FRAUD IN SMALL BUSINESS

Small businesses suffered the same median fraud loss as organizations with 10,000+ employees.

60% of small-business fraud victims didn’t recover any of their losses.

How small businesses detect fraud:

- 30%: External audit of financial statements
- 26%: Management certification of financial statements
- 25%: Code of conduct
- 24%: Management review
- 20%: Employee hotline
- 15%: Fraud training for employees
- 12%: Employee support programs
- 9%: Fraud training for managers/executives
- 7%: Anti-fraud policy
- 6%: Formal fraud risk assessments
- 5%: Surprise audits
- 4%: Proactive data monitoring/analysis
- 3%: Job rotation/mandatory vacation
- 2%: Rewards for whistleblowers
- 1%: Dedicated fraud department, function, or team

Small businesses have fewer anti-fraud controls in place than large organizations, making them especially vulnerable to fraud.

Data from the ACFE’s 2016 Global Fraud Study, Report to the Nations on Occupational Fraud and Abuse. Download the full report and view interactive graphs at ACFE.com/RTTN.

© 2016 Association of Certified Fraud Examiners, Inc. All rights reserved. “ACFE,” “CFE,” “Certified Fraud Examiner,” “Association of Certified Fraud Examiners,” “Report to the Nations,” the ACFE Logo and related trademarks, names and logos are the property of the Association of Certified Fraud Examiners, Inc., and are registered and/or used in the U.S. and countries around the world.