THE NEXT NORMAL: PREPARING FOR A POST-PANDEMIC FRAUD LANDSCAPE

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See how the COVID-19 pandemic has affected the level of fraud and how organizations are tackling it.

- 51% of organizations have uncovered more fraud since the onset of the pandemic.
- 71% expect the level of fraud impacting their organizations to increase over the next year.

Change in the amount of fraud uncovered

- 9% significantly less fraud
- 36% about the same level of fraud
- 31% slightly more fraud
- 20% significantly more fraud
- 5% very little or no fraud

Expected change in the overall level of fraud impacting organizations

- 21% slight decrease
- 23% significant decrease
- 2% slight increase
- 2% significant increase
- 2% no change
- 50% about the same level of fraud
- 9% slightly more fraud
- 5% significantly more fraud
- 36% about the same level of fraud
- 3% very little or no fraud

Expected change in specific fraud risks over the next 12 months*

- Cyberfraud: 47% significant increase, 35% slight increase, 13% slight decrease, 3% no change, 2% significant decrease.
- Social engineering: 45% significant increase, 37% slight increase, 14% slight decrease, 2% no change, 2% significant decrease.
- Identity crime: 34% significant increase, 39% slight increase, 23% slight decrease, 2% no change, 2% significant decrease.

Top challenges facing anti-fraud programs include changes to investigative processes and changes to the control/operating environment.

Changes to anti-fraud programs

- Update/Conduct external fraud awareness training: 36% already undertaken, 28% plan to undertake over the next 12 months.
- Conduct/expand due diligence for third- and/or fourth-party relationships: 31% already undertaken, 19% plan to undertake over the next 12 months.
- Make operational changes to the fraud risk management program: 37% already undertaken, 18% plan to undertake over the next 12 months.
- Update/create a fraud risk map or risk register: 35% already undertaken, 19% plan to undertake over the next 12 months.
- Conduct/expand internal fraud awareness training: 31% already undertaken, 19% plan to undertake over the next 12 months.
- Update/Conduct a fraud risk assessment: 43% already undertaken, 35% plan to undertake over the next 12 months.
- Update/Conduct internal fraud awareness training: 46% already undertaken, 47% plan to undertake over the next 12 months.
- None of the above: 19% already undertaken, 19% plan to undertake over the next 12 months.

More than 80% of organizations have already implemented one or more changes to their anti-fraud programs in response to the pandemic.

SOURCE: The ACFE and Grant Thornton’s Report, The Next Normal: Preparing for a Post-Pandemic Fraud Landscape