

CORPORATE FRAUD IS ON THE RISE

The Indian corporate sector is not a stranger to fraud. Many corporates have either become a victim of a fraud from within or from outside. But what is interesting is that top management of many companies is still unaware of frauds from social media, internet and e-commerce. The recent hacking of Sony's computers in the USA is an example of how corporate secrets and IPRs can be stolen by unidentified people. The Deloitte India fraud survey warns Indian companies of rising fraud and what action needs to be taken to prevent frauds

KEY FINDINGS

56%

Believe that incidents of fraud will rise in the next two years

31%

Uncertain

TOP 3 FRAUDS EXPERIENCED BY ORGANISATIONS

Diversion/theft of funds or goods

Bribery and corruption

Regulatory non-compliance

28%

Said that their organisation had not experienced fraud, misconduct or non-compliance

WHO IS THE FRAUDSTER?



Senior management identified as most susceptible to commit fraud, whereas external parties were least likely to commit fraud, as per survey respondents.

IMPACT OF COMPANIES ACT 2013 ON THE STATE OF FRAUD

88%

felt a stringent regulatory environment can help reduce incidents of fraud to some extent



FRAUD DETECTION MOVING TOWARDS MATURITY

50% felt the Chief Security Officer should be responsible for fraud investigation

75% felt external auditors should be responsible for fraud detection

LIMITED AWARENESS ABOUT TECHNOLOGY LED NEW FRAUDS



SOCIAL MEDIA FRAUD

69% Were unsure about this fraud risk, felt there was inadequate guidance in legislation to deal with social media frauds in India



E-COMMERCE FRAUD

60% Felt e-commerce was not risky, and appeared not have comprehensive processes within their organisations to mitigate this fraud



CLOUD COMPUTING

96% Claimed their organisations had not suffered this type of fraud
57% Unaware of any review of compliance and security policies pertaining to cloud computing



CRYPTO CURRENCIES FRAUD

50:50 Mixed views on the safety of virtual currencies
72% Virtual currencies were not a part of their organisation's strategy