



An introductory guide to procurement fraud and corruption risk mitigation (Part 1)

Understanding How to Introduce Supplier Procurement Fraud Risk Assessment.

Supplier fraud can be a costly and damaging problem for businesses. This guide provides a step-by-step approach to help assess and manage supplier fraud risk.

Risk is just an expensive substitute for information

In today's rapidly changing business landscape, supplier fraud risk assessment has become an essential part of any organisation's risk management strategy.

The COVID-19 pandemic has highlighted the increased importance of assessing supplier risks and creating contingency plans to mitigate potential disruptions to the supply chain and a response against procurement fraud is no different.

Businesses need to be proactive in identifying potential risks that could impact their operations and take necessary steps to minimise the impact. Supplier risk assessment is critical as part of business continuity risk and minimising financial loss.

In this article, we will explore the importance of supplier fraud risk assessment as part of an onboarding risk assessment process, the benefits it offers, and how it can be implemented effectively to mitigate potential business disruptions. Whether you are a small business owner or a multinational corporation, understanding the importance of supplier fraud risk assessment is crucial to ensuring the long-term success of your business.

Understanding the impact of supplier disruption

Supplier disruptions can have a significant impact on a company's operations, finances, and reputation. Assessing at the onboarding stage whether a company is able to complete a contract, particularly in larger contracts or projects. Obtaining feedback from previous clients on contractor performance can be an indicator of the increased risk particularly if it is compared to any bid submissions and understanding the gap between what is required and likely outcome.

The benefits of conducting supplier risk assessment

Conducting supplier risk assessments offers several benefits to organizations. Firstly, it helps companies identify potential risks that could impact their operations, finances, and reputation. This information allows companies to create contingency plans and mitigate the risks before they occur.

Secondly, supplier risk assessments provide an opportunity to review supply chains and identify areas for improvement. This can lead to more efficient and effective supply chain management, particularly where counterfeit products or slave or child labour is an increased risk. Thirdly, supplier risk assessments can help companies build stronger relationships with their suppliers.

By communicating and collaborating on procurement fraud risk management strategies, companies and suppliers can work together to minimise fraud risk being passed on and build trust.

Additionally, supplier risk impact can cause reputational damage if the company is unable to deliver on its promises to its customers. In some cases, supplier fraud risk can also lead to financial losses due to contractual penalties or the cost of sourcing alternative suppliers.

Therefore, it is essential for organisations to understand the impact of supplier disruptions and take necessary steps to mitigate the risks. This is where supplier risk assessment comes in.

Key components of a supplier risk assessment

The key components of a supplier risk assessment might include:

1. Supplier identification and categorisation

The first step in conducting a supplier risk assessment is to identify and categorise suppliers based on their importance to the company's operations. For example, primary suppliers who provide critical goods or services are considered high-risk, while secondary suppliers who provide non-critical goods or services are considered low-risk. This approach also helps the monitoring of supplier fraud and corruption risk where contractors are awarded work outside of their category.

2. Risk identification and evaluation

The next step is to identify and evaluate the potential risks associated with each supplier. This includes assessing risks such as financial stability, production capacity, quality control, and geographic location. The evaluation process should be based on both qualitative and quantitative data.

3. Supplier due diligence

Before engaging with a supplier, it is important to conduct background checks to ensure that they are a legitimate business. This can include:

a. Checking company formation data and their registration with relevant authorities, verifying executive and shareholder information for conflicts of interest, reviewing business financial statements, and verifying their physical address.

b. Assess their reputation by researching the supplier's reputation in the industry and among their customers. Look for reviews and feedback from previous clients to determine if they have a history of fraudulent behaviour or unethical practices. Open source checks on the supplier their executive and shareholders can also be a valuable way of assessing reputational risk.

c. Evaluate their internal controls to determine if there is adequate measures in place to prevent fraud. This can include reviewing policies and procedures, assessing risk management practices, evaluating internal audit function and the current leadership approach to counter fraud and the internal anti-fraud message.

d. Review financial statements for red flags or inconsistencies that may indicate fraudulent activity. Look for unusual transactions, discrepancies in financial reporting, or unexplained changes in financial performance.

e. Conduct on-site visits to the supplier's facilities to assess their operations and verify their physical presence. This can include reviewing their inventory for material specification, observing their production processes, and assessing their [quality control measures](#).

f. Monitoring performance to identify any potential fraud risks. This can include reviewing invoice and payment records, conducting periodic audits and maintaining open communication with the supplier.

g. Verifying supplier fraud prevention programme to ensure that they minimise passing on their fraud risk. This might include the leadership message, policies and procedures for identifying and mitigating fraud risks. This can include training employees on fraud prevention, establishing reporting mechanisms for suspicious activity, and conducting fraud risk assessments.

4. Risk mitigation and contingency planning

Once the risks have been identified and evaluated, the next step is to develop a risk mitigation and contingency plan where a fraud response is necessary. This includes identifying strategies to minimize potential disruptions and creating a plan to manage the risks if they do occur. A contingency or fraud response plans should include alternative suppliers, safety stock, and communication protocols.

5. How to identify and evaluate supplier risks

External fraud risk data might also include industry fraud and financial crime trends and news reports. The evaluation process should consider both the likelihood and potential impact of each risk.

6. Mitigating supplier risks through contingency planning

Contingency planning is a critical component of supplier risk management that involves identifying potential disruptions and impact from procurement fraud and creating a plan to manage the risks if they occur. Communication and coordinated engagement with internal stakeholders is a crucial aspect of response planning as it allows companies to quickly respond to disruptions and minimize their impact.

Best practices for supplier risk assessment

To conduct effective supplier procurement fraud risk assessments, organisations should follow these best practices:

A. Establish a risk management team

Create a dedicated team responsible for managing supplier risks that has a strong understanding of procurement fraud risk. This team should include representatives from different departments, such as procurement, quality assurance and finance.

Identifying and evaluating supplier risks requires gathering both internal and external data. Internal data includes historical data on supplier performance, financial stability, pricing and quality control.

B. Use a risk assessment framework

Use of a risk assessment framework to evaluate suppliers consistently. The framework should include both qualitative and quantitative data.

C. Conduct regular reviews

Conducting regular reviews of supplier risks to ensure that the risk assessment is up to date and relevant. This is particularly applicable within projects with high volumes of procurement, invoicing and resources. The prior assessment of a projects fraud risk will allow a risk team to assess for specific risks at determined stages of a project.

D. Build strong relationships with suppliers

Build strong relationships with suppliers by communicating and collaborating on risk management strategies can be a valuable tool in building an anti-fraud culture and receiving additional reports of risk. This approach can help build trust and minimise potential disruptions where a root cause of any identified risk is clearly resolved and risk mitigated.

Supplier risk assessment tools and software

Several tools and software are available to help organisations conduct supplier risk assessments. These tools include risk assessment frameworks, supplier scorecards, and risk management software. These tools can help streamline the risk assessment process and provide companies with valuable insights into their supply chain.

Call to action for implementing supplier risk assessment

Supplier risk assessment is critical for ensuring business continuity, maintaining customer satisfaction, and minimizing financial losses. By conducting regular risk assessments and implementing contingency plans that include fraud risk mitigation, organisations can minimise the impact of supplier disruptions and build stronger relationships with their suppliers. If you have not yet implemented supplier risk assessment in your business, you may have unknown fraud risk and significant financial loss.

Uncovering the Hidden Costs of Procurement Fraud: Protecting Your Business from Financial Losses

Procurement fraud is a serious issue that can cost organisations millions of dollars each year. While most companies have systems in place to prevent fraud, not all of them are fool proof.

The environment is no one's property to destroy; it is everyone's responsibility to protect

The hidden costs of procurement fraud can be devastating, leading to financial losses, reputational damage, and even legal consequences and financial damages. As a highly skilled procurement fraud specialist, I've seen first hand how businesses can be impacted by procurement fraud. That's why I've made it my mission to help businesses protect themselves by uncovering the hidden costs of procurement fraud and implementing strategies to prevent it from happening in the first place.

In this article, we'll explore the various types of procurement fraud, the hidden costs associated with it and mitigation steps that can be taken.

As a business owner or procurement or finance professional, you understand the importance of protecting your organisation from financial losses. However, what you may not realise is that one of the biggest threats to your company's bottom line may come from within. Procurement fraud is a growing concern for businesses of all sizes as they wake up to this global threat, and it can have devastating consequences if left unchecked.

We'll explore the hidden costs of procurement fraud and provide you with actionable tips to protect your organisation. From identifying common fraud schemes to implementing effective prevention measures, we'll show you how to stay one step ahead of this all-too-common threat and safeguard your company's financial future. So, let's dive in and uncover the hidden costs of procurement fraud together.

As a business owner, you are always looking for ways to save money and maximize profits. However, one risk area that often goes overlooked is procurement fraud.

In this article, we will take a closer look at the hidden costs of procurement fraud and what can be done to protect business. From identifying the warning signs to implementing internal controls, we will provide you with the tools you need to safeguard your company and its finances.

Examples of procurement fraud

Procurement fraud can occur when an individual or contractor intentionally misrepresents the cost, quality, or quantity of goods, works or services purchased. There are several types of procurement fraud, including bid rigging, bid manipulation, and invoice fraud.

Bid rigging generally occurs when companies and their executives collude to manipulate the bidding process, ensuring that one particular vendor wins the contract, inflating the lowest bid so that profits can be shared with colluding companies. As well as inflated costs, this type of fraud often results in lower-quality goods or services as the winning contractor isn't the best company for the work.

Bribery occur when a vendor offers a commission or other incentive to a leader, manager, procurement or other professional that can influence the procurement process influencing the award of a contract. Due to the covert nature of this illicit relationship, this type of fraud can also be difficult to detect.

Invoice fraud occurs when a supplier submits fictitious, false, inflated or duplicate invoices for payment. This type of fraud can be especially damaging to businesses, as it can go undetected for long periods of time, resulting in significant financial losses.

Impact of procurement fraud

Procurement fraud can have a significant impact on businesses, both financially and reputationally. Financially, businesses can suffer significant loss from overpaying for goods or services, paying for goods or services that were never delivered, or paying for goods or services that were of lower quality than expected. These losses can be especially damaging for small businesses, which may not have the resources to absorb such losses.

Reputationally, businesses can suffer significant damage if it is discovered that they have been involved in procurement fraud. This can lead to a loss of trust among customers and suppliers, as well as damage to the company's brand and image.

Common red flags of procurement fraud

There are several common red flags that can indicate the presence of procurement fraud. These include:

1. Unexplained price increases or cost overruns
2. Lack of competition among vendors
3. Excessive influence by or to a particular vendor
4. Invoices that are vague or incomplete
5. Unusual payment terms, method or route
6. Only one vendor responds to a bid
7. Excessive single source procurement to one supplier
8. Splitting orders to avoid a tender process

A red flag doesn't necessarily mean an instance of fraud in every occasion, however, if you notice any of these red flags, it is important to investigate further to determine whether procurement fraud is occurring.

Hidden cost of procurement fraud

In addition to the direct financial losses associated with procurement fraud, there are several hidden costs that businesses may not be aware of. These include:

- legal fees and other costs associated with investigating procurement fraud
- lost productivity and decreased morale among employees
- damage to the company's reputation and brand image
- loss of customer and supplier trust
- increased regulatory oversight and scrutiny

Taken together, these hidden costs can be significant, making it all the more important for businesses to take steps to prevent procurement fraud.

Steps to protect your business from procurement fraud

There are several steps that businesses can take to protect themselves from procurement fraud.

Examples of these steps might include:

1. Conducting due diligence on vendors before entering into contracts with them that includes what they're doing to ensure they don't pass on fraud risk.
2. Developing and implementing internal control measures to prevent and detect procurement fraud.
3. Training employees and suppliers on how to identify and report procurement fraud.
4. Establishing a code of conduct and ethics for all staff involved in the procurement process.
5. Annual sign off of conflicts of interest policy for all staff directly or indirectly involved in the procurement process.
6. Conducting regular audits of procurement procedures and compliance.
7. Proactive use of common analysis of procurement and finance data.

By taking these steps, businesses can reduce the risk of procurement fraud and protect their finances and reputation.

Tools and technologies to detect procurement fraud

There are several tools and technologies available to help businesses detect and prevent procurement fraud. These include:

- Data analytics software, which can be used to identify patterns and anomalies in procurement data.
- Procurement management software, which can help businesses automate and streamline procurement processes, reducing the risk of fraud.
- Fraud detection and prevention software, which can help businesses identify and investigate suspicious activities.

By leveraging these tools and technologies, businesses can stay one step ahead of procurement fraud and protect themselves from financial losses and reputational damage.

Procurement fraud prevention plan for businesses

To effectively prevent procurement fraud, businesses should develop a comprehensive procurement fraud prevention plan. This plan should include:

1. a risk assessment to identify areas of vulnerability
2. policies and procedures to prevent procurement fraud
3. internal controls to detect and investigate procurement fraud
4. employee training and awareness programmes
5. regular audits and reviews of procurement practices and contracts

By following this plan, businesses can significantly reduce the risk of procurement fraud and protect their finances and reputation.

Importance of employee training and awareness programmes

Employee training and awareness programmes are critical to preventing procurement fraud.

Procurement, compliance, audit and finance professionals should be trained on how to identify and report suspicious activities, as well as on the company's code of conduct and ethics.

Additionally, all employees should be made aware of the risks of procurement fraud and the importance of reporting any suspicious activities.

By ensuring that all employees are educated and aware of the risks of procurement fraud, businesses can create a culture of transparency and accountability, reducing the risk of fraud and protecting the company's finances and reputation.

Conclusion

Procurement fraud can have a devastating impact on businesses, leading to financial losses and reputational damage. Introducing a coordinated risk mitigation approach that is commensurate with the size and complexity of an organisation can prevent significant financial loss and identify risk at a much earlier stage.

Uncovering the hidden cost of counterfeit products

Does your organisation's approach to external threats consider the global impact of counterfeit products and do leaders and staff perceive that it is a victimless crime. With the exponential growth and impact to business and government projects, what deterrence can be put in place to raise awareness and significantly impact this illicit transnational crime.

Start with what is right rather than what is acceptable

In part due to the piracy of items such as branded garments, footwear and perfumes, counterfeit products in a large percentage of cases continues to be socially acceptable.

Much has been published internationally about the global threat of counterfeit products including the impact that it has on public health and safety and yet there remains public complacency and the continued lack of a coordinated international response to this proliferation that impacts all sectors.

It is common in international business, as an example, for a manufacturer of a clients brand clothing or performance to make excessive quantities to sell of at a reduced price or as a completely different brand product by a third party.

This may be counterfeiting in its simplest form however the scale of counterfeiting and the threat to life and lives lost in many areas continues to grow.

Global counterfeit product figures

According to the Organisation for Economic Cooperation and Development, counterfeit products represent about 3% of global trade that equates to approximately \$590 billion. The International Anti-Counterfeiting Coalition (IACC) reports that counterfeit products trade has increased from \$5.5 billion in 1982 to approximately \$600 billion today.

Global impact of counterfeit products

If we consider the following statement

"A counterfeit product's key purpose is to maximise the revenue for the counterfeiter and their illicit network"

We can make an assumption that in the majority of cases that the quality of the counterfeit product will be inferior and that any goods or materials manufactured in volumes have the potential to be counterfeited.

Counterfeit products and child labour

What does this mean in the context of child labour and modern day slavery, firstly as a source of cheap labour to produce these products and an additional financial route for criminals? It can also explain part of the reason why organised crime groups and terrorist financing also see this as an easy route to collect illicit funds and keep them below the radar of government organisations.

The level of counterfeit pharmaceuticals has a significant impact globally and their continued proliferation and breadth of pharmaceuticals counterfeited, in areas such as antimalarials it is difficult to measure the number of deaths caused where individuals believed they were protected, only that it will be significant.

Supply chain infiltration

In addition to the loss of revenue opportunities by the big brands it is estimated that EU tax revenues from retail and wholesale sector amounted to EUR 4.3 billion.

The US Chamber of Commerce confirmed in 2018 that each year, international counterfeiters ship more than \$400million dollars worth of counterfeit goods to unsuspecting American consumers. These include counterfeit brake pads for cars and airbags that fail; counterfeit batteries and chargers that melt and catch fire.

Risk assessment and response

So how do we tackle this problem from an organisation perspective? In addition to procurement fraud and corruption training, training on how to identify counterfeit markers, counterfeit detection, and supply chain prevention solutions that can support an organisation response, an organisation's risk assessment and management including prevention through design are also key first steps to understand the level of risk and potential impact.

If a supplier has knowingly introduced counterfeit products to maximise profits, part of any risk assessment should also take the view that they are likely to be committing other types of procurement fraud. Only when making this additional assessment will an organisation be able to measure the full extent of their procurement fraud risk.

In addition to the introduction of supply chain solutions such as RFID to monitor and mitigate this procurement fraud risk and the production of global figures on illicit trade, the international community needs to introduce a coordinated communication strategy that changes the message around counterfeit products, the impact that it has and the lives lost. Only when we have this consistent message will we be able to measure whether there is a positive global impact on this area of illicit trade and financial flows.

Protecting your business from procurement fraud

As a leader or professional working within an environment that has been targeted by or is a high risk from procurement fraud and corruption threats, do you introduce risk planning and have access to a risk assessment to design your prevention approach?

Risk mitigation requires a balance between caution and confidence

One of the lessons learned working in and with large organisations is the disconnect between introducing risk control measures as a response to risk, how this connects to an organisations risk picture and the decision making and change management approach that it take in its response to the identified risk.

If an organisation doesn't fully appreciate its level of risk, how can it accurately respond or measure the level of procurement fraud and corruption risk that it is impacted by.

Procurement fraud risk planning

In attempting to understand how and where an organisation is targeted and the levels of financial loss, it must first answer this simple question.

Are you able to identify, collect and analyse your own data that can help assess procurement fraud and corruption risk?

A simple question, however, in all organisations that I've assessed over the years, that answer has generally been 'No'.

As part of the planning stage, in addition to the anti-fraud policies and procedures that it has in place, an assessment of risk identification and mitigation procedures that are currently in place and the fraud and corruption risks within finance, procurement, quality assurance, security and asset management processes will help map out the current approach that is being taken to fraud and corruption.

In addition to these areas, it is important to understand the level of anti-fraud and corruption culture, and is this something that is actively talked about within an organisation.

The communication and engagement within an organisation that drives ethical standards can be the difference between identifying or receiving a report of procurement fraud or an individual not reporting suspicions because they don't trust a manager or leaders response.

Procurement fraud risk assessment

The process of creating a risk assessment starts with recognising the typologies of procurement fraud and corruption. Education and awareness is an essential element of the mitigation process for ensure individuals conducting the risk assessment, understanding how, where and by whom an organisation can be targeted.

This approach helps better identify the data sources that are relevant to the risk assessment. An organisation must take stock of activities that are associated with procurement that might include finance, human resources, quality assurance, security, asset management and maintenance as well as compliance, investigation or intelligence information.

The size and scale of an organisations structure may have an impact on the complexity of a risk assessment, including individuals and organisations involved and the information to be considered and shared.

Where an organisation conducts an annual assessment or regularly assesses new risks against the current assessment, it may wish to create a risk model that can be used to consider typologies, individuals, departments, organisations and the mitigation structure that could incorporate prevention response, proactive detection and sanctions where fraud is identified.

Implementation of risk mitigation

To assist the assessment and implementation approach, creating a risk register where risks and mitigation recommendations are documented and using this method to support a decision making approach. This can be a valuable tool, however, where an organisation doesn't have a centralised group of managers or leaders that considers each risk and allocates ownership to affect change, what might be the consequences in the effectiveness of this approach.

Part of a decision making structure is to consider prevention and detection activities to mitigate the identified risks by enhancing systems and controls, policies and procedures and expertise and capabilities to prevent future procurement fraud and corruption.

Introducing a proactive approach to identify procurement fraud and corruption through proactive audit and data analysis is a valuable method of testing the integrity of an organisation's mitigation framework.

Continued support and update of a risk assessment supported by targeted audits and data analysis directed by the published risk assessment can be a useful approach and a more effectively use of finite resources.

Organisation change management

Creating a procurement fraud Response Plan can add great value where a new risk is identified and requires a coordinated response. Having a centralised decision making group that is guided by the plan not only creates an efficient and effective response to risk but also gives responsibility and ownership for each action.

As part of the change management process do you use a strategic approach to risk, specifically do you have a one, three or five year plan to support a change management approach within your organisation. Is your annual risk assessment used to identify current and potential future risks, are there new patterns of fraud and corruption typologies and what prevention, detection or mitigation actions should be introduced.

In the continual improvement lifecycle, measurement and monitoring should be integral in performance assessment of the procurement fraud framework.

Generally, a natural consequence of enhancing communication, engagement, prevention and detection techniques is the increase in data. Introducing risk mitigation might include lifting communication barriers that prevent discussion, and reporting that can be a valuable tool in the monitoring process.

Conclusion

To support all areas of risk mitigation, training and awareness should be introduced for all leaders, managers and staff that are involved in the identification and mitigation approach to help clarify their responsibilities and how procurement fraud can impact their organisation. If an organisation takes a new approach that all staff and suppliers have the potential to identify and report risk, they have a greater opportunity to receive additional reports and create a greater understanding of their risk picture where education and awareness of current threats and methodologies are shared.

Fraud within Projects: Examining the Scale of the Underlying Risk

Why isn't anti-fraud and corruption risk assessments introduced at the project planning stage? What would be the reduction in the percentage of project financial losses or project failure if this was common practice?

Those who plan do better than those who do not plan even though they rarely stick to their plan

Taking calculated risks is wise, but mitigating them intelligently is genius

Fraud risk within projects

In a large percentage of cases project costs bear no resemblance to the original contract values. If fraud risk isn't considered at the planning stage how do individuals determine how much of the increased costs is due to fraud and corruption.

One of the issues within projects is that in a large majority of cases, there is no risk assessment undertaken for procurement fraud and corruption risk and invariably no consideration is given for fraud control measures and procurement fraud risk mitigation. An assessment of fraud, at best, is conducted through an audit at the end of a project where a large percentage of fraud and corruption is hidden and is never discovered.

It is one of the reasons why the value of fraud can be significant within projects and that it has been highlighted in many cases globally that projects have been designed to fail so that monies can be illicitly diverted.

Due to the scale of procurement and invoicing, limited controls and the significant values involved, projects become very attractive for fraud and the illicit diversion of funds. Procurement fraud can be diverse in nature within projects and committed through manipulation of billing for areas such as time, quality, quantities and resources that ultimately affect price and the increase in profit for the contractor.

Project risk assessment

In the initial stages a project plan will be created and in many cases a procurement plan will also be introduced. At this early stage why isn't counter fraud considered an a plan introduced.

Understanding the scope of procurement fraud risk, from the insider threat to the collusion between staff and suppliers and the diverse nature of an external threat that might include bid rigging or the targeting of payment systems by organised criminals, mapping where an organisation can be targeted, is a good starting point in recognising the level of procurement fraud risk or opportunity that will assist in the design of a framework to mitigate identified risk.

It does not do to leave a live dragon out of your calculations, if you live near one. - J.R.R. Tolkien

Procurement fraud risk mitigation

In assessing organisation risk, recognising the breadth of procurement fraud, its typologies and the methods in which they can be committed is a valuable exercise. The British Standard BS10501: Guide to Implementing Procurement Fraud Controls outlines the scope of fraud and areas to consider when introducing or reviewing procurement fraud control measures.

The breadth of typologies and methodologies of procurement fraud can be significant. As an example false invoicing might include inflated or fictitious claims and mischarging so the risks within the billing process can be more significant particularly where the methods of fraud are not understood.

Procurement lifecycle

Once we understand the various typologies of procurement fraud the next step is to look at the procurement lifecycle and how it can be affected.

When an assessment is conducted of the pre award and post award stages of procurement there are many areas that can be impacted by procurement fraud:

- The pre award stages can include identification of need and justification, design and specification, budget, route of procurement, vendor identification and prequalification, bid response, tender matrix and selection.
- The post award areas of risk within contract management can include adhoc and emergency works, variations and change orders, contract and project management, work sign off and asset management.

Influence of procurement and project processes

When consideration is given to the various typologies of fraud and the stages and areas of the procurement lifecycle, a picture can be created of the potential for fraud and whether control measures are adequate.

The final area for consideration in understanding the level of risk, is people and their influence on the procurement and project lifecycle, both as an insider or external threat. Areas that should be considered as part of an assessment of risk might include documented decision making, project management, change management and back office roles from sign off of works or payment.

From the initial identification of need and project design, to the significant levels of asset management through to the completion of a project there are a significant number of areas where procurement fraud can occur including the development of illicit relationships or coordination between an insider or external threat.

Only when roles are identified within each stage of the procurement and project lifecycle and the opportunity or potential for fraud, can a risk mitigation design be created on how organisation revenues are protected through the introduction of greater integrity and safeguards within the procurement process.

So when we now consider the procurement fraud typologies, the procurement lifecycle, project management, decision making, change management and individuals that can influence procurement and project processes there is the potential for hundreds of areas of risk.

Now that a brief consideration has been given to these risk areas, there is a better understanding of the potential for significant financial loss and the importance of a fraud risk assessment at the planning stage of a project.

So why don't government, public sector and private sector projects introduce anti-fraud risk assessment within projects?