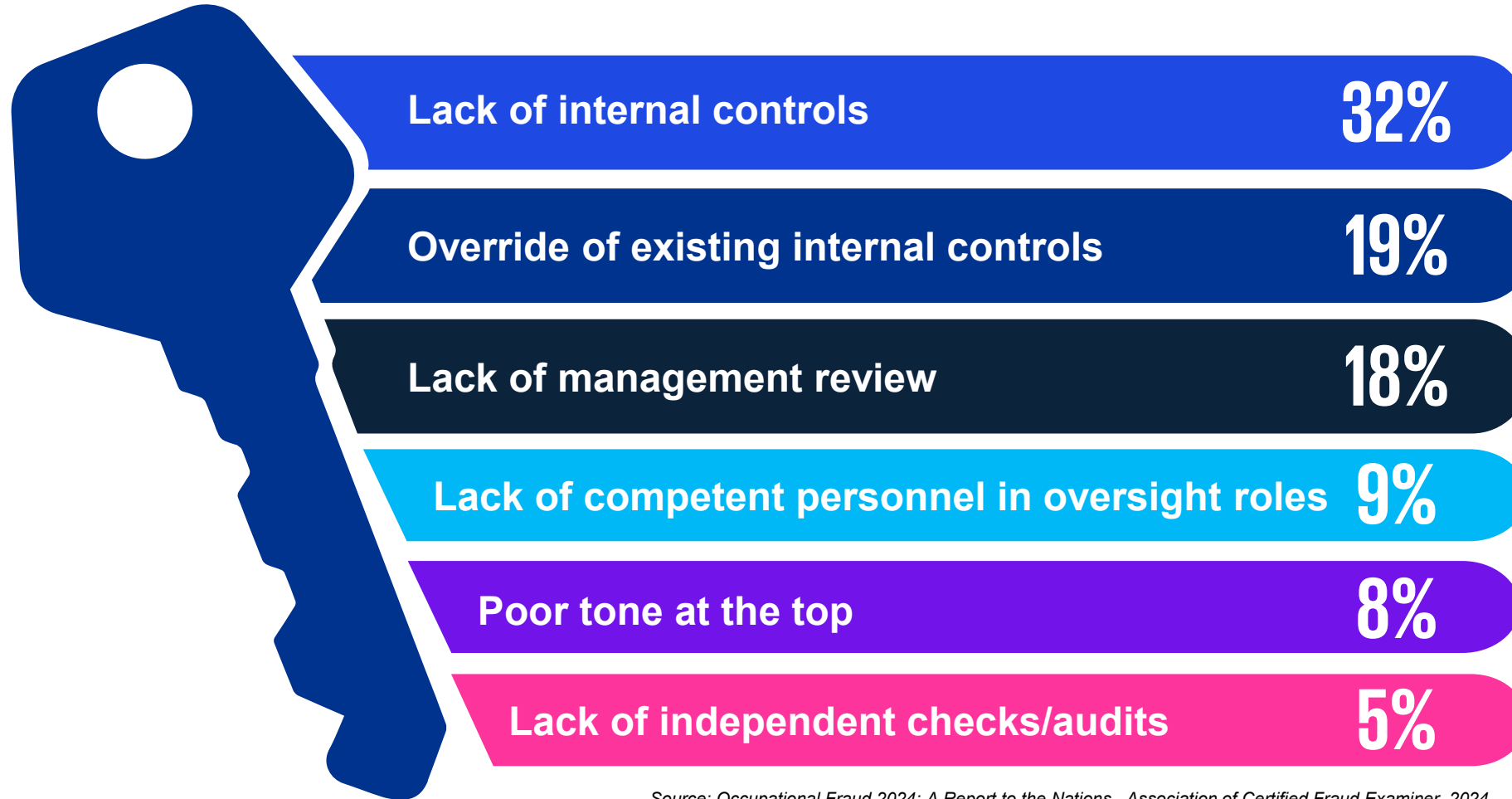
Source: *Occupational Fraud 2024: A Report to the Nations*, Association of Certified Fraud Examiner, 2024.

Anti-fraud controls

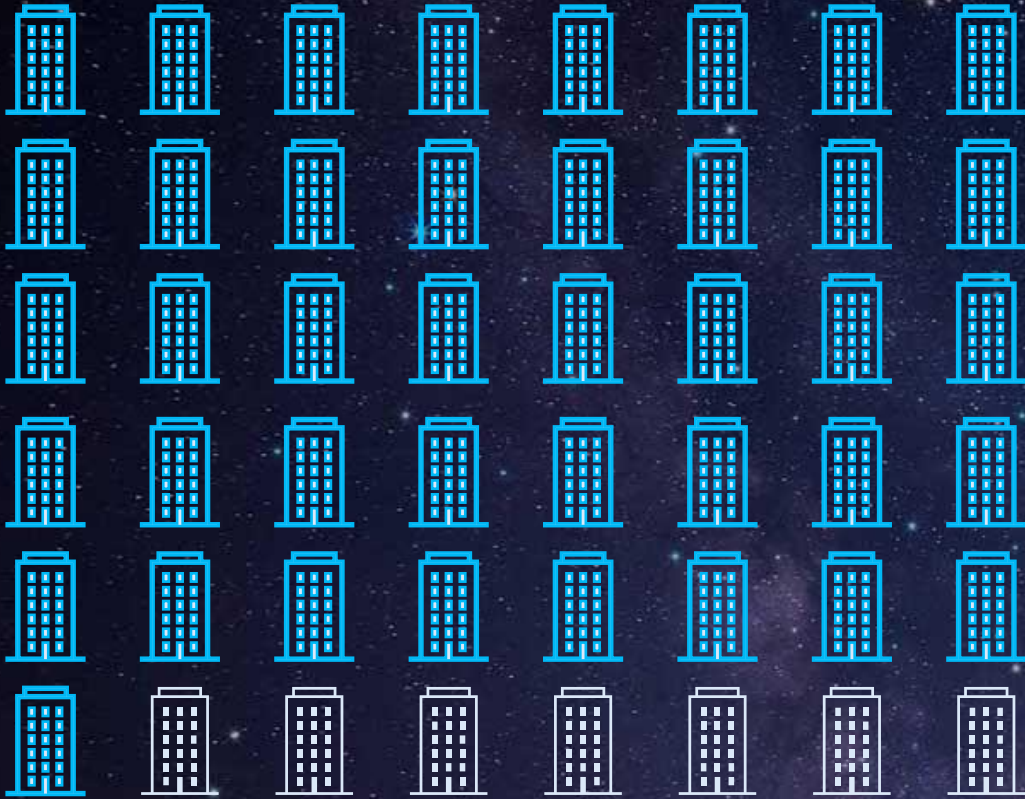


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Internal control weaknesses that contribute to fraud



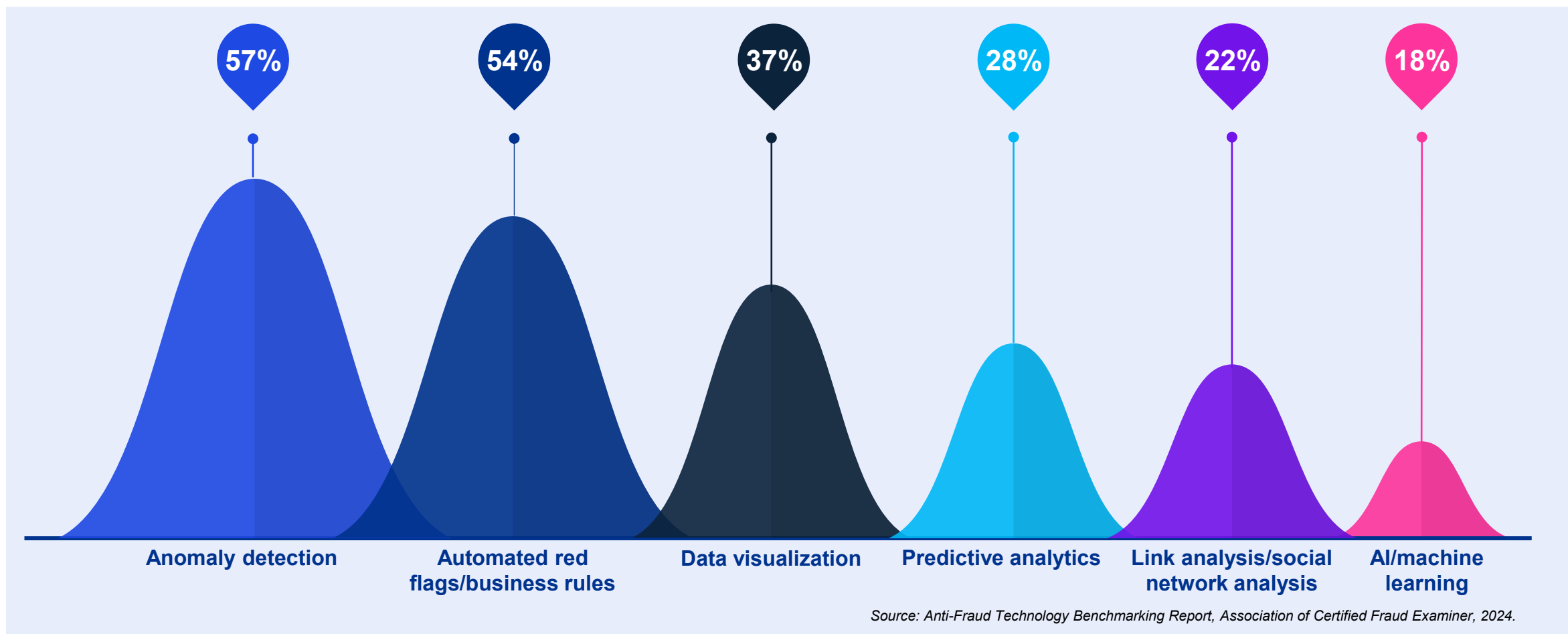
Source: *Occupational Fraud 2024: A Report to the Nations*, Association of Certified Fraud Examiner, 2024.



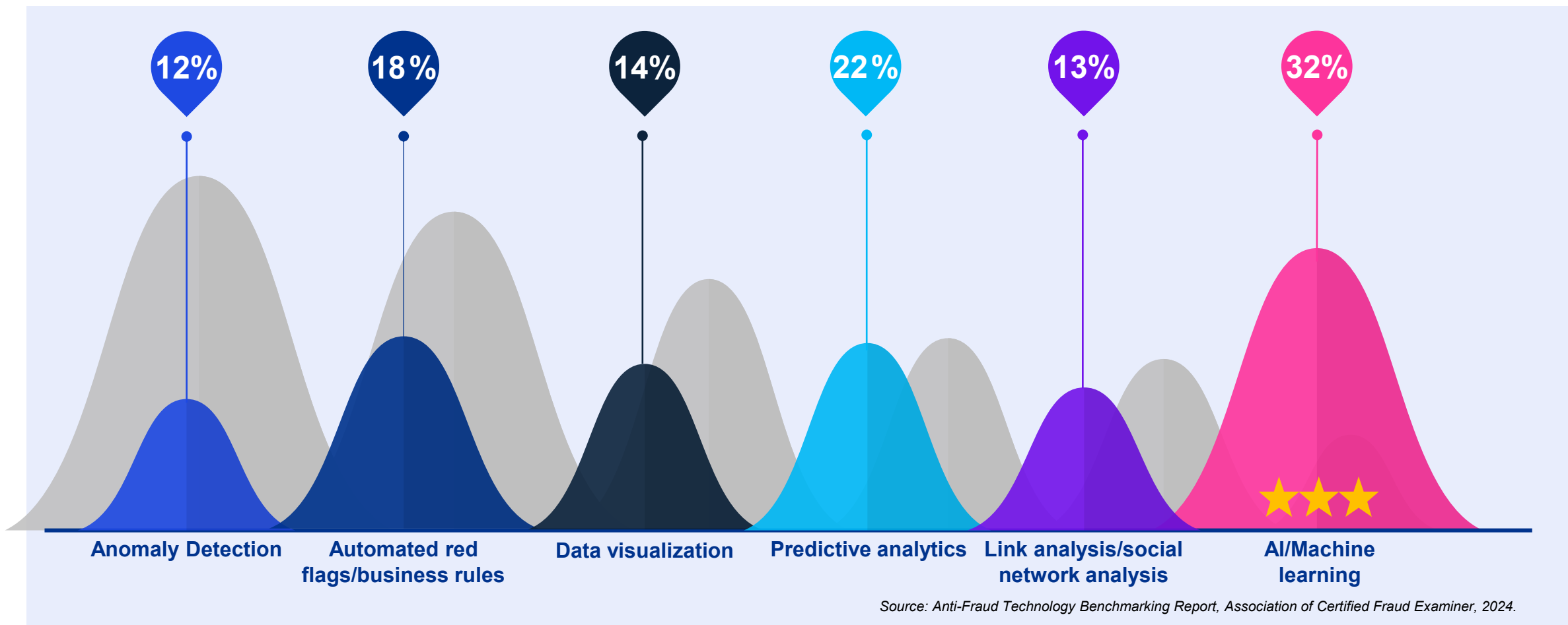
91% of organizations
use data analysis techniques
as part of their anti-fraud programs

Source: Anti-Fraud Technology Benchmarking Report, Association of Certified Fraud Examiner, 2024.

Top six data analysis techniques organizations use to fight fraud



Top six data analysis techniques organizations expect to adopt in 1-2 years



Case sharing





Key takeaways

Key takeaways for Audit Committees



Strengthen internal controls

Enforce robust internal controls, including regular audits and monitoring system



Promote an ethical culture

- Encourage a “speak-up” culture where employees feel safe to report through whistleblowing channels
- Provide regular training on ethical behavior and fraud awareness to all employees



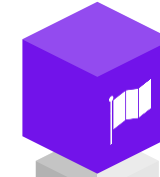
Enhance detection mechanism

- Use data analytics and fraud detection to proactively identify suspicious activities
- Regularly review and update fraud detection and prevention strategies



Foster collaboration and transparency

- Promote collaboration across departments to help reduce opportunities for collusion
- Conduct thorough background checks and monitor employees in sensitive positions



Adapt to technological changes

- Stay informed about the latest technological advancements and their potential impact on fraud

Key takeaways for Audit Committees – Questions to ask

01

Tone at the top

- Do the Board, Sub-Committees and Management continue send messages/tone to staff on adhering to the code of conduct and anti-fraud policies to re-enforce a culture of zero tolerance of fraud?

02

Fraud Risk Assessment

- How often does the company conduct and report to the BOD/AC on the comprehensive fraud risk assessment?
- Are emerging fraud risks being reported to the BOD/AC?

03

Whistleblowing channels

- Are the current channels effective, secured and communicated?
- Are the cases being reported to the BOD/AC on a timely basis?
- Does the AC have a proper resource in handling the case (if AC is one of the channels)?

04

Detection mechanism

- Are there adequate procedures and technology in place to detect fraud, such as data analytics and monitoring systems?

05

Training and awareness

- Are the periodic training and awareness programs in place for management and employees on recognizing and reporting fraud?
- Are the BOD/AC trained on their roles in relation to fraud (and anti-corruption)?

06

Periodic review

- Are anti-fraud controls included in the review by IA?
- Are anti-fraud policies and procedures regularly review and submitted for BOD/AC approvals to ensure they are up-to-date and aligned with best practices?

KPMG Thailand Forensic Offerings

Professionals in our Forensic practice draw on extensive experience in accounting, finance, law, computer technology and data analysis. Many of our professionals also come directly from industry, helping us provide an informed perspective on the industry issues and complex market challenges our clients face.

Fraud Risk Management

- Fraud and Misconduct Risk Assessment
- Anti-Fraud/Compliance Program Design, Implementation, and Evaluation
- Fraud Awareness Training

Anti-bribery and Corruption

- Anti-Bribery and Corruption Proactive and Reactive Services
- CAC Related Services

Investigation

- Fraud and Misconduct
- Cyber Investigations
- Other Regulatory Investigations (e.g., Anti-Bribery & Corruption/FCPA, Money Laundering)

Forensic Technology

- Digital Evidence Recovery
- Evidence and Discovery Management
- Forensic Data Analytics
- Cyber Incidence Response

Ethics Line

- Training Service
- Ethics/Hotline Service
- Reporting

Corporate Intelligence

- Integrity Due Diligence
- Investigations Support
- Litigation Support
- Corporate Intelligence Services
- Background Checks

AML

- Anti-money laundering and trade sanctions proactive and reactive services
- Transaction monitoring

Dispute Advisory Services

- Expert Witness
- Dispute Consulting
- Arbitrator, Mediator or Independent Expert
- Forensic Transaction Services

Contract Compliance Services

- Distribution Reviews
- Intellectual Property Advisory
- Royalty and License Reviews
- Software Asset Management
- Software License Compliance
- Supplier Reviews

Major Project Advisory

- Construction Project Controls and Contract Compliance Assessments
- Project Support on Complex and Troubled Projects

Q&A

Please give us the feedback to
improve our services.





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