

# *Thailand's Highlight*

*PwC's 2016 Global Economic Crime Survey*



# Percentage of responding organisations that experienced economic crime

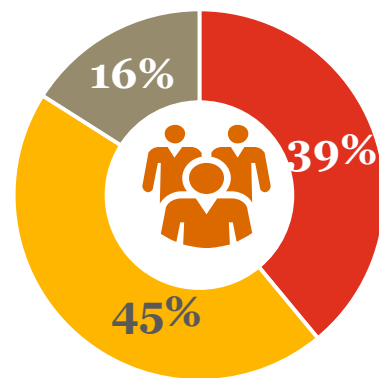
# 26%



The latest survey found that although Thailand's overall fraud rates are in line with South East Asia's average of 26%, many organisations admitted that the numbers could be higher as they were uncertain if their existing systems were able to detect fraud.

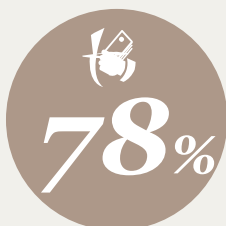
## *Economic crime is a diversified global issue*

In Thailand, 39% of listed companies experienced fraud as did another 16% of private companies, which is below the global average of 30%. A number of initiatives have been developed in the past few years to help Thai companies prevent fraud, including capacity-building initiatives by the Economic Crimes Suppression Division of the Royal Thai Police, and non-binding recommendations from private sector bodies such as the Collective Action Coalition (CAC) by the Thai Institute of Directors (IOD).



■ Yes ■ No ■ Don't know

## *Top five most commonly reported types of fraud*



# 78%

Asset misappropriation



# 24%

Cybercrime



# 19%

Bribery & corruption



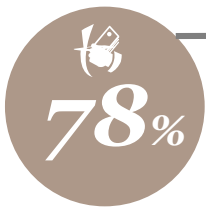
# 18%

Procurement fraud



# 12%

Human resources fraud



## ***Asset misappropriation***

Asset misappropriation remains Thailand's most common economic crime at 78%, above the 64% global average and the South East Asia average of 69%. Alarming, in the past two years, half of the incidents reported by companies in South East Asia occurred in Thailand. In our previous survey, respondents said they expected asset misappropriation would remain a top problem. However, the current survey shows that fewer organisations, only four in ten, had this expectation for 2016 and 2017, possibly underestimated the risk.



## ***Cybercrime***

This is Thailand's second most common economic crime. A quarter of respondents said they'd experienced cybercrime, which is in line with figures reported globally (32%). From our forensics investigations in Thailand, we've seen a significant increase in cybercrime since 2011. While 19% of respondents expect only a few of cybercrime cases in the next few years, organisations in Thailand should not downplay its risk, prevalence or likelihood.



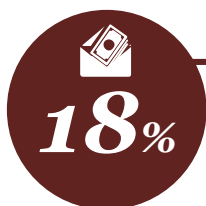
## ***Bribery and corruption***

Thailand's bribery and corruption rate fell 20% in the survey period, with only 19% of respondents reporting corruption compared to 39% in 2014 and 54% in 2011. For the following two years, one-quarter of Thai companies believe that bribery and corruption is likely to occur in their organisation, while another 23% were not sure whether their organisations are corruption free. So in effect, close to half of organisations in Thailand felt that they had substantial bribery and corruption risk.



## ***Human resources fraud***

Nearly twenty percent (17%) of respondents are concerned about human resources fraud risk, which includes recruitment and payroll fraud. Our survey found that the most prevalent types are 'ghost employees', which is putting fictitious people on the payroll to take an extra salary, and false qualifications (38% each). Paying ghost employees and hiring based on false qualifications can cripple a business financially and erodes trust. For this, preventive internal controls are an important first line of defence to halt the recruitment of future fraudsters.

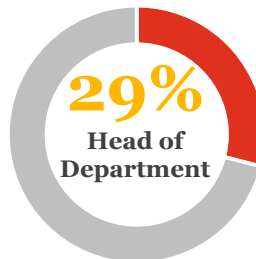
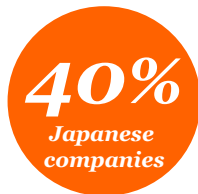
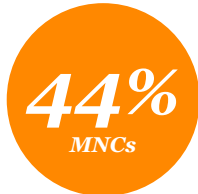
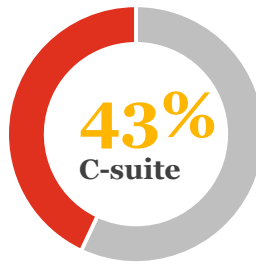


## ***Procurement fraud***

Procurement fraud in Thailand fell below the global average. Our previous survey found that almost half (48%) of Thai companies had experienced procurement fraud during quote and bid solicitation (67%) and vendor selection (58%). To prevent these areas of procurement fraud, we've been recommending that companies strengthen their vendor selection criteria and perform background checks and due diligence on prospective vendors. Adoption of these measures by Thai organisations could be a factor in the significant drop in procurement fraud in the past years.



## Thailand's participation statistics



## Industry sectors



**64%**  
Industrial



**15%**  
Financial services



**7%**  
Consumer



**5%**  
Technology



**3%**  
Professional services

### Forensic Services

- Supports clients, safeguards brand value and protects professional reputation
- Offers a full spectrum of services including forensic technology solutions in Thailand
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### Seven steps to preventing and fighting fraud

1. *Develop clear anti-fraud and anti-bribery programmes*
2. *Appoint independent staff to monitor and implement the programmes*
3. *Communicate policies and measures throughout the organisation*
4. *Intelligent scoping Investigate and act on fraud cases*
5. *Don't downsize risk/compliance management team when risks are rising*
6. *Tailor anti-fraud policies and structures to Thailand's unique fraud risks*
7. *Formalise your incident response and remediation process*