

KPMG Fraud Survey 2021

Australian businesses report being more vulnerable to fraud and corruption than they were before the pandemic and there is no indication the risk is subsiding. However, technology could be the answer.

In early 2021, KPMG surveyed over 70 senior executives to explore the impact COVID-19 had on the fraud and corruption risk faced by Australian organisations both here and abroad. The research was undertaken twelve months after KPMG initially consulted executives from ASX200 companies and government agencies.

“We were surprised to find that many businesses think the worst may still be to come in terms of fraud, given that widespread remote working may start to ease during 2021. Experience has shown that many internal controls don’t travel well which would explain most finding the risks were higher last year.”
Dean Mitchell, KPMG Forensic Partner

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67%

Uncertain whether their organisation detected fraud or corruption that was occurring during COVID-19



81%

Working from home at least part of the time



72%

COVID-19 has increased the fraud and corruption risk



65%

Own organisation more vulnerable to fraud and corruption during COVID-19



51%

Ability to investigate suspected fraud or corruption during COVID-19 was inhibited

The following presented a significant fraud and corruption risk during the pandemic

Customers

28%

Suppliers

41%

Employees

60%

Agents

14%

Contractors

34%



25%

Delayed or cancelled fraud and corruption prevention programs during the pandemic



65%

Increased fraud or corruption risk due to working from home



92%

Risk of cyber enabled fraud has increased during the pandemic

The following controls were implemented to detect and prevent fraud and corruption during COVID-19

Data analytics

Enhanced transaction monitoring

Third party screening or due diligence

Updated fraud and corruption risk assessment

Specific internal audit project

Threat of fraud and corruption in 2021 compared to 2020

Increasing

22.54%

Staying the same

63.38%

Decreasing

14.08%



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