

Fraud Health Check



Companies are now becoming more vulnerable to fraud.

Fraud is often at its most virulent during downturns and crises, when pressures on people, companies and the economy are the greatest pressures that motivate fraudsters to act.

Although there may be no immediate symptoms, you should beware of fraud when there are sudden, big changes in the business environment caused by internal or external factors.

Highlight of PwC's Thailand Economic Crime and Fraud Survey 2020



286
respondents,
all based in Thailand

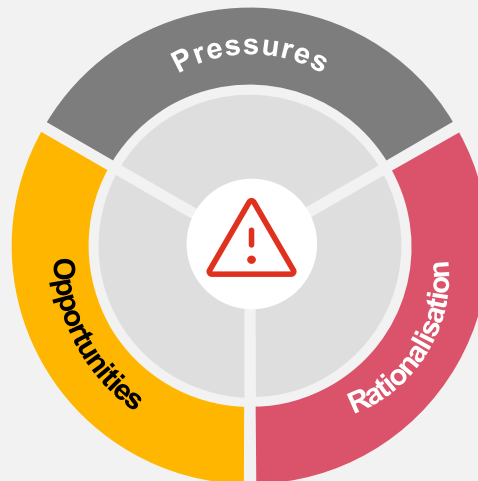


33%
have experienced fraud



44%
of those who have experienced fraud have
experienced from two to five fraud cases

Examples of indicators that increase fraud risks



Employees suffer from internal adverse changes (unachievable KPIs, pay cuts, etc.) and external factors (sudden financial needs).

Employees perceive that they're not supported by companies or that their efforts aren't recognised, etc.

Companies adapt to the changing environment by bending normal business processes and controls.



Be prepared and start getting to know where you are

Instances of internal fraud are on the rise, but there are ways companies can better **prepare and protect** themselves against this threat.

Update your fraud risk management programme and internal controls to deal with new or magnified risk factors.

Strategise to avoid fraud or minimise the cost of an incident.

It's important to understand your organisation's **'health condition'**, its preparedness or readiness for fraud.



With **PwC's Fraud Health Check**, you'll see your vulnerability against fraud at both the **entity level** and at the **specific risk level**. Each level is comprised of five key elements, and after performing the fraud health check, you'll understand your anti-fraud maturity level and recommended areas for improvement.



Entity-level components

- 1 Governance
- 2 Risk assessment
- 3 Policies and procedures
- 4 Training
- 5 Reporting system

Specific risk area components

- 1 Procurement
- 2 Cyber crime
- 3 Travel and entertainment expenses
- 4 Inventory
- 5 Conflict of interest

Fraud Health Check - quick, easy and informative



With the health check result, you'll be able to decide what next action you have to take to mitigate fraud risks more effectively and efficiently.



The two-step process



1. Online questionnaire

Click the PwC link and complete the given questions. Our questions are based on PwC's years of experience investigating, detecting, and preventing fraud in Thailand.



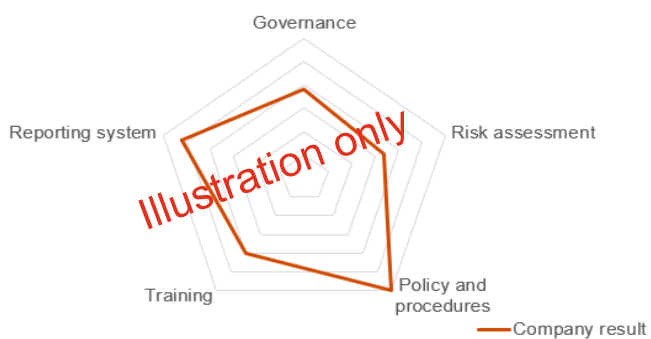
2. Interview

- We interview employees, including senior management or functional owners, to better understand your company's fraud risk management programme and operational processes.
- We identify gaps in each entity level and specific risk area components.



Output

Entity level assessment



- Your customised results are generated in a spider chart.

Specific risk area – Conflict of interest

● Green	Fraud risk management program in place
● Yellow	Needs enhancement
● Red	High priority

The following table summarizes the observations identified through the questionnaires and interviews.

Area	Observations, associated risks and recommendation	Rating	Ref
Related party declaration by employee	<ul style="list-style-type: none"> These no declaration protocol related to employee's related to company. This increase the risk that you have no control over their business activities that involve conflict with your benefit. Proper declaration protocol should be implemented. 	● Yellow	NA
No conflict of interest policy	<ul style="list-style-type: none"> There's no conflict of interest policy in place. Employees are not aware of the policy. We recommend you implement the policy and communicate with employee. 	● Red	NA
Vendor management	<ul style="list-style-type: none"> Identifies the following observations regarding ZZZZ: XXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXX 	● Green	XXXX XXX

Illustration only

- You get a summary of our observations and recommendations for each element along with risk scoring.



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