INTERNAL CONTROL AND FRAUD PREVENTION: PRIOR RESEARCH ANALYSIS

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Abstract

The focus of this study is to analyze prior research on fraud detection and prevention. Most researchers agree that strong internal controls are an influencing factor on fair financial reporting and fraud prevention and detection. Financial statement and employee fraud can be very expensive to businesses and the economy as a whole. The establishment and evaluation of the internal control methods and procedures can decrease fraudulent events and losses. Accounting professionals, CPA's, and tax preparers are the first to detect "red flags" in business activities and must work together with boards of directors, CFO's, and small business owners. Simple methods, such as ratio analyses can help to signal early signs of fraudulent events and prevent future damages. Implementation of fraud prevention measures are the most efficient deterrent. Some of the most effective controls like, job rotation, mandatory vacations, training, fraud hotlines, and surprise audits, need not be expensive and should be employed by all businesses. Unfortunately, the most important and effective fraud prevention techniques are seldom applied by businesses. Surprisingly, the least effective and most expensive measures, like external audits, are more frequently employed. As reported in this review of the literature, most businesses focus on fraud detection, while fraud prevention and implementing proper internal controls would result in better prevention of financial losses.

Keywords: Internal control, fraud, financial statement fraud, fraud risk, fraud prevention.

Introduction

Financial statement fraud and internal control inefficiencies still remain a big problem for businesses. According to the Report to the Nations on Occupational Fraud and Abuse of 2014, a typical organization can lose 5% of the revenues every year to fraud, which in 2013 translated to $3.7 trillion. According to survey, frauds persist on average 18 months before detection, and occupational fraud cases cost businesses on average $145,000 (Report to the Nations on Occupational Fraud and Abuse, 2014). Statistical data on frequency of fraud cases by category and median losses is presented below.

Table 1. Fraud cases by category (Source: Report to the Nations on Occupational Fraud and Abuse, 2014 , 2013)

Type of Fraud	Frequency			Median Loss		
	2010	2012	2013	2010	2012	2013
Financial Statement Fraud	4.8%	7.6%	9.0%	$4,100,000	$100,000	$100,000
Corruption	32.8%	33.4%	36.8%	$250,000	$250,000	$200,000
Asset Misappropriation	86.3%	86.7%	85.4%	$135,000	$120,000	$130,000

According to the report, in 2013 42.2% of all occupational fraud cases were detected due to a tip, 16.0% – during management review, and 14.1% – during internal audit. Employee tips helped to detect fraud 48.0% of cases in 2013, half of which were reported through fraud hotlines. According to the report, primary internal control weakness was due to lack of internal control.

This paper focuses on issues found to contribute to internal control weaknesses and financial statement fraud prevention methodologies. The main research method employed by this author was an analysis of prior scientific research studies on the subject matter.

Prior studies and critical analysis

A study conducted by W. Zhou and G. Kapoor (2011) analyzed financial statement fraud and its detection techniques. W. Zhou and G. Kapoor (2011) stated that regardless of availability of many fraud detection techniques, fraud is more difficult to detect because involved executives learn how to manipulate the results. The authors evaluated the existing fraud detection techniques, including regression analysis; transformation of variables; ratio analysis, using ten financial ratios; a neutral network, and decision trees, based on effectiveness and limitations of these techniques. The study evaluated financial statements fraud risk model (CMA), where risk variables such as management motivation, attitude, and opportunities as independent variables, and fraud probability as the dependent variable. The 3C alternative model, which could be used in an automatic detection system, used different variables: financial pressure, such as pressure to meet ones financial obligations, if benefits to manipulate data justified by lower detection risk, corporate governance structure, and management opinions. According to the study, these techniques are no longer effective, because management, involved in fraud learned how to manipulate detection systems (Zhou, & Kapoor, 2011). The study proposed the alternative adaptive learning framework, incorporating response surface methodology (Zhou, & Kapoor, 2011). The proposed system incorporates constantly changing experimental independent variables, empirical statistical system, approximating relationship between variables, and optimization methods, and explaining relationships.

The proposed model suggested simply collecting fraud risk data, such as capital structure, conditions, choices, and management attitude, analyzing it, and taking an appropriate action. The study concluded that the proposed model was designed to not only use historical data, but also to predict future developments.

It is this writer's opinion the study did not clearly state hypotheses nor research questions. The purpose of the study was to create an alternative effective model for fraud detection and prevention, but the model itself is unclear. It does not specify the how, who, and when it should be done. The researchers did not test the proposed model; simply their paper expressed incomplete, but interesting ideas presented for the future research studies.

T. C. Power (2011) conducted a study analyzing fraud risk assessment and management. The purpose of this study, as described by the author, was to describe and evaluate the historical trends of the fraud management in organizations. The argument raised by the study was that today's fraud risk management importance is different because it involves not only detection, but also fraud prevention. T. C. Power (2011) analyzed historical trends and the shift in responsibility of fraud management in the corporate world from auditors to management, setting requirements to create effective internal controls. The research problems were identified by the case analysis of a large financial institution where T. C. Power (2011) acted as a consultant for the financial risk assessment and management. His observations were based on discussions with the Board Risk Committee and the Audit Committee (Power, 2011). The case was focused on the investigation of the suspicious activities of the sales force, revealed by a client tip, using financial indicators and psychological profiling. The importance of this case to the study, as noted by T. C. Power (2011) was the analysis of the situation in light of fraud risk management. The soft indicators of fraud risk were characteristics of the individual (described as being a loner) and high risk market of his activity. The corporate governance environment in a researched case study was directed to the legalized with strong managerial control, including fraud risk management, mainly directed towards regulatory risk, but not firm specific matter (Power, 2011). Problems noted by the study were: 1. the historical developments of the audit risk assessment created a tension between sample based tests and fraud detection; 2. the problem of fraud detection depends on the regulatory values; 3. there is a need for the consistency amongst the firms concerning risk management; and 4. the auditors' responsibility to detect fraud mainly derived from management responsibility. The study systematized various types of the fraud risk subjects, fraud types, mechanisms, and facts. These findings highlighted the differences between fraud and fraud risk and analyzed the necessity of fraud risk management.

The study analyzed important issue of the emerging and constantly changing fraud risk environment, categorized the risk factors, and raised interesting problems. The weakness of the T. C. Power (2011) study is that author did not state the research questions clearly. The study was based on review of the literature and a single case, and really did not analyze any findings, but pointed into the direction of the necessity of the fraud management in organizations.

J. S. Davis and L. Pesch (2012) examined the dynamics and characteristics of fraud, in light of fraud risk assessment and fraud prevention strategies. The study used an agent-based methodology to develop an efficient model for occupational fraud prevention and tested it using two classes of organizations. According to J. S. Davis, and L. Pesch (2012), there is a lack of research about fraud prevention, mostly due to the nature of fraud as a concealed crime, making it difficult to test the results of the study. Fraud research should focus on individual and organizational environments in combination (Davis, & Pesch, 2012). The authors created a benchmarking model where all individuals had an opportunity and the motive to commit the fraud, testing both elements separately, considering organizational hierarchy and detection risks. The model used by the study, an agent-based methodology, in which selected study objects-agents (individuals in the organization, or organization in the economy), and the environment where agents operate and possess some changing and some constant characteristics, including the institutional rules (Davis, & Pesch, 2012). The study based the model on fraud triangle, including the variables of opportunity, motive, and attitude. The model defined specific characteristics of the agent, such as unique integer identifying the agent, the independent probabilities using a fraud triangle, and the binary variables, indicating presence of the fraud motive, opportunity, or attitude. To describe this environment, these authors created a matrix of agent interaction. The model was tested using 10 various organizations. The study concluded that the most effective way to reduce fraud is to detect and remove fraudsters from the organizations, to introduce honest management teams, and to reduce the opportunity for fraud. According to J. S. Davis and L. Pesch (2012), fraud prevention techniques introduced in various organizations should depend on the characteristic of the organization. Some uniform methods can be effective in most of the organizations, but may still not prevent fraud outbreaks. The study addressed some limitations (validity threats) of the model, such as static organizations, weakness of the solution concepts, and a lack of standard generalized practices.

The study conducted by J. S. Davis, and L. Pesch (2012) clearly addressed the research problem and purpose, indicated potential validity threats, and addressed interesting results. In this writer's opinion, the study finding can be presumed to advance fraud protection; however the paper lacks simplicity and applicability to ones real environment. The study conducted by A. Singleton, G. Atkinson (2011) researched fraud prevention techniques applicable in the business environment, evaluating their efficiency. A. Singleton, G. Atkinson (2012) analyzed data published in ACFE 2010 RTTN rankings, of commonly used anti-fraud controls, and provided the motivation for the study. The null and alternative hypotheses for testing were that the anti-fraud controls and loss

reduction are not mutually independent, and utilization of anti-fraud controls, and loss reduction orders are mutually independent (Singleton, and Atkinson, 2011). The study analyzed several economic crime research studies conducted by KPMG (2009), COSO (2010), PricewarterhouseCoopers (2009), and ACFE (1996, 2002, 2004, 2006, 2008, and 2010). Their study also included surveys on fraud prevention techniques and designed anti-fraud controls and percentage of loss reduction from the implementation of it. According to the analysis, the most effective techniques for fraud loss reduction were fraud hotlines, and employee support programs, while most frequent anti-fraud controls applied were the external audit of financial statements and adherence to the code of conduct (Singleton, and Atkinson, 2011).

The most effective controls were used less frequently, than the least effective ones. T. Singleton and K. E. Atkinson (2011) used two methodologies to test their hypotheses – Spearman's rank correlation coefficient, and Kendall's Tau coefficient. Both tests concluded the null hypothesis should be rejected. The study also analyzed the use of the various fraud prevention techniques according to the size of the business, testing alternative sets of hypotheses, and finding the order in which anti-fraud controls are used by large and small businesses are mutually independent (Singleton, & Atkinson, 2011). The study concluding that management, regardless of the size of the business, perceives similar cost-benefit decisions in implementing anti-fraud controls (Singleton, Atkinson, 2011). The authors suggested that some of the most effective controls need not be expensive, such as job rotation and mandatory vacations, training, fraud hotlines, and surprise audits, and should be employed. The threats to validity of the findings, as discussed by T. Singleton and K. E. Atkinson (2011), were that data used for the study was not randomly selected, the size of the organizations mostly large, and the effectiveness of anti-fraud controls was based on the ability to reduce the financial losses. These were focused not on the prevention, but detection of the existing fraud.

The evaluation of the internal control methods compared with the efficiency of reducing the financial losses is important and valuable for fraud detection and prevention. The study conducted by T. Singleton and K. E. Atkinson (2011) raised valid hypotheses, research findings, and threads to validity. The authors called for additional studies performed on the subject on motivating factors for future research.

E. W. T. Ngai, et al. (2010) focused on data mining techniques for fraud detection and prevention. The study conducted a comprehensive academic literature review on the subject matter, and addressed the need for the future research. According to the study, data mining can be very effective in identifying patterns in financial data using statistical techniques and mathematical formulas. These can be used to develop models to identify fraudulent behavior in organizations. The purpose of the study was to develop a framework for data mining applications in financial fraud detection, and to review existing research on the subject matter (Ngai, et al., 2010). The research area defined by the study was financial fraud detection that applies to data mining methods, the research goal was to create a classification framework for the data mining to detect financial fraud, and the research scope was literature on financial fraud detection using data mining techniques and published between 1997 and 2008(Ngai, et al, 2010).

The research methodology selected by this study was a publication review, using nine online academic databases to create a classification framework (Ngai, et al., 2010). Using the fraud classification as defined by U.S. Federal Bureau of Investigation, this methodology is performed by categorizing financial fraud into bank fraud, insurance fraud, securities fraud and other financial fraud, mortgage fraud, asset forfeiture, money laundering, healthcare fraud, and mass marketing fraud (Ngai, et al., 2010). The study identified six data mining techniques to detect financial fraud: classification, clustering, outlier detection, prediction, regression and visualization and as applied to various types of financial fraud detection, can be a useful tool for academics and practitioners (Ngai, et al, 2010). According to the findings therein, further study is needed to investigate fraud detection and prevention techniques on money laundering, mortgage fraud and mass marketing fraud. The restraint of this study, as stated by authors, was a scope limitation.

The study conducted by E. W. T. Ngai, et al. (2010) was an interesting literature analysis relevant for the financial fraud detection. The authors clearly stated the purpose, research methodology, and techniques, as well as limitations which represented threats to the validity of this study. The study did not state research questions, hypotheses, nor did it test any hypotheses. Further, the application of this study is limited to old data (1997 – 2008), which may not be relevant to the current situation.

J. F. Bazel, K. L. Jones, and M. F. Zimbelman (2009) analyzed fraud detection techniques using nonfinancial measures. Measures used were: number of retail outlets, warehouse space, and number of employees. The study found that the relation between financial statements data and nonfinancial indicators can help to predict fairness of financial statements and financial statements fraud. They report auditors' analytical procedures were inefficient because there was no recognition of unusual trends and ratios due to lack of the understanding of the audited entity business; because there was too much reliance on the management representation; and because the analytical procedures used in regular audits were not necessarily effective in discovering fraud (Bazel, Jones, & Zimbelman, 2009). They indicated that nonfinancial measures are more difficult to manipulate because some nonfinancial measures are published by independent sources and most of these measures are easily verifiable, the degree of collusion needed to manipulate financial and nonfinancial data would be much larger and would require more information to be concealed and changed.

The study indicated several factors applicable for detecting financial statement fraud using nonfinancial indicators: firms with fraudulent financial reporting have greater differences between their percentage change in

revenue growth and percentage change in nonfinancial measures than non-fraudulent firms; difference between financial and nonfinancial performance is much greater for firms with greater fraud risk (Bazel, Jones, & Zimbelman, 2009).

S. Robinson, J. Robertson, and M. Curtis (2011) analyzed employee reporting of financial statement fraud. The study's objective was to investigate characteristics of fraud and the likelihood of it being reported. The findings revealed that employees are less likely to report financial statement fraud than theft, immaterial financial statement discrepancies, when the fraudster has knowledge about the possibility of the whistleblowing on the matter, and only he/she is aware about the fraud. The study investigated the effects and characteristics of fraud and the organizational environment affecting employee reporting of fraud occurrences. The study identified four potential reasons for reporting of the financial statement fraud by employees: internal vs. external fraud, stable vs. unstable environment, comfortable vs. uncomfortable situation, and intentional vs. unintentional fraud (Robinson, Robertson, & Curtis, 2011).

T. F. DeZoort, P. D. Harrison, and E. J. Schnee (2012) analyzed the role of tax professionals in detecting financial statement fraud. The study evaluated attitudes of 236 tax professionals regarding the perceived responsibility for financial statement fraud detection for their audit and tax clients. Despite the lack of a written requirement to detect financial statement fraud by tax professionals during the tax engagement, perceived fraud detection responsibility arises mostly from the evaluation of tax accruals and tax related internal control deficiencies (DeZoort, Harrison, & Schnee, 2012). The researchers applied responsibility theory to analyze the tax professionals' responsibility in detecting financial statement fraud. According to the study, engagement types influence the fraud detection capability. Study indicated that tax professionals in tax compliance engagement perceived more responsibility to detect financial statement fraud than in tax planning engagement. Accountants during the audit engagement period rated highest on perceived responsibility to detect financial statement fraud (DeZoort, Harrison, & Schnee, 2012).

T. E. McKee (2009) attempted to analyze fifteen theoretical fraud predictors based on a theoretical fraud model. Data was collected from the US Securities and Exchange Commission's publicly available data for fraud and non-fraud companies for the years 1995-2002. The study used a quantitative fraud risk meta-model approach utilizing data sets categorized into a neural network algorithm, logistic regression, and a classification free algorithm. The authors identified data variables into three elements of fraud: incentive/pressure, attitude/rationalization, and opportunity. The study presented financial fraud model, which included independent variables, unobserved variables, and dependent variables, including change on net income, age of CEO, age of 5 top officers, sales growth, ML bankruptcy probability, management stock options, management compensation, company size, top 5 managers ownership, big four auditor, auditor tenure, change in total accruals, earnings quality, size of total accruals, and change in auditor (McKee, 2012). The resulting model presents a fraud variable classification accuracy of 83%.

M. Cecchini, et al. (2010) intended to provide a methodology for detecting management fraud using selected financial data. The data proposed to use for fraud detection was basic and available, so called "red flags" (Cecchini, et al., 2010). The study applied statistical learning theory and support vector machines using data collected from fraud and non-fraud companies. The financial kernel formula was also applied to analyze variables. The variables used in this study: cash and short term investments, receivables, inventories, current assets, current liabilities, property, plant, and equipment, long term debt, sales, depreciation and amortization, interest expense, income taxes, income before extraordinary items, common shares outstanding, investments and advances, debt in current liabilities, retained earnings, cost of goods sold, net income, common equity, interest income, receivables, estimated, doubtful, income tax payable, rental commitments, comparing five years, deferred taxes, liabilities, selling, general, and administrative expenses, short-term investments, price, fiscal year, close, financing activities, pension plans, anticipated, and employees. This variable list covers almost all elements of financial statements. According to the authors, some data is not publically available. The top five variables suggested by this study were sales/preferred stock-carrying value; selling, general and administrative expenses/investments and advances; total assets/investments and advances; sales/investments and advances; total assets/short-term investments (Cecchini, et al., 2010).

M. Frank, L. J. Lynch, and S. Rego (2009) investigated the association between aggressive tax reporting and aggressive financial reporting. The study defined possible fraudulent tax evasion as evidenced by aggressive financial reporting as an upward reporting of the income, possibly not in conformity with Generally Accepted Accounting Principles, and aggressive tax practices as a downward manipulation of the earnings, using aggressive tax planning practices (Frank, Lynch, & Rego, 2009). The research concluded that tax reporting and financial reporting aggressiveness were positively related. Recent developments in corporate practices reveal increasing differences between financial statement earnings and tax return earnings reported to the IRS, due to increasing taxable differences.

The research studies reviewed in this article are summarized in table 2.

Table 2 Summary of the prior findings (Source: made by author)

Research Studies	Methodology/Goals	Data Pool	Variables	Findings
Bazel, Jones, and Zimbelman, 2009	Fraud detection techniques analysis using nonfinancial measures	Data derived from large corporations	Number of retail outlets, warehouse space, and number of employees	The study indicated several factors applicable for detecting financial statement fraud using nonfinancial indicators: firms with fraudulent financial reporting have greater differences between their percentage change in revenue growth and percentage change in nonfinancial measures than non-fraudulent firms; difference between financial and nonfinancial performance is much greater for firms with greater fraud risk
Cecchini, et al., 2010	The study applied statistical learning theory and support vector machines using data collected from fraud and non-fraud companies. The financial kernel formula was also applied to analyze variables.	Publically available statistical data from fraud and non-fraud companies	Cash and short term investments, receivables, inventories, current assets, current liabilities, property, plant, and equipment, long term debt, sales, depreciation and amortization, interest expense, income taxes, income before extraordinary items, common shares outstanding, investments and advances, debt in current liabilities, retained earnings, cost of goods sold, net income, common equity, interest income, receivables, estimated, doubtful, income tax payable, rental commitments, comparing five years, deferred taxes, liabilities, selling, general, and administrative expenses, short-term investments, price, fiscal year, close, financing activities, pension plans, anticipated, and employees.	Provide a methodology for detecting management fraud using selected financial data
avisand Pesch, 2010	An agent-based methodology to develop an efficient model for occupational fraud prevention , fraud triangle	10 various organizations	Elements of fraud triangle: opportunity, motive, and attitude	Fraud prevention techniques introduced in various organizations should depend on the characteristic of the organization. Some uniform methods can be effective in most of the organizations, but may still not prevent fraud outbreaks.
DeZoort, Harrison, and Schones, 2012	The researchers applied responsibility theory to analyze the tax professionals' responsibility in detecting financial statement fraud.	Surveys of236 tax professionals	Financial statement fraud instances	Study indicated that tax professionals in tax compliance engagement perceived more responsibility to detect financial statement fraud than in tax planning engagement. Accountants during the audit engagement period rated highest on perceived responsibility to detect financial statement fraud
Frank, Lynch, and Rego, 2009	Investigated the association between aggressive tax reporting and aggressive financial reporting.			The study defined possible fraudulent tax evasion as evidenced by aggressive financial reporting as an upward reporting of the income, possibly not in conformity with Generally Accepted Accounting Principles, and aggressive tax practices as a downward manipulation of the earnings, using aggressive tax planning practices

Continuation of Table 2 is at the next page

Research Studies	Methodology/Goals	Data Pool	Variables	Findings
McKee, 2009	Quantitative fraud risk meta-model approach utilizing data sets categorized into a neural network algorithm, logistic regression, and a classification free algorithm	US Securities and Exchange Commission's publicly available data for fraud and non-fraud companies for the years 1995-2002	Incentive/pressure, attitude/rationalization, and opportunity; change on net income, age of CEO, age of 5 top officers, sales growth, ML bankruptcy probability, management stock options, management compensation, company size, top 5 managers ownership, big four auditor, auditor tenure, change in total accruals, earnings quality, size of total accruals, and change in auditor	Developed financial fraud detection model with fraud variable classification accuracy of 83%
Ngai, et al., 2011	To create a classification framework for the data mining to detect financial fraud	Review of literature published 1997-2008	Bank fraud, insurance fraud, securities fraud and other financial fraud, mortgage fraud, asset forfeiture, money laundering, healthcare fraud, and mass marketing fraud	The study identified six data mining techniques to detect financial fraud: classification, clustering, outlier detection, prediction, regression and visualization and as applied to various types of financial fraud detection, can be a useful tool for academics and practitioners
Powell, 2011	Situational analysis directed to fraud risk management	Data derived from one case in a large corporation environment	Individual profiling to assess fraud risk	The study systematized various types of the fraud risk subjects, fraud types, mechanisms, and facts. These findings highlighted the differences between fraud and fraud risk and analyzed the necessity of fraud risk management.
Robinson, Robertson, and Curtis, 2012	To investigate characteristics of fraud and the likelihood of it being reported	Review of several corporate cases	Internal vs. external fraud, stable vs. unstable environment, comfortable vs. uncomfortable situation, and intentional vs. unintentional fraud	Employees are less likely to report financial statement fraud than theft, immaterial financial statement discrepancies, when the fraudster has knowledge about the possibility of the whistle blowing on the matter, and only he/she is aware about the fraud.
Singelton and Atkinson, 2011	Spearman's rank correlation coefficient, and Kendall's Tau coefficient	ACFE 2010 RTTN rankings, studies conducted by KPMG (2009), COSO(2010) PricewaterhouseCoopers (2009), ACFE 1996,2002,2004,2006.2008,2010 surveys	independent variables: various fraud controls, such as job rotation, segregation of duties, fraud hotlines, external audits, independent variable fraud occurrence	According to the analysis, the most effective techniques for fraud loss reduction were fraud hotlines, and employee support programs, while most frequent anti-fraud controls applied were the external audit of financial statements and adherence to the code of conduct
Zhou and Kapoor, 2011	Analysis of existing fraud detection techniques: regression analysis, transformation of variables. Financial ratio analysis, decision trees, CMA,ect.	Data derived from large corporations	Fraud risk data, such as capital structure, conditions, choices, management attitude.	Alternative adoptive learning framework, incorporating response surface methodology with constantly changing experimental independent variables would be more efficient methods in detecting and preventing fraud, predict future developments.

These research findings reported here concur that a need for additional study on financial fraud detection and prevention techniques is needed. Most of these studies addressed the analysis of the historical data regarding fraud which already happened, using fraud triangle theory. Further research is needed to analyze financial fraud prevention techniques as they apply to small businesses.

Discussions

Financial statement fraud and internal control inefficiencies are costing businesses thousands of dollars. According to a 2014 report (Report to the Nations on Occupation Fraud and Abuse, 2014), 37.9% of organizations who were victims of fraud were privately owned, with the median loss of $160,000 in 2013, $200,000 in 2012, and $231,000 in 2010. Of these targeted organizations in 2013, 28.8% of those businesses were smaller than 100 employees; nearly 32% for 2012 and almost 31% in 2010). Clearly, it is important to analyze the conditions of similarity in occupational fraud instances, how fraud is detected, and how the organizations recover. Inefficient or non-existing internal control mechanisms have caused small businesses numerous problems and losses. Detailed analyses of fraud prevention techniques, employee training, and the implementation of internal control methods is critical. Implementing adequate internal control procedures such as employee hotlines can be very effective if the effort receives sufficient management attention. Based on the studies analyzed above, the most important factors in decreasing fraud and its impact on businesses and the economy as a whole is fraud prevention. Fraud prevention can not only decrease damages from it but also eliminate fraud completely, if those interventions are applied properly. Selected data mining techniques can help in early detection of fraud indicators and minimize fraud instances. Fraud prevention does not have to require extensive resources from businesses to be effective. Accounting professionals, CPA's, and tax preparers are some of the first professionals to detect early indications of fraudulent events in the organizations if they pay adequate attention. Sometimes simple ratio analyses can indicate possible red flags. Early detection and prevention of fraudulent events are the most effective methods of eliminating fraud and decreasing financial damages associated with it.

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VIDAUS KONTROLĖ IR APGAULIŲ PREVENCIJA: IŠANKSTINĖ TYRIMŲ ANALIZĖ

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Santrauka

Šio tyrimo tikslas atlikti išankstinį apgaulių nustatymo ir taikytinų jų prevencijos priemonių tyrimą. Dauguma mokslininkų sutinka, kad gerai išplėtota vidaus kontrolės sistema įtakoja sąžiningą finansinės atskaitomybės sudarymą ir pasitarnauja apgaulių prevencijai bei nustatymui. Neteisingos finansinės ataskaitos ir darbuotojų sukčiavimas gali brangiai kainuoti įmonėms ir visai ekonomikai. Sukūrus ir išplėtojus vidaus kontrolės metodus ir procedūras, gali sumažėti apgaulių skaičius ir patiriamų nuostolių apimtis. Apskaitos specialistai ir (arba) sertifikuoti viešieji buhalteriai pirmieji turėtų aptikti galimas neigiamas verslo veiklos apraiškas ir bendradarbiauti su įmonių finansų direktoriais bei smulkaus verslo savininkais. Paprasti būdai, pavyzdžiui, santykinė analizė gali padėti pastebėti galimų apgaulių požymius ir išvengti gresiančių nuostolių. Apgaulių prevencijos priemonių diegimas yra efektyvi verslo administravimo kryptis. Veiksmingiausios kontrolės priemonės, pavyzdžiui, darbo vietų rotacija, privalomų atostogų arba mokymų organizavimas, apgaulių registravimo linijų diegimas ir netikėtų patikrinimų organizavimas nėra brangios ir gali būti naudojamos visose įmonėse. Deja, šios apgaulių prevencijos priemonės įmonėse taikomos retai. Dažniau yra taikomos daug brangesnės ir mažiau veiksmingos priemonės, pavyzdžiui, išorės auditas. Kaip pabrėžia analizuotų literatūros šaltinių autoriai, dauguma įmonių daugiau dėmesio skiria apgaulių nustatymui, o ne jų prevencijai, nors tinkamai organizuota vidaus kontrolė ir apgaulių prevencija labiau padėtų išvengti finansinių nuostolių.
Reikšminiai žodžiai: vidaus kontrolė, apgaulė, apgaulinga finansinė atskaitomybė, apgaulės rizika, apgaulių prevencija.