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Isaac M. O'Bannon • Feb. 25, 2022



The large-scale shift to remote work amid the pandemic has spurred a rise in security and fraud risk, and 89 percent of internal auditors find it challenging to prevent it. As a result, an increasing number of organizations are fast-tracking their investment in technology to help manage this issue. With more than a third of organizations claiming to not have a suitable fraud prevention and response plan already in place, the urgency is rapidly increasing.

That's the finding of a recent study conducted by leading software provider [CaseWare International](#), which surveyed 3,926 business professionals with internal

audit responsibilities globally about how they're managing business change,

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exceed client expectations.”

According to CaseWare's survey, remote working has made it more difficult for 43 percent – and somewhat more difficult for 46 percent – of respondents to prevent fraud within their organization. With more than 70 percent of those surveyed sharing that the pandemic has caused an increase in fraud threats in their organizations, what are auditors' greatest concerns? For 30 percent of respondents, the answer is theft of assets, including cash, inventory, services and intellectual property. Others cite credit card abuse, falsifying expense reports, collusion with a third-party vendor or service provider, and falsifying or manipulating financial statements as concerns.

“While the trend shows internal auditors have an important part to play in risk management and their influence is increasing in the area of fraud prevention strategy, many continue to operate without a fraud prevention and response plan,” said Scott Epstein, Chief Product Officer at CaseWare. “On a positive note, 31 percent of respondents say their organization is currently developing such a plan, with 64 percent saying they already have one in place.”

Other report highlights include:

- Internal auditors are typically a part of fraud investigations, with more than 90 percent of respondents saying they are either occasionally or always involved.
- When it comes to top challenges over the past two years, almost a third (31 percent) of those surveyed cite moving from manual processes toward more efficient workflows, while 27 percent point to adopting new audit technology. Others see adjusting to remote work, lack of training and skills shortage and deriving insights from large volumes of data as key concerns.

- Forty percent of internal auditors say they either don't currently use or are

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based solutions and technology to help fight fraud, 43 percent are considering using it for this purpose.

- A majority of respondents (44 percent) indicate that proving and articulating value is their biggest internal pressure, while others cite having to do more with less time and resources (about 27 percent) and meeting audit deadlines (24 percent) as their top pressure.

“CaseWare’s survey reveals changes are happening across most internal audit departments and are being accelerated by the pandemic and a need to change business processes and ways of working,” said Epstein. “Internal auditors are tasked to meet the challenges of increasing fraud risk and are pressured to do more, yet many still seem unprepared to manage the fraud risk for their organization. At a time when online business and commerce has never been greater, they will need to move quickly to finalize and execute these plans to thwart the growth in online threats.”

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