

# **From Auditor to Frauditor: developing the internal audit role beyond fraud risk assessment to detect and investigate fraud in the UK Public Sector**

by

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This commentary and publications are submitted in partial fulfilment of its requirements for the award of the degree of Doctor of Philosophy by publication of the University of Portsmouth

# Declaration

Whilst registered as a candidate for PhD by publication I have not been registered for any other research award. The results and conclusions embodied in this thesis are the work of the named candidate and have not been submitted for any other award.

Peter Tickner

October 2019

## **Abstract**

The commentary sets out the candidate's ideas for a new differentiated paradigm within the white collar crime subset of criminology for fraud auditing and the frauditor concept evolved from the candidate's interest in combatting fraud against the public sector. Over a public sector career auditing or training auditors from 1971 to 2009 the candidate honed his thinking on the role of the internal auditor in relation to fraud, culminating in the publication in 2010 and 2012 of two books written by the candidate based around forensic internal auditing and the frauditor to counter fraud against organisations. The candidate had realised during a five-year period in the mid-1980s as a full-time lecturer at the Civil Service College teaching government internal auditors and then through his masters' research in the early 1990s that internal auditors were not meeting expectations of management or the public on fraud. The candidate's vision for a new type of internal auditor, the 'frauditor' developed through ethnography, unstructured interviews and documentary research from his time in central government to the latter part of his public sector career while responsible for the internal audit service for Scotland Yard between 1996 and 2009. The candidate further referenced his concepts and philosophy through commentary and case studies in a book on public sector fraud and corruption published in 2015.

The candidate recognised that he had a unique understanding gained from his experience and career of the relationship between the frauditor, the police and the civil and criminal justice systems in fighting internal and contractor fraud in public sector organisations. The commentary also shows how the candidate used his understanding to develop a new and original fraud risk model and fraud wheel now promulgated across the public sector, as well as developing the concept of the frauditor in his published books.

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## Part 2

2.1 Article submissions in date order

2.2 Published Books by the Candidate

How to be a Successful Frauditor (2010). Chichester, Wiley

The Successful Frauditor's Casebook (2012). Chichester, Wiley

Fraud and Corruption in Public Services (2015). Farnham, Gower



**“Begin at the beginning,” the King said gravely, “and go on till you come to the end: then stop.”**

(Lewis Carroll, 1865)

**‘Begin with the end in mind’**

(Russell J Allen, 1980), (Stephen R. Covey, 1989)

## Introduction

This submission shows how books, articles and other material [listed in Annex 1] published by the candidate over a period of 17 years has led to the development of the concept of the fraud auditor (‘frauditor’) in the UK public sector. It links the candidate’s own work to the field of criminology and its sub-discipline of ‘white collar crime’ (Sutherland, 1949), specifically fraud and corruption affecting organisations. White collar crime is deviant criminal behaviour committed by persons in a position of trust in an organisation. Fraud committed within a public sector organisation falls within the current definition of white collar crime. The candidate’s work is placed in the context of current expectations of internal and external auditors in the public and private sector and then shows how the candidate has developed the concept of a forensic internal audit function and frauditor role within the context of public sector internal auditing. The candidate has advocated the role of the frauditor and has set out a cogent methodology for a viable alternative to a criminal justice oriented approach to deal with internal and contractor fraud through his publications. The candidate was solely responsible for setting up a separate forensic internal audit team within internal audit at the UK Metropolitan Police in 1996. The development and work of the team over the next decade and its benefits to the public purse were set out in Ridley (2008, Case Study 6.5).

There has been little doctoral research into fraud and corruption in the public sector. The candidate’s analysis from EthOS<sup>1</sup> and of available literature showed that out of over half a million published theses only 290 mentioned fraud, of which just five related to the UK public sector. A further 1,092 theses mentioned corruption but only two related to the UK public sector. The candidate identified 4,680 academic journal articles on fraud of which only 17 referenced the UK public sector. Fraud Risk within public entities is also an under-researched subset of Risk Management theory. The candidate has developed a method and formula for evaluating fraud risk in the public sector and from it the concept of the fraud risk wheel that has developed and been used across the wider public sector.

## Core writings on fraud by the Candidate

Since the Fraud Act 2006, fraud can be defined in the UK as ‘an offence resulting from dishonest behaviour that intentionally allows the fraudster or a third party to gain, or cause a loss to another. This can occur through false

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<sup>1</sup> EthOS is the UK’s national thesis service maintained by the British Library. It holds the records of all doctoral theses awarded by UK higher education since 1800.

representation, failure to disclose information or abuse of position.’ (Tickner, 2010, p.5). Fraud against the state is ‘Any action by individuals or organisations intended to cause a loss to the taxpayer or misuse of state provided funds through false representation, deliberate omission or suppression of information.’ (Tickner, 2015, p.5.). All organisations are vulnerable to internal criminality (Shepherd, 2016). The candidate’s experiences of public sector fraud, as an external auditor in the NHS in the early 1970s through to teaching systems audit at the Civil Service College in the early 1980s, then as head of internal audit at HM Treasury through to being Director of Internal Audit at the Metropolitan Police from 1995 to 2009, created a realisation that the auditing profession had moved away from its core role in fraud prevention and detection and that many auditors were ill-equipped to understand or tackle fraud in the public sector. It was this realisation that was the driving force behind writing ‘How to be a Successful Frauditor’ (Tickner, 2010).

*‘Where does this book stand in the ever more crowded field of UK studies of fraud? Right up there with Mike Comer’s Corporate Fraud, which Tickner describes as ‘seminal’. ....you will lean to Comer’s or Tickner’s books as go-to guides for fraud investigation, and simply a good read about workplaces and human nature.’ (Mark Rowe, Professional Security magazine review, 2012)*

*‘All the current talk of auditors’ responsibilities around fraud detection seems, well, so old hat having read Peter’s books – notably ‘How to be a Successful Frauditor’ – and articles across the years. As an editor of titles in the financial crime space (Fraud Intelligence [[www.counter-fraud.com](http://www.counter-fraud.com)] and Money Laundering Bulletin [[www.moneylaunderingbulletin.com](http://www.moneylaunderingbulletin.com)]), I know our readers, all either professionals or academics, have learnt much from his writing, as I undoubtedly have.’ (Timon Molloy, Informa, 2019)*

The candidate continued the frauditor theme in the isomorphic learning set out in the follow-up book ‘The Successful Frauditor’s Casebook’ (Tickner, 2012).

### Fraud and the development of fraud awareness in the public sector

The last twenty years have seen the emergence of trained counter fraud specialists in the public sector, mainly in the NHS, DWP and local authorities (Button et al, 2007a). Despite this development, research has shown that there is still some distance to go before there can be said to be a counter fraud profession in the UK public sector (Frimpong, 2013). The Cabinet Office launched a proposed counter fraud profession in 2018, with the intention of creating a government standard for counter fraud work. Counter-fraud work in the public sector is the logical extension of the original concept behind public sector audit (Tickner, 2015, p.269).

Anti-fraud activity within the UK public sector can be traced back to William the Conqueror’s appointment of sheriffs required to ‘accompt’<sup>2</sup> annually and the Exchequer court’s role in keeping and checking the tallies and rolls that were created to prevent fraud and ensure receipt of taxes due to the King (Madox, 1711 pp709-10). Auditors of the King’s income and expenditure, initially ad-hoc members of the barony and senior clergy were from the time of Edward II permanent officials of the Court of the Exchequer (Madox, 1711, pp 729-30). By the early 18<sup>th</sup> century

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<sup>2</sup> The earliest known accountant role in the UK

there were separate auditors at court of revenue and expenditure and in 1785 George III set up the Commissioners for auditing the Public Accounts.

The growth of a civil service based on merit not patronage following the Northcote-Trevelyan report (1854) coincided with concerns that the levers of state to prevent fraud and mismanagement were no longer fit for purpose. Gladstone commissioned a review of the origins and history of the Exchequer (1864) during his second term as Chancellor of the Exchequer (1859-66). This led to fundamental reform of the accountability of public servants culminating in the Exchequer and Audit Act of 1866, abolishing the Commissioners for auditing the Public Accounts and the Comptroller of the Exchequer and giving their powers to the Comptroller and Auditor General to ensure independent scrutiny of public accounts before they were presented to parliament.

In parallel in the private sector the need for an external audit to protect stakeholders, first recognised by Parliament in 1721 with the appointment of an independent auditor following the scandals arising from the South Sea 'Bubble' share price collapse in 1720, there had been a steady growth of a professionalised external audit of companies in the 19<sup>th</sup> century. Scandals and frauds still arose but the landmark Kingston Cotton Mill appeal judgement (1896) was the start of the slide towards an expectation gap between the role of the external auditor and the public around the detection and prevention of fraud. In the judgement Lord Justice Lopes noted 'An auditor is not bound to be a detective, or, as was said, to approach his work with suspicion or with a foregone conclusion that there is something wrong. He is a watch-dog, but not a bloodhound. He is justified in believing tried servants of the company in whom confidence is placed by the company.'" To this day that sentiment has been echoed by leaders of major external auditing companies, as in the evidence given to the Business Energy and Industry Strategy select committee in 2019 by the Chief Executive of Grant Thornton, the fifth largest UK auditing company, when he noted that there was an expectation gap on public perception and it was not the auditor's responsibility to detect fraud (oral evidence 30/1/2019). It is a view that is increasingly being challenged, not least by the select committee in its report (April 2019). Carmichael (2018, p48) states: 'It is indisputable that an auditor of financial statements has a fraud detection responsibility.'

The candidate's own experiences as an auditor in the NHS between 1971 and 1978 developed his awareness of the likelihood of fraud in public sector organisations (Tickner, 2010, preface, pp10-12, 22-23, 36, 76-78). The growth in public services and the privatisation agenda pursued in the 1980s with the blurring of the line between the public good and private profitability created increased opportunities for fraud and corruption by contractors and staff employed in the public sector. Fraud prevention and detection in public services has become more complex than anything envisaged either in the days of tallies or arising from Gladstone's reforms in the 1860s. The UK government has at various times set up and then abolished bodies intended to tackle the issue of fraud against the public sector (Tickner, 2015, p.99).

For centuries the activities of an auditor have been the only independent means for larger organisations to try to prevent and detect fraud. At first this was done laboriously by comprehensive checking of transactions and financial records, a 'vouching and verification' audit little different from the practices of medieval auditors in the Exchequer

that persisted until the 1960s and early 1970s. In the post Thatcherism world of New Public Management in the UK such an intensive level of audit scrutiny in the public sector cannot be justified for the levels of risk and financial loss it might prevent or detect.

### Emergence of Systems Auditing and the development of New Public Management

In the mid to late 1970s and through into the 1980s audit methodologies grew and developed around the concept of systems auditing and identifying the internal control system. While initially centred round financial controls, the role for internal auditors developed to embrace a review of all the internal controls within an organisation to achieve its objectives. The idea of a more participative and management oriented function for internal audit developed in parallel (e.g. Mints, 1972) with the dichotomy between the policeman and advisor role of the internal auditor in the public sector highlighted by Morgan and Pattinson in 1975. In the 1980s and 1990s the concept of audit spread pervasively through all aspects of activity, from the decisions of clinicians in the NHS to commercial operations in oil companies, so much so that leading accounting academics such as Michael Power (1994) felt obliged to point out the consequences and risks of the 'audit explosion'. The wider spread of the concept of audit in the public sector can be directly linked to the growth of 'New Public Management' in the 1980s onward. E.g. Hoyle (2011, abstract and pp275-279) in the NHS context 'Managers are seen to concentrate on issues of targets, audits and budgets with little thought given to the impact these decisions will have on patient care or nurses' working conditions.'

While New Public Management fundamentally changed the nature and accountability of public services in the UK by devolvement of central government functions, the Public Finance Initiative, growth of quangos and semi-autonomous bodies, blurring of the boundaries between the public and private sector with outsourcing and insourcing, as well as the direct role of the private sector in delivery of some public services, culminating in a new public accountability through resource accounting and the concept of 'whole of government accounts' (Likierman, 1998), questions have arisen about the perceived notion that the private sector 'knew best', overly complex management accounting and the growth of financial efficiency rather than effectiveness as the measurement of public sector achievement under neoliberalism and New Public Management (Groot and Budding, 2008, Mauro et al, 2019). The emphasis on value for money, financial efficiency and cost conscious budgeting of public services can be seen as beneficial to both the taxpayer and the professional disciplines of accounting and auditing but in practice the end result is a new type of totalitarianism (Lorenz, 2012, p608) in which cost and value for money rule a risk-based agenda that is really only about efficiency and the auditing function is overly obsessed with measurement and risk to the exclusion of ethical and moral values of rightness and the public good. The emphasis on risk management, systems and organisational objectives has deflected internal auditing away from the basics of financial control and preventing fraud (Tickner, 2015, p271).

'The fact that there is not a shred of evidence for these two crucial assumptions of NPM [*whether managers spend tax-payers money more efficiently or wisely than professionals*] —rather the opposite—makes abundantly clear where the blind spots lie in NPM. That all the recent economic scandals— from Enron,

WorldCom, and Barings to the Lehman Brothers—happened despite constant audits furnishes some extra empirical food for critical thought on both management and audits.’ (Lorenz, 2012, pp 609-610).

Cost-cutting in the public sector has had an adverse effect on counter-fraud activity (Tickner, 2015, pp 276-277).

Within the public sector, the discipline of internal auditing became aligned from 1980 through to the present day with the standards for internal auditing in the private sector by the adoption by HM Treasury of the Institute of Internal Auditors standards for internal auditing through the publication of the Government Internal Audit Manual (1988) and subsequent guidance. Academic writing has reinforced the passive preventative role of internal auditing in the standards at the expense of its value as a detective and investigative tool (e.g. Smith et al, 2011, pp80-113).

### Refocusing government internal auditors to be ‘frauditors’.

It is the candidate’s contention that internal audit in government can be refocused as a control in itself with a proactive role as a preventer, detector and investigator of fraud and corruption in public service. To that end the candidate has developed through ‘How to be a Successful Frauditor (2010), ‘The Successful Frauditor’s Case Book (2012) and ‘Fraud and Corruption in Public Services (2015) a route map for public sector auditors and those in public sector management to become refocused on the core values and responsibilities of auditing in government around the prevention and detection of fraud, error and waste. The refocusing includes setting out the principles of fraud investigation, highlighting the use of isomorphic learning for the public sector, the use of risk management and risk models for determining counter-fraud activity and the role of the frauditor in the prevention of fraud. The candidate’s visualisation of a frauditor shows parallels with the concept of the polibation officer envisaged by Nash (1999, p361).

### Reflections on and Discussion of Research Methodology

Enrolling on this PhD and reading books on research methods has led the candidate to realise that he used many of the tools of social science researchers in developing the frauditor concept and researching the books submitted in part fulfilment of the PhD. While it is acknowledged that the books were written from the viewpoint of a professional practitioner and not intended to form a body of work for a doctoral submission, nevertheless the wide range of techniques and methods, which were used within an appropriate ethical framework (as set out below), equate to a traditional doctorate.<sup>3</sup>

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<sup>3</sup> These include: ethnographic studies, reactive and non-reactive observation (Scott, 1991, pp2-3)(e.g. ‘The frauditor finally starts work on the case’ (Tickner, 2012 p57 para 3), unstructured and semi-structured interviews (Bell, 1993, 162-165) narrative enquiry (Bell, 1993, pp18-22) (e.g. the police officer who investigated Joyti De Laurey (Tickner, 2012, pp67-78)) and case studies (Bell, 1993, pp8-10 and Bassey, 1999, p12) with victims of fraud, fraud investigators

The tools and approaches used by the candidate parallel legitimate research methods and on reflection from an academic standpoint can be best described as a mixed methods approach, with elements that range from Grounded Theory (Glaser and Strauss, 1967) through Action Research (e.g. Brannick and Coughlan, 2007, pp65-68) to elements that fall clearly within interpretivist thinking and constructivism. Qualitative measurement has been a key aspect of developing the frauditor concept. Consequently the candidate's research reflected in his writings can be broadly aligned to interpretivist and constructivist social science theory while seen more specifically within the discipline of criminology and the sub discipline of white collar crime.

### Ethical issues

The candidate is aware of the need to ensure that any research is both ethical and meets the expected standards for academe at the relevant point in time. At the time the candidate was researching and writing his first two books universities relied largely on the relationship between supervisor and student to determine the appropriate ethical steps. The UK Research Integrity Office issued its first public guidance on research ethics for academics in September 2009, when the candidate had already carried out the research that featured in the first book.

The candidate wrote the publications submitted in part fulfilment of the requirements for the award of a PhD while a practitioner and they have not therefore been submitted to any academic body for ethical consideration. However, because of his professional background the candidate has been bound by the Code of Ethics of the Institute of Internal Auditors (IIA) since 1980. The IIA Code includes the need for independence and objectivity in the candidate's work as well as confidentiality in handling organisational information and data. It echoes many of the ethical expectations of universities at the time the publications were researched and written. Throughout and since his public service career the candidate has also been and remains bound by the Official Secrets Act.

Before writing the submitted books the candidate negotiated with the Metropolitan Police Service (MPS) and his then employer the Metropolitan Police Authority (MPA) for the candidate's access to information gleaned during his work at the MPS for the purposes of research and writing. This included ensuring that the Candidate would not publish any material related to matters gleaned through his work at the Metropolitan Police without first submitting relevant parts of the manuscript for approval by his former employers. The candidate complied with this requirement before publication. This also included confidentiality where necessary for those involved in the matters covered within the publications.

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(e.g. the 'Nun on the Run' auditors (Tickner, 2012, pp39-49), and fraudsters (e.g. Tickner, 2012, pp235-251) the journalist who exposed the Firepower scandal (Tickner 2012, pp267-275) and documentary research (e.g. 'ZZZZ Best and Barrie Minkow, (Tickner, 2012, pp253-264)). The candidate used his unique access to relevant official closed or restricted documents as well as informal interviews of police and police staff investigators for case studies at the MPS (e.g. 'Laird of Tomintoul ' Tickner (2012) pp93-105 and 'Corporate Credit Cards for Cops' (Tickner 2010, pp126-131, 2012, pp107-126).

### Basis for Research Methods Used

There is a sound basis for the research methods used by the candidate in considering the rational and logical application of knowledge gained in a way that can best be described as part grounded theory and part action research as well as the reliance on informal ethnographical research over a lengthy period of time in two major organisations – a cultural and social anthropological experience unique to the candidate. Throughout his career at the MPS and the MPA between 1995 and 2009 the candidate kept daily notebook diaries of his activities and key events and decisions taken during the working day. This unique record has aided the candidate in retrospectively placing his body of work within the discipline of social science research. The diaries of daily occurrences in the candidate's working life ran to forty volumes and enabled the candidate to place his work in context when researching his first book.

*“Veritatem inquirenti, semel in vita de omnibus, quantum fieri potest, esse dubitandum.”*

[If you would be a real seeker after truth, it is necessary that at least once in your life you doubt, as far as possible, all things] (Rene Descartes, 1644)

The candidate has recognised the value of self-doubt in keeping an open mind and making careful factual analysis during fraud investigations (Tickner, 2010, pp76-78). The candidate's natural inclination has been a sceptical Pyrrhonian view of stated 'facts' and looking for rational explanation through a mixture of inductive and deductive approaches when investigating potential fraudulent activity, applying the knowledge gained through his professional qualification and practical field experience (Tickner, 2010, p20). This aspect of the candidate's work is closely aligned with Grounded Theory as first espoused by Glaser and Strauss (1967) in the researching of factual data to support qualitative judgements. It fits well with the expected attributes of a social scientist, e.g. 'a scientific attitude being systematic, sceptical and ethical'. (Robson, 2011).

An ability to recognise data that does not fit, whether unexpected body language, numbers in accounting documents that do not seem 'right' or explanations given in structured interviews that do not fit the known facts has enabled the candidate to specialise successfully in fraud detection and investigation through an ability to apply prior learning in examining data for a potential fraud as well as an ability to spot potential links between unrelated data and the persistence to research until the anomaly is explained or a fraud discovered.

### Ethnographical research in the workplace

The first period of unstructured ethnographical research was during the candidate's years as a NHS field auditor between 1971 and 1978. NHS field auditors were expected to travel from hospital to hospital, borrowing spare

accommodation to conduct their work at each location. The candidate developed an aptitude for blending in at hospitals and relying on unobtrusively observing workplace behaviour to test out the validity of financial records checked for fraud, waste and abuse. The nature of the work and the frauds and scandals that were uncovered gave grounding both in human nature and understanding how frauds and abuses occurred, from ancillary workers abusing overtime or stealing assets through to consultants and professionals abusing their position to defraud the NHS, as well as seeing how staff and contractors tried to take advantage of trusting NHS management. It was during this period that the candidate was able to reinforce a challenging and sceptical view of the weaknesses in financial systems and potential for individuals to gain at others expense at work and also learnt most from his own mistakes and shortcomings in early fraud investigations (Tickner, 2012, pp15-23).

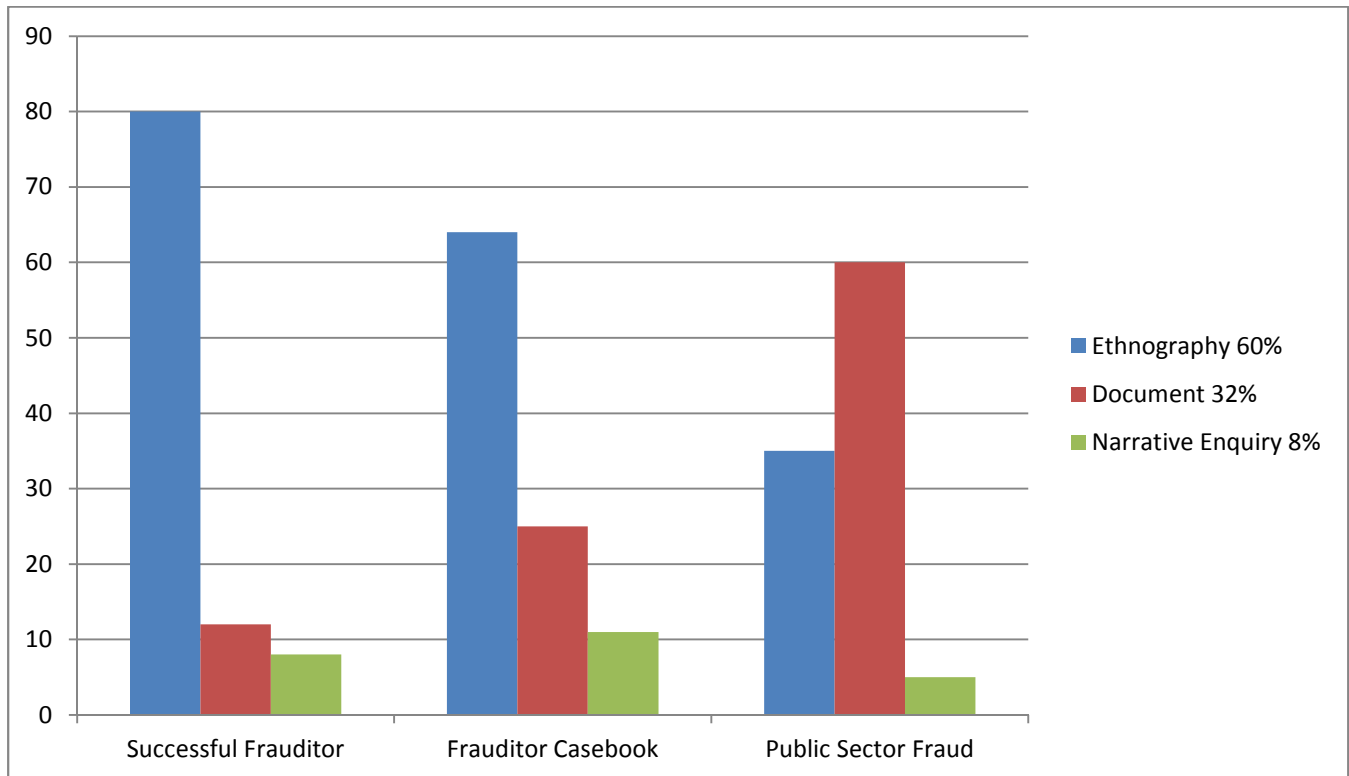
The second period of unstructured ethnographical research was at the Metropolitan Police, where the candidate was Director of Internal Audit between 1995 and 2009. In early 1996 the candidate found evidence of fraud and corruption in the works department, the subsequent investigation led by the candidate uncovered an armed robber with a police contract, including maintenance work at Robbery Squad HQ (Tickner, 2010, pp221-223). The internal battles that followed to convince management to deal with the consequences gave the candidate an early realisation that police officers and non-police staff operated in fundamentally separate worlds although members of the same organisation. As has been evinced in ethnographies by such respected names as Hobbs (1988) unless perceived as part of the police culture, generally police officers do not share their real thoughts about any matters with 'civvies'<sup>4</sup>. Following a 'lucky' decision when the candidate recruited a retired Fraud Squad Detective Superintendent to assist with internal fraud investigations, the candidate learnt that police officers were likely to support their colleagues, however mistakenly, rather than deal with issues raised by non-police staff. The candidate then set about immersing himself in the police culture as far as possible. He became an objective bystander looking in at the operational world of both uniform and plain clothes police officers and gained insights at every level. By the nature of his role following a major fraud prior to his appointment the candidate was a party to meetings with senior police officers and became a member of the police Anti-Corruption Board set up in 1996. At a working level the candidate took every opportunity to make contact with managers and officers running local units. By now the candidate had recruited further retired detectives who in turn became part of the fraud investigation team organised by the candidate and as trust developed they shared 'war stories' and introduced the candidate to those they trusted on the operational side of policing. There then followed a series of high profile internal investigations into fraud and potential corruption involving contractors or staff of the MPS when the candidate worked alongside operational police officers and developed a rapport with those that shared similar ethical values. By the time the candidate took early retirement in 2009 he had built up his own internal network of police contacts who would act as his eyes and ears in the MPS. Ethnography to aid fraud investigation has continued to be used by the candidate since 2009, e.g. Tickner, 2012, p57.

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<sup>4</sup> It is a common misconception, widely held in the police as well, that police officers are not civilians.

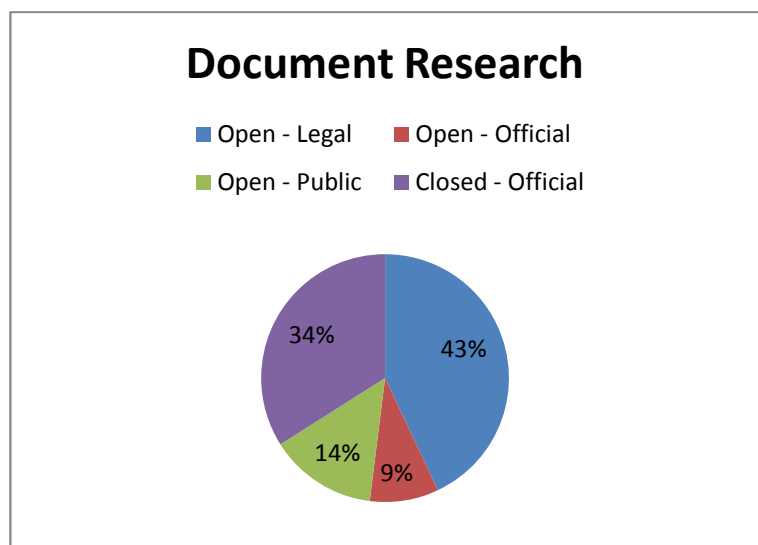
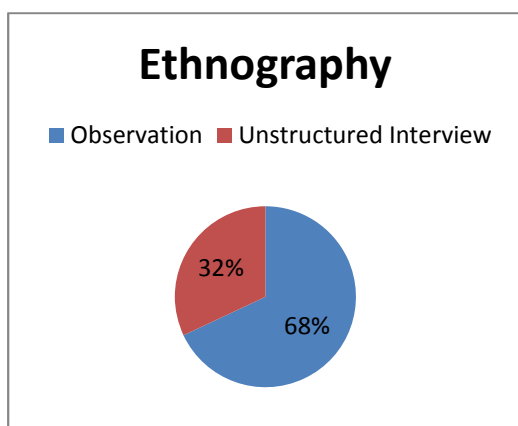


**Figure 1 - Breakdown of Research Methods used in the Candidate's Books**



**Figure 2 – Ethnography Methods**

**Figure 3 - Document Research Methods**



Emergence of an expectation gap between the public and the audit community

The Candidate's early research around audit expectations published in 1995 identified inter alia an expectation gap around the role of the auditor in relation to fraud between top management and chief internal auditors in central

government and government agencies. The gap has been highlighted as an issue that needs to be addressed by the CEO of the global Institute of Internal Auditors who noted in 2014:

*'Peter Tickner, a U.K. consultant on corporate governance and fraud issues, cites differences of opinion over who is responsible for fraud deterrence and for setting and assessing ethical culture. Tickner's quote: "Top management was convinced that one of the key roles of the chief audit executive was to deal proactively with the risks around fraud and corruption, whereas generally the CAEs saw it as senior management's problem and responsibility." Unfortunately, our stakeholders sometimes want more assurance than we may be able to provide.'* (Chambers, 2014).

The public sector 'internal' auditor's role was historically that of a check to prevent fraud or loss to the exchequer (Madox 1711, pp729-30). Auditing as a separate professional discipline emerged as late as the 1960s, reflected in the five key principles of auditing identified by Mautz and Sharaf (1961). As noted by Grodz, Mautz and Sharaf postulated that that an effective internal control system would eliminate the probability (although not the possibility) of fraud and therefore the auditor had a key role in testing the effectiveness of the system of internal control. However they also argued that if an auditor had found a system to be sound in the past they might reasonably conclude in the absence of any evidence to the contrary that it would continue to be sound in the future. That in itself limits an auditor's responsibilities (Grodz, 2016, pp98-99). As the auditing profession became more organised and state and commercial business more complex the roles of auditors became increasingly prescribed, with professional auditing bodies increasingly seeking to absolve their members from any specific responsibility for detecting or investigating fraud as part of the audit function. This is reflected in the current published auditing standards for external auditors, International Auditing Standard 240 (UK, 2016), which states that external auditors will rarely find fraud and that only fraud that is material to the financial statements is relevant. To be 'material' a fraud would have to be large enough that the financial statements could not be said to represent a true and fair view of the organisation's business. Disclaimers are commonplace in external audit reports on financial statements to absolve responsibility if any fraud is not detected or considered material enough to report to stakeholders. This sits at odds both with internal top management expectations and that of the general public. Similarly international standards for the professional practice of internal auditing state that: *'Internal auditors must have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by the organization, but are not expected to have the expertise of a person whose primary responsibility is detecting and investigating fraud.'* (Standard 1210.A2, 2016).

Whenever any major fraud or corruption scandal comes to light, either when a large commercial organisation is brought to its knees or a public sector organisation faces major organisational change or abolition because of fraud there is almost always a backlash blaming the auditors for failing to uncover the fraud. (E.g. In 1994 the Metropolitan Police discovered a senior member of the civil staff had defrauded the police of £5million. In the subsequent internal enquiries police officers were cleared of any blame but the internal audit head and several

internal auditors left, even though the subsequent Hyde<sup>5</sup> report showed that the internal auditors had been blocked from reviewing the area where the fraud was discovered by their line management - and despite this were planning to audit where the fraud was committed when unfortunately for them it came to light before the audit commenced (Tickner, 2012, pp94-105). At the PAC hearing in June 1995 one of the questions asked by MPs of the then head of the Met's civil staff was 'Why haven't you fired the auditors yet?' (Malan, 1995, p70). The uncomfortable truth is that while the responsibility for preventing and uncovering fraud lies primarily with management and any oversight Board, auditors are expected to have a far more proactive role to play on behalf of management and the board, but the auditing profession has developed defence mechanisms to absolve itself of responsibility. Internal audit could and should be a primary weapon for organisational management in preventing and detecting fraud (Tickner, 2010, preface x, p304).

### Redressing the balance with the fraud auditor

The candidate's premise is that the auditing profession, both internal and external has taken a wrong turn over the last 100 years or so when properly equipped and experienced internal auditors are in fact best placed to prevent and detect so-called 'white collar crime', a phrase first coined by the criminologist Edwin Sutherland (1949)<sup>6</sup>, and should be the first port of call to protect organisations. Through the 2010 book 'How to Be a Successful Frauditor' the candidate redressed the balance in showing the auditing profession that there is a role for the fraud auditor, i.e. frauditor (a term first used in print by Lekan (2003) in the context of bank collapses through fraud undetected by external audit, although the candidate had developed a separate frauditor concept from 1996 onwards in the creation of a forensic audit team within internal audit). While Lekan's short article encapsulates a number of the attributes of a potential frauditor, it is more about the attributes of an overly suspicious person even when there is no grounds for the suspicion, rather than a serious attempt to define frauditing, suggesting at one point that the frauditor should study criminology as well as adopting the methods of the shabby eponymous homicide TV detective in Columbo. The role envisaged by the candidate does not have to be confrontational to meet the objective of being a successful frauditor, as the role is primarily an extension of the existing role of the internal auditor in the public sector.

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<sup>5</sup> Wilfred Hyde, a senior Home Office official, supported by Metropolitan Police internal auditors, conducted an urgent review of the controls over Metropolitan Police covert operations in the wake of the Williams fraud.

<sup>6</sup> Sutherland's original definition excluded managers and employees of organisations, the very people identified with the term today.

Figure 4

**Development of Role of Internal and External Audit from Edward II to the Present Day**

<b>Audit Purpose</b>	<b>14<sup>th</sup> to 17<sup>th</sup> Century</b>	<b>18<sup>th</sup> to 20<sup>th</sup> Century</b>	<b>1940s to 1990s</b>	<b>2000 to present</b>
<b>Internal Audit</b>	Fraud and error checking only	Financial control auditing for chief financial officer	Systems-based audit assurance to top management	Holistic audit risk assurance to those responsible for governance
<b>External Audit</b>	Did not exist	Financial watchdog for stakeholders	Financial health and controls for CEO/Board	Risk-based financial audit for those responsible for governance
<b>Audit Process</b>	<b>14<sup>th</sup> to 17<sup>th</sup> Century</b>	<b>18<sup>th</sup> to 20<sup>th</sup> Century</b>	<b>1940s to 1990s</b>	<b>2000 to present</b>
<b>Internal Audit</b>	Formal interview document examination	Vouching and verification of accounts	Measuring effectiveness of system controls	Evaluating risks and control effectiveness
<b>External Audit</b>	Did not exist	Checking financial records for fraud/error	Testing truth and fairness of accounts	As per 1990s plus key financial risk assessment

Development of the frauditor concept for the internal auditor by the candidate

Development of the frauditor concept grew as the candidate immersed himself in the culture of a police organisation over a period of nearly fourteen years between 1995 and 2009. Out of this grew an increasing awareness that the managerial world and auditors in the public sector had simply ‘got it wrong’ in developing the role of auditors (see figure 4) and understanding the nature of fraud prevention, detection and investigation, especially the expectations of and by auditors and the police and the criminal justice system (Tickner, 2010, pp45-48). It is not dissimilar to Hobbs’ recognition after returning to his neighbourhood roots that he could turn his East End cultural background and informal contacts with detectives and villains to advantage in his planned research (Hobbs, 1988, pp5-16).

The roots of academic research are the deductive reasoning of Plato and the inductive methods of Aristotle (Walliman, 2011, pp17-20). Ideally the candidate’s publications might have systematically developed from planned

research and its results. Although this is not the case the candidate's publications demonstrate rigor and learning that has led to the ability to be able to recognise and add to knowledge. In ethnographical and anthropological research a key element is the state of mind of the researcher and their ability to draw out the learning and knowledge without unduly influencing or being influenced by those being studied. The approach of the candidate is not dissimilar to Hobbs (1988, p2) in studying the culture of the police. On occasion social science studies have not been feasible by normal research methodologies with organised structured or semi-structured interviews and contemporaneous note-taking to support evidence gathering and yet the results of such research are also acceptable in the scientific community (Sutherland, 1937, Ditton 1977, pp9-13, Button 2006, p26). This is much the case in two long periods of the candidate's work experiences that culminated in the decision to write 'How to Be a Successful Frauditor' (2010) and 'The Successful Frauditor's Casebook' (2012) where Sutherland's approach (1937) is mirrored in chapter 17, drafted by the author before being checked and edited by the convicted fraudster.

#### Public Sector Internal Auditing and the need for the 'Frauditor' as envisioned by the candidate

The emergence of the role of the fraud-oriented auditor in the public sector suffered a set-back from the late 19<sup>th</sup> century through to the present day. The candidate's work in this field has sought to redress the balance and move the public sector internal auditor to the forefront of the fight against fraud and corruption in public services, involving a shift in emphasis from the perceived role under New Public Management represented by a rise in the idea of an internal audit function as an adjunct to management performance improvement and accountability through improving control process systems. 'The internal audit activity must evaluate and contribute to the improvement of the organisations governance, risk management and control processes using a systematic, disciplined and risk based approach.'<sup>7</sup> Power (1994) has rightly challenged whether a slavish approach to system and process review in itself becomes a meaningless process.

Internal Auditing in the UK public sector was put on a professional footing following a critical NAO review and report in 1979 and subsequent PAC<sup>8</sup> hearing. A further review by the NAO (1987, p17) noted inter alia that 'Internal Auditors should endeavour to reveal any serious defects in systems of internal control which might lead to the perpetration of fraud, irregularity or malpractice'. The last published guidance (HM Treasury, 2012) on fraud and internal audit repeated government internal audit standards (GIAS) and made it plain that while an internal auditor may take on a risk management role around fraud and be asked to investigate fraud by management it is not part of the core role of the internal auditor, even though the internal auditor is expected to consider the risk of fraud and the potential for fraud and corruption discovery in every audit assignment.

The change from vouching and verification to systems auditing was primarily to give a more effective and efficient audit at less cost. But as Power (1994) has noted 'even with strong guarantees of independence, systems based

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<sup>7</sup> Standard 2100 of the global Institute of Internal Auditors adopted by the Chartered Institute of Internal Auditors (UK and Ireland)

<sup>8</sup> Committee of Public Accounts 1980-1 session

audits can easily become a kind of ritual, concerned with process rather than substance'. In more recent times systems-based auditing has evolved into the concept of 'risk-based assurance auditing'. Despite this apparent guarantee that auditing is covering the risks including fraud and giving assurance to management, the need for a frauditor as envisaged by the candidate can arise from several scenarios. (1) A systems/assurance audit may identify a weakness in internal control that could lead to fraud. In a Utopian world no fraud has happened and the system weakness highlighted by the auditor is put right. In the real world management may have no idea if the weakness has been fraudulently exploited. Here the frauditor has a role to play in reviewing both the past to ensure no significant fraud has occurred and in ensuring that if there are delays in putting in preventative measures line management are alerted to the risk of fraud. Unrectified highlighted weaknesses can trigger fraudulent activity (Tickner, 2010, pp37-40, 250-252). (2) A fraud is uncovered by a work colleague or line manager of the fraudster and management needs someone to investigate and establish the facts. In organisations that do not have a separate anti-fraud capability it may fall to the chief internal auditor or another senior manager to investigate in the first instance. Here the skills of the frauditor come to the fore. (3) An external or anonymous whistle-blower may raise a concern that the frauditor may be best placed to investigate. The frauditor will have the necessary tools and knowledge to establish the facts of an allegation or accusation of fraud.

Statistically tip-offs are the most common reason for business fraud discovery (40%), with internal audit in second place (15%), management a close third (13%) and external audit (4%) hardly at the races (ACFE, 2018). In the UK there has been a growth in the detection of fraud by the use of automated analytical techniques and this is now a close third behind internal audit in second place (PWC UK report 2019). UK Public Sector fraud reviews have not published the reasons for discovery in a way that enables a direct comparison with these surveys, particularly since 2002 (DAO (Gen) 15/02)<sup>9</sup> when departments reporting for the annual Fraud Return were asked to assign means of discovery to broad categories that did not identify auditors or tip-offs clearly from other categories. Such UK government surveys were also inherently inaccurate, many government departments and related bodies either completed nil or incomplete annual returns. Analysis of the data provided reveals anomalies.<sup>10</sup>

### Recognising the need for the Frauditor

The need for the fraud auditor has been recognised in recent years by those who specialise in fraud auditing and fraud investigation. Singleton and Singleton (2010, pp12-13) define fraud auditing as a subset of forensic accounting but then go on to state that 'fraud auditing involves a specialised approach and methodology to discern fraud' whereas forensic accountants are called in once a fraud has been discovered. It is understandable that as qualified accountants Singleton and Singleton see fraud auditing as part and parcel of a forensic accountants role but the

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<sup>9</sup> Dear Accounting Officer letter from HM Treasury instructing departments on the nature and content of annual fraud returns. These were discontinued in 2008 when the responsibility transferred to the short-lived NFA and then the Cabinet Office.

<sup>10</sup> For instance returns for the years 1993 to 1996 show absence of control and failure to operate controls averaging between 67% and 71% of cases but the means of discovery is put down to the 'normal operation of controls' in between 40-50% of cases. In that period around a third of government departments gave a 'nil return' on discovered fraud.

skills necessary to be a fraud auditor are neither exclusive to qualified accountants nor would many practising accountants have the skills to be a fraud auditor. Vona (2011, preface) noted that he would like professional studies to indicate that auditing is the number one reason for fraud detecting. While there is merit in his Awareness Theory Methodology for fraud auditing (Vona, 2011, p2) it is based on a premise not borne out by research. Surveys such as ACFE's Report to the Nations (2018) and the Global Economic Crime Survey (PWC, 2018) have repeatedly shown that external audit is only responsible for a small fraction of all fraud detections. The successful fraud auditor is not just an individual with the knowledge and skills to combine audit work with fraud investigation, it is a mindset that enables potential internal fraud to be discovered and an approach that can be carried out as a separate function within an organisation. The candidate's own journey from auditor to fraud auditor was in itself a learning experience throughout a working career spanning four decades and forms the basis of the principles and practices set out in 'How to be a Successful Frauditor (Tickner, 2010).

The recent creation of a counter fraud profession within the UK public sector reflects the growing dissatisfaction among taxpayers that internal and external auditors are unable or unwilling to tackle the detection or investigation of internal and contractor fraud. There is within the UK public sector a long tradition of fraud investigation within organisations that deal directly with the public, such as HM Revenue and Customs and the functions that now fall to the Department of Work and Pensions. Here fraud investigation is performed by specialist counter-fraud officers against a legal framework where they have policing and other statutory powers to enable them to fulfil a criminal justice role. This role is separate from that envisaged by the candidate. The role of a fraud auditor is not to act as a pseudo-policeman as part of the criminal justice system, but to prevent, detect and investigate potentially significant fraud to ensure taxpayers' money is used where intended and revenues due to the state are adequately protected against the risk of fraud. It is the fundamental importance of this distinction that forms a central tenet to the differentiated approach envisaged in the concept of the frauditor.

#### Conceptual differences between a frauditor's investigation and one driven by the criminal justice system

A conceptual differentiation between the candidate's principles for fraud investigation and those whose background or training is based around the requirements of criminal law enforcement is the candidate's focus on the fundamentals of objective fact-gathering and dealing effectively with fraud affecting the organisation. The candidate's unique experience of dealing successfully with internal and contractor fraud from within the UK's largest police force over a period of fourteen years developed an insight into the differences between the nature of a police investigation into a fraud and the nature of an affected organisation's investigation into a fraud. It was this insight from working within a police environment that enabled the candidate to see clearly that approaches and attempts by public sector organisations to mimic police processes may serve the needs of the criminal justice system but not necessarily the best interests of the organisation affected by the fraud. Blind adoption of policing methodology based around the criminal law can have unintended and unhelpful consequences in the public sector, creating overly complex investigations and unnecessary cost to the tax-payer. Lane found that local authority teams, and others

who are not suspect oriented, may better fit the ideal that the purpose of an investigation is to discover the truth rather than construct a case against a known offender, a criticism which has previously been levelled at the police (Sanders and Young, 2003). Lane noted this has a bearing on how evidence is gathered and consequently, best practice within policing investigations may not be the appropriate benchmark for local authorities (Lane, 2011, p201). Introducing the police National Intelligence Model into DWP, the Identity and Passport Service and the Driving Standards Agency bureaucratised processes, alienated staff and gave no discernible benefit, ultimately proving more of a problem than a solution (Osborn, 2012). The candidate had recognised these weaknesses in those public sector organisations adopting a purely policing approach to tackling fraud and corruption and hence certain core principles can be derived from the candidate's approach that enables the public sector fraud investigator to maximise the impact and benefit of applying the principles envisaged for a frauditor as outlined above (Tickner, 2010). 'Ultimately, for a public sector body, dealing with discovered fraud and corruption has to be about protecting the public purse...' (Tickner, 2015, p84). It is not unsurprising that there has been an over emphasis on the criminal justice system in public sector counter-fraud work when around a fifth of counter fraud specialists were recruited from the police or the armed forces (Button et al, 2007b, p201)

In a police-oriented fraud investigator's role the task is driven by the need to identify the elements that would enable a criminal charge of fraud to be considered a viable option by a prosecuting authority. The frauditor is not so constrained or driven by the methodology and process, rather by the concepts behind the role of a frauditor and forensic internal auditing. One consequence of an over-emphasis on the police approach to solving crimes is a tendency to become unnecessarily concerned about the motives and rationalisation of a suspected fraudster or seeking to establish whether an individual in a position of trust may fit the elements associated with what has become misleadingly known as Cressey's Fraud Triangle (following an interpretation by the Association of Certified Fraud Examiners Joseph T Wells and others of the conclusions drawn in Cressey's 1953 study of the social psychology of embezzlement for his doctoral thesis - which in itself developed from the original research into 'white collar' crime by Cressey's tutor and mentor (Sutherland, 1949)). For most fraud related offences (except false accounting) it is necessary in a criminal case to show beyond reasonable doubt that the accused had the means, opportunity and a dishonest intent. The need to prove dishonest intent can cause investigators to spend a significant amount of time in trying to establish the motives of the accused fraudster. It is the candidate's contention that this is an unnecessary investigative effort and cost for the organisation that has been the victim of the fraud. 'Obtaining a criminal conviction should be seen as the icing on the cake, not the intended end in mind of the investigation.' (Tickner, 2010, p239). The principles for a frauditor are centred round using the minimal effort necessary to stop a fraud and prevent further losses and if possible identify the culprit in order to recover any lost funds where possible. (Tickner, 2010 p7, p9, p51, p53, 2012 p6, p10)). These aims may not be coterminous with the approach to a criminal investigation for a prosecuting authority – one of the key points of difference with the approach to fraud investigation proposed by the candidate.



Figure 5

## Types of Audit Activity

Type	Internal or External	Differentiating Characteristics
Vouching and Verification	Both Internal and External	Comprehensive checking of financial documents for accuracy and veracity. Historical approach largely abandoned in 20 <sup>th</sup> century.
Participative	Internal Audit	Ongoing in 'real time'. Non-confrontational, working in collaboration with auditees, any formal recommendations jointly made with auditee.
Systems/Risk-Based	Mainly Internal	Tests at a point in time. Identifies key risks, tests for effectiveness of controls to mitigate risk. Recommends systems improvements
Financial Accounts and Controls	Mainly External	After the event testing of how financial controls have operated. Materiality concept – ignores fraud/error that isn't material to the published financial data and accounts
Forensic Accounting	External Audit	Post discovery legally based examination of financial records when fraud alleged or discovered - or major mismanagement exposed.
Forensic Auditing (the Frauditor Concept)	Internal Audit	Pre-discovery capacity to prevent and detect fraud and mismanagement proactively, post discovery capability to manage the fraud investigation prior to any police/external investigation. Holistic approach to dealing with fraud and error.

### Primary objective of the frauditor

For a frauditor the candidate has envisioned the primary objective is to provide a holistic approach for a large organisation, such as those in the public sector, to manage both a strategy to minimise the risk of fraud and error and to have a proactive detection and investigation of fraud, regardless of whether there is any involvement of the criminal justice system or the police in determining the outcome of any fraud investigation.

A key secondary objective is to establish the facts of the alleged fraud as near to the source as possible, adopting the principles of a sharp, focused investigation based on 'following the money' and 'beginning with the end in mind'. (Tickner, 2010 pp 8-9, p18, p51). How to be a Successful Frauditor (Tickner, 2010) is structured around linking the theoretical concepts of the role of a frauditor with the actions necessary for a practitioner to achieve their objective in the field by following the principles set out and the practical advice linked to those principles. A central tenet is the practical application of scientific rigour to fraud investigation without becoming distracted by potentially false

hypotheses based on assumptions made without any objective evidence to support them. The principle is to concentrate on establishing the likelihood that a fraud has been committed and the nature of the fraud. By following the money wherever possible and rigorously identifying facts as well as evaluating available intelligence and evidence the identity of the fraudster is likely to be revealed. The primary objective for a fraudster once an allegation of fraud has been made is to identify if there is an on-going fraud and stop it as soon as possible while taking whatever steps are possible to recover any lost funds. These are not the primary objectives of a criminal fraud investigation, which is concerned about concepts of legal proof and the possibility of criminal conviction followed by any restitution, which in itself may be some distance away in time from when the fraud has been committed. The methodology and principles proposed by the candidate, can still be usable in any subsequent police investigation (Tickner, 2010, p80, p93, p107). It is one of the candidate's fundamental tenets that it is necessary in almost all cases to commence the internal fraud investigation before any potential police involvement. This has implications for the application of the Police and Criminal Evidence Act ('PACE') and the start of any civil recovery actions that are ultimately beneficial to the public sector organisation seeking to stop a fraud and recover lost assets. (Tickner, 2010, pp91-93, pp166-167).

#### Core Principles of Fraud Investigation for the Fraudster

The core principles set out in 'How to be a Successful Fraudster' (Tickner, 2010) are :

- Believing nothing but only seeking to question that which is worth questioning (p19)
- Tracing the original source of the fraud allegation to establish the actual allegation (p48)
- Prioritising stopping any ongoing fraud (p9, p51, p53)
- Beginning the investigation with the end in mind (p51, p70)
- Wherever possible following the money, as ultimately it will lead to the fraudster (p18)
- Understanding that there are always three systems, the prescribed, the alleged and the actual. Until the actual is discovered the fraudster won't have the full picture (p18)
- Conducting a fact-finding investigation to establish all the relevant facts, whether or not they support the allegation (p81, p93)
- Securing any evidence to the standard that may be needed for a criminal case (p107)
- Not reporting the fraud to the police unless absolutely necessary and there is sufficient criminal evidence (p46, p281)
- Interviewing witnesses before suspects to gather evidence and intelligence to establish the relevant facts (p150)
- Keeping all contemporaneous notes and records of fact-finding interviews and evidence (p81)
- Keeping adequate records of decisions made and why made during the investigation (p73, p86)
- Avoiding interviewing suspects until the answers to key questions to be asked are already known (p168)

- Using experts (e.g. lawyers, forensic accountants) to support, not run, investigations (p69)
- Seeking to recover any fraudulently stolen assets through civil routes regardless of any criminal case (p288)
- Ensuring progress and investigation reports are clear and unambiguous for those receiving them (pp81-2, p87)
- Identifying any system weaknesses or control failures that allowed the fraud to happen (p40, p83)

The concept of auditing as both a rational approach and a separate professional discipline has been well established since Mautz and Sharaf's seminal 1961 work (Grodz, 2012, pp85-102). Within public sector auditing that 'professional' approach can be extended then focused and rationalised in the context of fraud auditing – i.e. the 'frauditor', a logical development of the original government auditor concept (Tickner, 2015, pp270-271). The fraud investigation principles outlined by the candidate in 'How to Be a Successful Frauditor' have parallels with George Polya's teaching and methods in the context of encouraging mathematics researchers and teachers (Polya, 1957). The candidate's personal philosophy from his earliest work experience onward has always been centred round the principle of believing nothing, questioning only what is worth questioning and seeking to prove the truth (Parker, 1976, p1). This is echoed in principles set out by the candidate for fraud investigation 'Short and sharp works, long and complex doesn't' and 'If the area concerned is complicated to prove, look around for an easier option' (Tickner, 2010, p18, p70), as well as the principle of establishing the actual rather than the prescribed or alleged before drawing any conclusions about fraud data (Tickner, 2010, p8)). This demonstrates a scientific basis to the conceptual approach of the candidate, based largely around ethnography and a heuristic approach to learning about fraud investigation over 40 years practical experience, as developed in more depth later.

### The Frauditor's methodology

The frauditor methodology can be seen within the context of criminology and white collar crime. The candidate's frauditor methodology is not a rigid system or process that limits the imagination and conceptualisation of the investigator - instead it is built round a series of grounded principles coupled with the need to achieve the primary objective of any fraud investigation in preventing further losses, identifying the culprit(s) and recovering as much as possible of any lost assets. The candidate describes this approach as 'pragmatic realism'. An example of pragmatic realism is in the recommendations for dealing with different types and levels of internal fraudsters (Tickner 2010 pp51-57).

The methods proposed for the frauditor have roots in both quantitative and qualitative research. In the field of criminology it is the 'norm' for research methods with roots in both positivism and non-positivism (Jupp, 1989, p128).

Under the methodology proposed by the candidate the fraud investigator in the public sector is using an analytical approach to identify relevant facts from documents, records, structured intelligence and structured interviews of witnesses and those who can explain the records and documents identified in the fraud investigation. To that end

the frauditor has a number of tools available, from the candidate's simplified model for evaluating intelligence and evidence that is more proactive than the standard police model as it forces the evaluator to make a positive decision about quality and reliability of intelligence or evidence (Tickner, 2010, p90) through to use of statistical techniques that can be used to assist the frauditor such as Benford's Law and Stop or Go sampling (Tickner, 2010, pp27-28, pp177-178, pp381-386).

### Isomorphic Learning from Cases of Fraud

Isomorphic learning is one of the key theoretical processes adopted by organisations to manage risk (Borodzicz, 2005, p14). Isomorphic learning occurs when groups in organisations learn from other organisations' disasters, risk assess their own organisation and adapt systems and process to try to prevent the same disaster striking their organisation (Button, 2008, p42). Internal and contractor frauds generally occur due to the failure, non-existence or non-operation of key preventative and detective controls within an organisation. It is possible to apply isomorphic learning from a fraud in one organisation to similar organisations. The candidate recognised this in the approach taken in all his published books to date, specifically concentrating on the approach in 'The Successful Frauditor's Casebook' (Tickner, 2012) although relevant case studies to enable isomorphic learning also occur in 'How to be a Successful Frauditor' (Tickner, 2010, pp22-25, 29-31, 32-40, 190-202, 205-207) and in 'Fraud and Corruption in Public Services' (Tickner, 2015, pp85-87, 89, 91-92, 145-149, 155-163, 171-204, 212-217).

The candidate takes isomorphic learning a stage further by noting that 'fraud auditors and investigators don't get delivered by the stork fully formed and professionally at the top of their game. We all learn our trade by a mixture of other colleague's experiences, learning what can or cannot be done and, ultimately we learn from our own earlier mistakes.' (Tickner, 2012, p15). The candidate's own learning journey is used as part of the isomorphic learning process and independently echoes in the NHS and the wider public sector the analysis of types of fraudulent and corrupt activities found in Mars in classifying cheats at work (Mars, 1982, p2), (Tickner, 2012, p23). The Successful Frauditor's Casebook (Tickner, 2012) is structured in a way that encourages the reader to acquire isomorphic learning for their situation and organisation (e.g. Tickner, 2012, pp171-190, pp213-214).

Common organisational failures the candidate has identified as allowing significant frauds to occur include key preventative controls such as: failure to conduct any financial vetting of those appointed to positions of trust, failure to oversee or supervise the work of the fraudster, ignorance of the need for certain controls to be in place to prevent fraud, a lack of segregation of duties allowing the fraudster unsupervised access to assets and records of those assets, absence or circumvention of a key control necessary to prevent the fraud. Inadequate detection controls in place to enable a fraud to be discovered at an early stage include: the failure to have independent reconciliation of financial records and assets, ineffective monitoring of budgets, non-existent management checks and the failure to use available techniques and technology to identify unusual spending patterns. Illustrative

examples include 'the Laird of Tomintoul' (Tickner, 2012, pp93-105) and 'Charity begins at home' (Tickner, 2012, pp 51-63).

### Fraud Risk Management and Fraud Prevention – Development of Practical Fraud Risk Management Tools by the Candidate

The measurement of the likelihood of fraud occurring and methodologies to prevent organisational fraud is one aspect of organisational risk management that has been the subject of more concern in the private sector due to the number of major business failures during and since the global financial collapse of 2007-8. When considering fraud risk: 'External auditors focus on the misstatement of the financial statements, whereas internal auditors tend to focus on detecting, preventing and monitoring fraud risks' (Vona, 2011, p26). There has been much debate about external auditors of company accounts and their possible lack of fraud experience to carry out adequate fraud risk assessments before determining levels of testing (e.g. Mock et al, 2017). One problem in the private sector has been that fraud risk assessments that follow best practice of considering both likelihood and impact of a fraud have the unintended negative result of lessening the auditor's expectation that a fraud may occur and actually reducing levels of audit testing (Simon et al, 2018, p275).

Fraud risk and the prevention of fraud in the UK public sector has only been subject to specific research in the NHS and benefit fraud. Since the demise of the Audit Commission and the abolition of the National Fraud Authority there has been less transparency around fraud data for the public sector despite increased transparency regulation for local government bodies in England and Wales (Tickner, 2015, pp276-277). One key aspect of fraud prevention is organisational culture coupled with awareness of risks and possibilities. This was recognised by the Audit Commission with their 'Changing Organisational Culture' toolkit that they provided as an added chargeable service to their public sector clients. In the candidate's own experience the tone at the top has a strong impact on fraud awareness and the likelihood of internal fraud (Tickner, 2015, pp150-151).

An alternative strategy to aid fraud prevention as envisaged by the candidate encompasses building on an appropriate organisational culture and tone from the top with a practical fraud risk assessment linked to both the internal audit risk assessment and the overall organisational risk assessment with proactive detailed random checking of financial transactions at all levels within organisations (Tickner, 2015, pp269-272). To that end the candidate developed practical tools during his time at HM Treasury and the Metropolitan Police, based around learning acquired both during a five-year spell lecturing in systems auditing and from experiences gained from dealing with public sector frauds. A key initial tool was the development by the candidate of an audit needs assessment (risk assessment) based on a simple mathematical model around the risk and likelihood of the failure of internal controls within the business and operational systems of first HM Treasury and then the Metropolitan Police. The model was designed by the candidate to measure qualitative elements on a five-point Likert scale and quantitative elements in five proportional steps where 1= lowest risk and 5 = highest risk. While the primary use of

this model was to determine the need for internal audit activity and resource requirements for an effective internal audit, it was also an assessment of the likelihood of significant risks such as system failure, fraud and mismanagement.

After a decade of gathering data through the work of the Forensic Internal Audit team set up by the candidate in the MPS in 1996, the candidate was in a position to develop a needs assessment and risk analysis that concentrated exclusively on the risk and likelihood of fraud affecting the business of the Metropolitan Police.<sup>11</sup> Out of this fraud risk model the need to find a way to present a clear and effective message to management led to the candidate's development of a 'fraud risk wheel' that proved to be an extremely effective method of gaining top management attention and pictorially representing the biggest fraud risks to the organisation that needed mitigating or preventing (Tickner ,2010, pp304-308) 2015, pp151-153). Very quickly police and management nicknamed the fraud risk model 'the wheel of misfortune.' The concept of the Fraud Risk Wheel has since been adopted by others in the counter fraud world including the London Fraud Forum and the leading professional body for UK local authorities on financial matters (CIPFA). A revised fraud risk wheel for use in local authorities and housing associations has been produced and marketed by TIIA and CIPFA on their websites as a fraud risk tool since 2011. Cifas<sup>12</sup> currently (2019) recommends the fraud risk wheel to public sector clients.

## Conclusion

Through the publication of books the candidate has sought to educate and influence practitioners and academics dealing with fraud. The candidate's books have contributed to the development of white collar crime theory through the development of the frauditor concept and techniques and methodologies to enhance the detection and investigation of fraud. The candidate has also created a new fraud risk model that has been developed and used within the public sector counter-fraud and auditing world. How to be a Successful Frauditor (Tickner, 2010) is partly a blueprint for the frauditor concept and partly a model for fraud investigators within the public sector, as within the book are self-tests and exercises to confirm the reader's grasp and understanding as well as case studies and exemplars to explain concepts. The candidate's second book, the Successful Frauditor's Casebook (Tickner, 2012), emphasises the role of isomorphic learning for organisations and investigators to improve fraud prevention and detection. In addition to case studies from the candidate's own experience the candidate has researched cases from around the world where lessons can be learnt. The candidate has demonstrated an original approach in developing and refining forensic internal auditing and the concept of the frauditor in the public sector, a fraud risk methodology and the fraud risk wheel. .

Ultimately the candidate's body of work is a coherent paradigm for the prevention and detection of internal and contractor fraud in the public sector that can create significant benefit to the organisation and the taxpayer. The

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<sup>11</sup> The candidate's methodology is outlined in the 2012 national 'Fighting Fraud Locally' strategy produced by CIPFA on behalf of all local authorities as an example of best practice from the Metropolitan Police Authority.

<sup>12</sup> Cifas = Credit Industry Fraud Avoidance System. It is a not-for-profit organisation advising on fraud prevention

candidate's work is leading the way in pointing up the key skills necessary for counter-fraud work and how existing internal resources (i.e. internal audit) can be skilled and tasked to take a far more proactive role in dealing with fraud affecting the public sector.

#### The way forward and further research

The candidate has identified the potential to research and develop a training programme based around the frauditor concept and to research how the frauditor can be developed in parallel with or replace key aspects of the development of a counter fraud profession within the UK government. The frauditor concept and fraud risk methodology can be researched in the context of its beneficial value to the wider public sector and private sector. The candidate's work can be linked to developing an effective means of dealing with white collar crime in the context of the current failure of the criminal justice system to tackle white collar crime effectively.

### **Audit Commission**

Abolished in March 2015, this arm's length public body created from April 1983 was responsible for the **external audit** of local authorities and (from 1990) NHS bodies until its abolition.

### **Audit Needs Assessment**

A process for determining the level and amount of **internal audit** coverage needed by an organisation in a given time period.

### **Corruption**

Collusive acts between individuals for the dishonest purpose of financial gain for themselves and/or others at the expense or loss of a third party, including any offence defined in the Bribery Act 2010.

### **Cressey's Fraud Triangle**

An explanation of the rationalisation and motivation for a person in a position of trust in an organisation to commit fraud, developed by Joseph Wells during the 1970s, based on the theories of Donald Cressey (Other People's Money, 1953) and from Cressey's research into the reasons why men featured in his study of 106 convicted embezzlers had committed such crimes. Cressey identified three common characteristics of the embezzlers featured in the study – they had a non-shareable financial problem, they were able to abuse their position of trust to embezzle funds and they were able to rationalise their actions before and after embezzlement.

### **External Audit**

The professionally qualified<sup>13</sup> individuals external to an entity appointed to conduct the statutory audits of the accounts and business activities of an entity in the public and private sectors.

### **Effectiveness**

Originally a concept associated with Value for Money (VFM seen as three E's. Economy – doing things cheap, Efficiency – doing things well, Effectiveness – doing the right things), in an audit context this means testing that the right controls are working as intended to enable an organisation to achieve its objectives.

### **Detective or Detection Controls [see Internal Control]**

Controls put in place to detect fraud or error in a business system during or after the event of a fraud or error.

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<sup>13</sup> External audits in the UK may only be conducted under the control of a fully qualified chartered (FCA etc) or certified (ACA etc) accountant. No other type of accountant can be used in the UK private sector, although in the public sector a CIPFA (Chartered Institute of Public Finance and Accountancy) qualified accountant may conduct an external audit of a relevant public sector body.



## **Fraud**

A deviant act committed by an individual with the dishonest intention of causing a financial gain for themselves or others and a financial loss to a third party either through false representation, failure to disclose information or abuse of position.

## **Frauditor**

A specialist **internal auditor** who looks proactively for fraud and corruption to investigate within an organisation.

## **Fraud Risk Wheel**

A pie chart designed to emphasise the relative significance of specific fraud risks affecting an organisation.

## **Holistic risk-based Auditing**

A process by which internal auditors identify the key risks across all areas of an organisation and its operations, both financial and otherwise, before drawing up a programme of work to test the effectiveness of the organisation's arrangements to mitigate or prevent significant risks to the organisation occurring.

## **Key control [see also Internal Control]**

A significant control mechanism put in place to enable a system to achieve its objectives. It is a control that if it is not operating effectively or is absent, the system will fail to achieve its objectives or have significant risk of fraud, error or waste.

## **Internal Audit**

An objective, independent review of an organisation and its systems of **internal controls** by individuals based within the organisation as a service to the organisation and those responsible for its corporate governance.

## **Internal Control(s)**

The mechanism(s) put in place by management in an organisation to ensure that a business system achieves an intended purpose. For example, ensuring that an activity is authorised by a manager before it can take place or routine checking that an activity has taken place by someone independent of the person responsible for carrying out that activity. There is an argument in the **external audit** world that **internal audit** is part of a business's system of internal control that reviews the adequacy and effectiveness of other internal controls.

## **Internal Financial Control(s)**

Controls within a financial system to ensure that the intended outcomes of the system take place. For example, segregating duties between those responsible for raising invoices and those receiving payment to avoid the risk of income due being suppressed and cash or payments stolen by the person responsible for receiving the payment.

## **Materiality**

An external audit concept whereby accounts and other financial records are given a clean bill of health unless fraud or error is substantial enough to make a difference to published financial information such that a reader of the information would be drawn to a mistaken conclusion as to their substance and meaning.

## **National Audit Office**

Succeeded the Exchequer and Audit Department of Her Majesty's Treasury in 1966. It is the body responsible for the statutory and value-for-money audits of all central government departments, UK government agencies and Non-Departmental Government Bodies.

## **Preventative Controls [see Internal Control]**

Controls put in place to try to prevent fraud or error taking place in a business system.

## **Significant Risks**

Risks that could cause a major business or system failure, or stop an organisation from functioning in a key business area.

## **Systems Auditing**

The process of auditing an entity by reviewing and testing its business and financial systems to evaluate the strength of internal controls meant to help achieve the business objectives of the system being reviewed. The process involves mapping the key controls in a system and then testing for compliance. Failures in compliance may lead to more extensive testing to evaluate the likely loss due to the failures identified.

## **Truth and Fairness**

External auditors will form a professional opinion as to whether the financial records, statutory accounts and related official statements by an organisation within a given time period are true (i.e. accurately reflect the underlying financial transactions) and fair (i.e. do not present a misleading view of the financial position of the organisation in respect of its financial transactions)

## **White Collar Crime**

Originally defined by Sutherland in 1949 as crimes and sharp practices such as theft, fraud, embezzlement, overcharging and misrepresentation to the public committed by those in a position of trust in the upper or top echelons of a company, it has become the generic term in criminology and social science for any such activity by anyone in a position of trust in an organisation.

## **Vouching and Verification Auditing**

An audit of the financial transactions of an entity, conducted by taking each voucher (e.g. an invoice or a receipt for goods or services) and verifying the accuracy of the financial information displayed on the voucher.

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## Annex 1

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## Relevant reviews, testimonials and citations on published material by the candidate

### Selection of citations of 'How to be a Successful Frauditor'

#### 1.1 Google Scholar sample citations

[How to be a successful frauditor: A practical guide to investigating fraud in the workplace...](#)

Search within citing articles

#### [Addressing Fraud Risk by Testing the Effectiveness of Internal Control over Financial Reporting—Case of Romanian Financial Investment Companies](#)

[IQ Spatacean](#) - *Procedia Economics and Finance*, 2012 - Elsevier

The magnitude and complexity of portfolio management operations require that Romanian Financial Investment Companies are to implement and monitor an adequate internal control system over financial reporting. The assessment performed by a public accounting firm in ...

☆ [Cited by 12](#) [Related articles](#) [All 5 versions](#)

#### [The evolution of fraud and anti-fraud activity in local authorities](#)

[G Marks, D Melville](#) - *Public service reform in the UK ...*, 2012 - [pmpa.homestead.com](#)

Key forces at work in the environment influence the evolution of fraud. These include broad economic, political, legal, socio-cultural and technological factors, such as the impact of recessionary budget limitations, the transparency agenda, acts of parliament (for example ...

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#### [Constructing an organisational climate model to predict potential risk of management fraud](#)

[L Bezuidenhoud](#) - 2014 - [uir.unisa.ac.za](#)

Fraudulent behaviour by management has become a global problem that cuts across cultural and ideological divides. Therefore, given the high incidence and cost of fraud internationally and locally, as well as the fact that stakeholders, including shareholders ...

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#### [Performance Measurement of Audit Software Tools](#)

[L von Prüfungssoftware](#) - [researchgate.net](#)

Data analysis tools are a well-known technology. Due to the increasing amount of data such tools have to handle, it is becoming more and more important to know how efficiently these tools can execute standard query algorithms. This paper describes the planning, development, and ...

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#### [Accounting Policy versus Creative Accounting](#)

[R Dyląg, E Puchalska](#) - *IFRS: Global Rules & Local Use ...*, 2013 - [papers.ssrn.com](#)

Accounting policy is a set of guidelines, regulations and rules selected from the applicable accounting law. The policy enables preparation of a company's financial statement that is of high quality and reflects its real situation. Proper selection of accounting policies could have ...

☆ [Related articles](#) [All 2 versions](#)

#### [A fraud auditing approach for the regulator to detect investment fraud schemes](#)

[W Hattingh](#) - 2011 - [repository.up.ac.za](#)

Investment managers are entrusted with clients assets and should act with due care and diligence when dealing with it. The regulation of investment managers does not preclude the possibility that they can defraud their clients. The question posed by this research is whether ...

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#### [AUDITOR FORENSE](#)

[P Roque](#) - [occ.pt](#)

RESUMO A cada vez maior ocorrência de fraudes nas empresas e outras organizações tem determinado quer a necessidade de se definirem novos modelos legais de corporate governance susceptíveis de reduzir o risco de fraude, quer novas formas de investigação ...

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#### [İŞLETME İÇİ HİLELERİN ORTAYA ÇIKARILMASINDA VE SORGULANMASINDA BİR ARAÇ OLARAK BEDEN DİLİ USE OF BODY LANGUAGE IN THE ...](#)

[BT MENGI](#) - [researchgate.net](#)

Fraudulent activities can be described as misusing or misappropriating the assets of a business. These fraudulent activities cause great damages to businesses and the damages keep increasing as the fraudulent activity continues. In order to reduce the damages caused ...

☆ [Related articles](#) [All 4 versions](#) [⌘](#)



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## 2. Selection of citations of 'Fraud and Corruption in Public Services'

### Fraud and Corruption in Public Services

Search within citing articles

#### Fraud: from national strategies to practice on the ground—a regional case study

[A Doig](#) - [Public Money & Management](#), 2018 - [Taylor & Francis](#)

The intentions of a number of national strategies and other initiatives to address fraud are reviewed in the context of one UK region. This paper considers how far various agencies in that region have responded to fraud. It then discusses which factors appear to have ...

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#### The South African Criminal Law's response to the crimes of fraud and corruption within local government

[S Naidoo](#) - 2016 - [repository.up.ac.za](#)

The crime of fraud and corruption is rife within South African municipalities. This negatively impacts on the efficient and effective service delivery through wasteful and uneconomic expenditure incurred by Municipalities through the perpetration of the aforementioned ...

☆ [🔗](#) Cited by 1 [Related articles](#) [🔗](#)

#### Introduction: The Landscape of Maladministration in Education

[EA Samier](#), [P Milley](#) - [International Perspectives on ...](#), 2018 - [taylorfrancis.com](#)

While the term 'maladministration' is not often used in education, it is an established area of concern in public administration. Writing more than four decades ago in the UK context, Wheare (1973) observed that although maladministration in the public sector was a difficult ...

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#### 🔗 Project Initiation Process, Monitoring and Evaluation Team Capacity, Compliance with Legal Framework and Building Projects Success: The Case of Building ...

[AG Kihuga](#) - 2018 - [erepository.uonbi.ac.ke](#)

This chapter reviewed literature concerning project initiation process, Monitoring and evaluation team capacity and the moderating of compliance with legal framework, and how it relates to building project success. The chapter drew from published articles, organization ...

☆ [🔗](#) [Related articles](#)

#### The mechanisms and dynamics of corruption

[JL Newell](#) - [Corruption in contemporary politics](#), 2018 - [manchesterhive.com](#)

Exploring the work of Robert Putnam (1993) in the last chapter led us to the conclusion that, all else being equal, corruption is more likely to be found in societies with lower than with higher levels of trust. If you cannot trust others to abide by the rules, then there is no point in ...

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#### Examining digital government and public service provision: The case of Finland

[QC Osifo](#) - 2018 41st International Convention on Information ..., 2018 - [ieeexplore.ieee.org](#)

Finland is one country that has long embraced technology in many aspects of her existence. To understand the present outlook of digital government and public service provision in Finland, an evaluation is necessary. This paper explores the successes and challenges of ...

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#### CORUPȚIA CA FENOMEN SOCIAL ȘI MECANISME ANTICORUPȚIE (Cazul Republicii Moldova)

[I Gațcan](#) - 2015 - [dspace.usm.md](#)

Corupția ca fenomen social și mecanisme anticorupție ... ADNOTARE.....

A ABBEVIATED

### **3. Reviews and testimonials**

From Mark Rowe, editor, Professional Security magazine

[mark@professionalsecurity.co.uk](mailto:mark@professionalsecurity.co.uk)

Monday, May 20, 2019.

Re: Peter Tickner

Peter approached me to ask for comment, as he is seeking a PhD by publication through the University of Portsmouth. I can best begin to answer, as the editor since 1999 of Professional Security, a magazine for UK private security managers, in terms of others I know in the field.

Several UK academics have devoted their working lives to the study of fraud prevention, such as Professor Mike Levi. Good work is done by Jim Gee with Prof Mark Button of Portsmouth.

Among fraud practitioners, Mike Comer stands out for his books in terms of content (notably 'Corporate Fraud') and sheer bravura style of writing. I note that Mike describes Peter as 'legendary', which is just the word I would use (and have used) of Mike.

What Peter Tickner has achieved in his three books, that neither the academics nor the practitioners in the field have achieved, with the possible exception of Mike Comer, is to marry the best of both; the rigour of unflinching and accurate description of reality, however unpleasant and disappointing for human nature, something evidently part of the work of fraud-audit.

As the holder of a first-class degree in history (Bristol, 1989) and a further, MSc degree in sports history and culture (De Montfort, 2018) I would provocatively argue that the PhD is not good enough for Peter, given that (in my opinion) an ordinary doctorate so much based on the review of the literature – in other words, quoting the same dry old sources – is not equal to what Peter (and Mike Comer) have achieved in their published work.

Peter's three books go beyond personal memoir and are of use not only for the study of fraud in particular and criminology in general, but policing, business organisation, and psychology. The three books amount to at least a PhD's worth of insight into the nature of fraud and its prevention, a subject at the same time under-studied and yet so large, so multi-billion, that it does the UK economic harm, besides the suffering done to victims.

My reviews of Peter's books:

<https://www.professionalsecurity.co.uk/reviews/how-to-be-a-successful-frauditor/>

<https://www.professionalsecurity.co.uk/reviews/fraud-and-corruption-in-public-services/>

<https://www.professionalsecurity.co.uk/reviews/the-successful-frauditors-casebook/>

I can gladly write at further length, for example about how each book meets the PhD standard for original thinking.

Yours truly, Mark Rowe



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4/6/2019

Peter Tickner was there first. All the current talk of auditors' responsibilities around fraud detection seems, well, so old hat having read Peter's books – notably 'How to be a Successful Frauditor' – and articles across the years. Not constitutionally fitted to be a mere watchdog, he is the original bloodhound who brings not just technical mastery of auditing but also rigorous investigative technique, and a forensic questioning of motives and agendas, especially in politicised organisational settings, to bear on case material and critical analysis that is instructive to both practitioners and to students and researchers of the field. As an editor of titles in the financial crime space (Fraud Intelligence [[www.counter-fraud.com](http://www.counter-fraud.com)] and Money Laundering Bulletin [[www.moneylaunderingbulletin.com](http://www.moneylaunderingbulletin.com)]), I know our readers, all either professionals or academics, have learnt much from his writing, as I undoubtedly have.

**Timon Molloy**

Managing Editor

T: +44 (0) 7767 008977

[timon.molloy@informa.com](mailto:timon.molloy@informa.com)



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The work that Peter Tickner did creating the 'wheel of fraud' was really quite ground breaking, a visual that really did help others in the industry consider how they might tackle fraud risk. I have used the example of many occasion and spoken of it often. In my opinion is it has stood the test of time - indeed I am using it at the Public Sector Fraud Forum this week. [24 June 2019]

As part of my role as Head of Public Sector Fraud at the Home Office when I drafted the *Fighting Fraud Locally Strategy* and its Review I did reference the wheel for use in Local Authorities and many used it as background. The University of Portsmouth have now referenced this strategy in the UoP Criminal Justice Undergrad reading papers as good practice, I would also add that I have been using it (the strategy )in talks to the OECD.

Rachael Tiffen

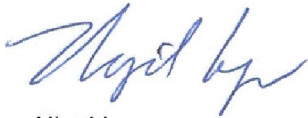
Director, Local Government





Peter Tickner is a practitioner who has done the audit world a huge service. Whilst the Big 4 firms prevaricate and procrastinate rather like Hamlet on whether they "should look for fraud or should not look for fraud", Mr Tickner simply hits the nail on the head. In his eloquent, animated, but fully substantiated way, Mr Tickner states what everyone in the public knows...auditors should be looking for fraud always. Without beating around the bush he also shows them how they should do it, drawing on his long experience, himself as an auditor. I feel that he also, maybe without himself realizing it, allows his expertise in astronomy to permeate his frauditing skills...something which can be captured by the phrase "if you look long enough, you will see"

In many ways the book 'How to be a Successful Frauditor' and Mr Tickner himself has influenced my own writing and I have definitely drawn in his ideas as inspiration for my new book "How to find Fraud and Corruption – recipes for the aspiring fraud detective" which is due to be published by Taylor and Francis in 2019.



Nigel Iyer

July 2019

Teaching Fellow University of Leicester Business School

Author:

A Short Guide to Fraud Risk (co-author Martin Samociuk)  
Fraud and Corruption: Prevention and Detection (co-author Martin Samociuk)  
The Tightrope

Partner: The Hibis Group (founded 1997 [www.hibis.com](http://www.hibis.com) and  
Founder of 'The Theatre of Corruption' 2014

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Classification: **SUITABLE FOR PUBLICATION**

26/9/2019

Peter

It was good to catch up last week.

Following on from our conversation I am happy to confirm that the City of London Police, Economic Crime Academy has over the years used your books a reference material when preparing material and has made reference to it during training courses. The books have provided useful real world examples and case studies.

Regards

Chris

T/DCI Chris Felton  
Director Economic Crime Academy  
City of London Police  
Email [chris.felton@cityoflondon.police.uk](mailto:chris.felton@cityoflondon.police.uk)



# FORM UPR16

## Research Ethics Review Checklist



Please include this completed form as an appendix to your thesis (see the Research Degrees Operational Handbook for more information)

<b>Postgraduate Research Student (PGRS) Information</b>		<b>Student ID:</b>	UP917800			
<b>PGRS Name:</b>	William Peter Tickner					
<b>Department:</b>	ICJS	<b>First Supervisor:</b>	Professor Mark Button			
<b>Start Date:</b> (or progression date for Prof Doc students)	1 <sup>st</sup> February 2019					
<b>Study Mode and Route:</b>	Part-time	<input checked="" type="checkbox"/>	MPhil	<input type="checkbox"/>	MD	<input type="checkbox"/>
	Full-time	<input type="checkbox"/>	PhD	<input checked="" type="checkbox"/>	Professional Doctorate	<input type="checkbox"/>

<b>Title of Thesis:</b>	From Auditor to Frauditor: developing the internal audit role beyond fraud risk assessment to detect and investigate fraud in the UK Public Sector
<b>Thesis Word Count:</b> (excluding ancillary data)	11,011

If you are unsure about any of the following, please contact the local representative on your Faculty Ethics Committee for advice. Please note that it is your responsibility to follow the University's Ethics Policy and any relevant University, academic or professional guidelines in the conduct of your study

Although the Ethics Committee may have given your study a favourable opinion, the final responsibility for the ethical conduct of this work lies with the researcher(s).

### UKRIO Finished Research Checklist:

(If you would like to know more about the checklist, please see your Faculty or Departmental Ethics Committee rep or see the online version of the full checklist at: <http://www.ukrio.org/what-we-do/code-of-practice-for-research/>)

a) Have all of your research and findings been reported accurately, honestly and within a reasonable time frame?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
b) Have all contributions to knowledge been acknowledged?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
c) Have you complied with all agreements relating to intellectual property, publication and authorship?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
d) Has your research data been retained in a secure and accessible form and will it remain so for the required duration?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
e) Does your research comply with all legal, ethical, and contractual requirements?	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

### Candidate Statement:

I have considered the ethical dimensions of the above named research project, and have successfully obtained the necessary ethical approval(s)

<b>Ethical review number(s) from Faculty Ethics Committee (or from NRES/SCREC):</b>	N/A
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If you have *not* submitted your work for ethical review, and/or you have answered 'No' to one or more of questions a) to e), please explain below why this is so:

This was a PhD by Publication and the original research was completed ten years before the start of the study course at Portsmouth. The thesis contains a section explaining how ethical standards were met.

<b>Signed (PGRS):</b>		<b>Date:</b>	3 <sup>rd</sup> March 2020
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