

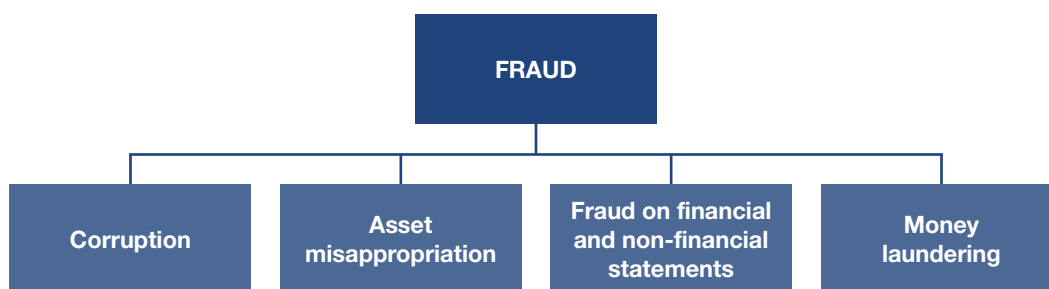
Health check

fraud, corruption, money laundering

Boards of directors and management must ensure that the risks of fraud, corruption and money laundering are appropriately mitigated on a continuous basis. Fraud is nothing new, but it tends to increase significantly in times of crisis.

Know your enemies, know your weaknesses

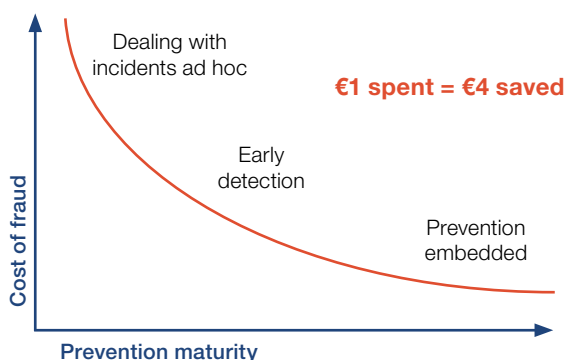
The costs of fraud are high: direct financial loss, fines and penalties, costly investigations and remediation, brand and reputational damage, loss of market share, damage to employee morale, diversion of organisational resources, increased scrutiny, oversight and regulation. Fraud awareness remains low, and proactive initiatives insufficient.



Our objective: to help you understand and mitigate your risks

Periodic **comprehensive health checks** have proven to effectively decrease the risks and costs of fraud schemes and regulatory sanctions. €1 spent on prevention leads to savings of €4 in fraud-related costs.

Arendt has one of the country's **largest teams devoted to lending pragmatic assistance** to corporations as they prepare to fight financial crime or respond to regulators' inquiries. Arendt's particular strength lies in its vast pool of professionals **with multidisciplinary expertise**, including forensic accounting, legal, anti-bribery and corruption, AML-CFT compliance, regulatory, technology and cyber.



The 2020 ACFE* Report to the Nations showed that fraud training for employees, or even simply having a stated anti-fraud policy, **reduced fraud losses by 38% and 33%**, respectively, compared to organisations that did not apply these measures.

* Association of Certified Fraud Examiners

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This publication is not intended to provide legal or other advice and cannot serve as a substitute for consultation with legal counsel prior to any actual undertakings.

A cost-effective health check

Many organisations have detected higher levels of fraud since the onset of the pandemic.

Weaknesses in the global financial infrastructure and a lack of fraud awareness are generating significant losses and increasing the regulatory risks.



CONTROL ENVIRONMENT	<p>Fraud risk management policy and governance</p> <p>Review and update the existing fraud risk management programme to reflect the expectations of directors and senior management and their commitment to integrity and ethics.</p>
RISK ASSESSMENT	<p>Comprehensive fraud risk assessment at regular intervals</p> <p>Perform or update a comprehensive fraud risk assessment to identify specific risks, their likelihood and their impact. Identify internal weaknesses in control and governance.</p>
CONTROL ACTIVITIES	<p>Fraud control for prevention and detection</p> <p>Evaluate existing fraud control activities and mitigation measures for residual risks. Update and deploy based on up-to-date risk assessment.</p>
INFORMATION AND COMMUNICATION	<p>Reporting process, swift investigative corrective action</p> <p>Establish and/or review communication process used in the event of potential fraud. Review and deploy a coordinated approach to investigation and corrective action. Identify key experts internally and externally to appropriately address fraud in good time.</p>
MONITORING ACTIVITIES	<p>Monitor, report and improve</p> <p>Develop and perform ongoing evaluation and communicate deficiencies in fraud risk management to the board and senior management. Ensure that corrective action is determined and implemented.</p>
TRAINING AND AWARENESS	<p>Learn and train</p> <p>One of the most effective and resource-efficient ways to prevent fraud is to raise awareness. Training contributes to building a sound ethical culture.</p>

Your expert

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