



FRAUD AWARENESS TRAINING

BENCHMARKING REPORT



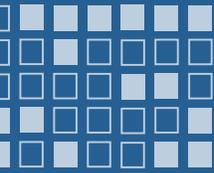
ACFE[®]

Association of Certified Fraud Examiners

TABLE OF CONTENTS

■ Key findings	3
■ Introduction	4
■ Methodology	4
■ Is fraud awareness training offered?	5
■ Why is training not offered?	6
■ Who receives the training?	7
■ How does training vary by role?	8
■ How much training is provided?	10
■ Who conducts the training and how?	12
■ Which topics does the training cover?	14
■ How effectively does the training meet its objectives?	16
■ How is the training evaluated and updated?	18
■ How are training budgets expected to change?	20
■ Demographics of survey respondents.	22

KEY FINDINGS



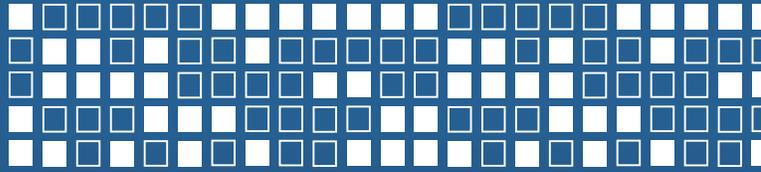
71%
of organizations
provide fraud awareness
training to employees.

The most commonly covered topic
is red flags of fraud, which is included in

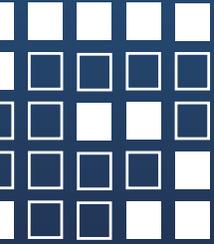
91%
of organizations'
fraud awareness training programs.

The role least likely to receive fraud
awareness training is the
board of directors, with

14%
of organizations
providing no fraud awareness
training to their board.



66% of organizations
make fraud awareness training
mandatory for all employees.

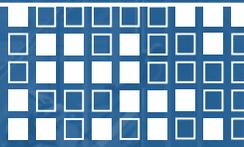


Fraud awareness training is
provided at least in part by
internal personnel at
85%
of organizations.

Online, on-demand training modules are
the most popular approach, present in

78%
of organizations'
fraud awareness training programs.





INTRODUCTION



One of the most important components of any effective anti-fraud program is fraud awareness training for an organization's employees, officers and directors. Effective fraud awareness training can help an organization better mitigate general, organizational or industry-specific fraud risks, increase the effectiveness of other anti-fraud controls, and ensure that anti-fraud policies and reporting protocols are followed.

While there is no one-size-fits-all approach to fraud awareness training, understanding how organizations approach this component of their anti-fraud program can help you benchmark such initiatives and identify best practices. To assist with this, we conducted a survey of ACFE members, exploring the way organizations develop, implement, evaluate, and support their programs. By reviewing the results of this survey, you can assess your organization's fraud awareness training efforts and determine whether improvements or updates might be necessary.

METHODOLOGY

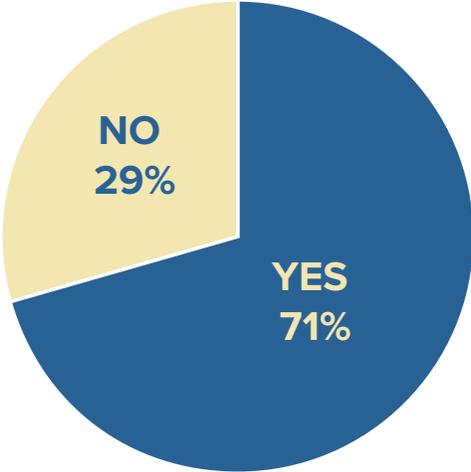
In late January 2021, we sent a 19-question survey to 81,256 ACFE members. Respondents were asked to share information about their organization's fraud awareness training programs and policies. Survey responses were collected anonymously. We received a total of 1,836 responses, 1,706 of which were usable for the purposes of this report. This report provides a summary of respondents' answers to the survey questions.



IS FRAUD AWARENESS TRAINING OFFERED?

Fraud awareness training proved to be popular among survey respondents, with a large majority (71%) indicating that their organization provides some form of fraud awareness training to its employees.

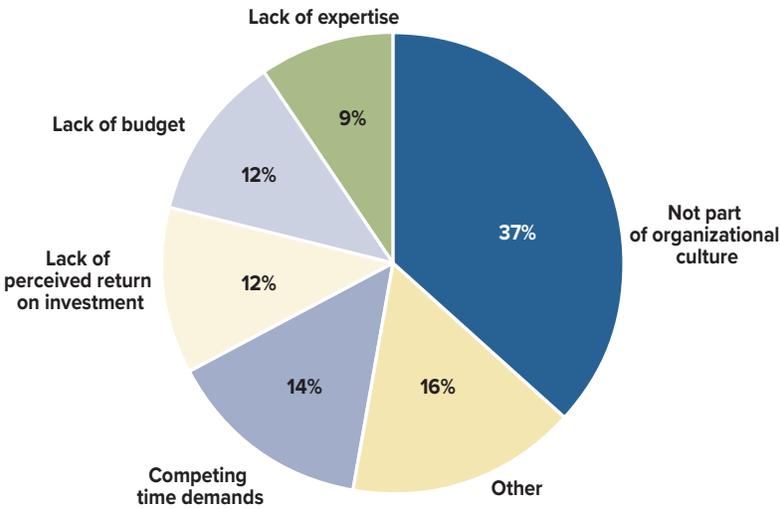
FIG. 1 Does your organization have a fraud awareness training program?



WHY IS TRAINING NOT OFFERED?

Of the respondents whose organizations did not offer fraud awareness training, the most commonly cited reason was that such training is not part of the organizational culture (37%). Other reasons cited for a lack of fraud awareness training included competing time demands (14%), a lack of budget (12%), and a lack of perceived return on investment (12%).

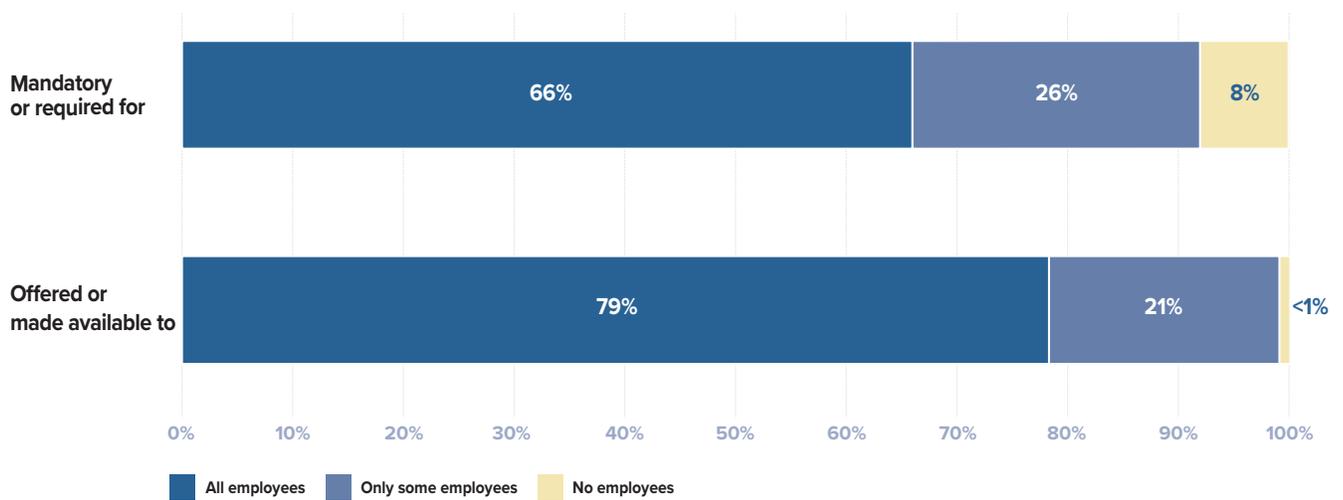
FIG. 2 What is the primary reason your organization does not have a fraud awareness training program for its employees?

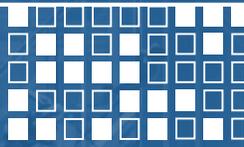


WHO RECEIVES THE TRAINING?

Our data shows that organizations approach the question of who should receive fraud awareness training in different ways. Some might only offer training to some employees on a voluntary basis, while others might require all employees to undergo training. Nearly 80% of survey respondents stated that their organizations offer fraud awareness training to all employees, with two-thirds of organizations making it mandatory for the full staff. In contrast, 26% only require some employees to participate in the training, and 8% do not make the training mandatory for any employees.

FIG. 3 Fraud awareness training is:





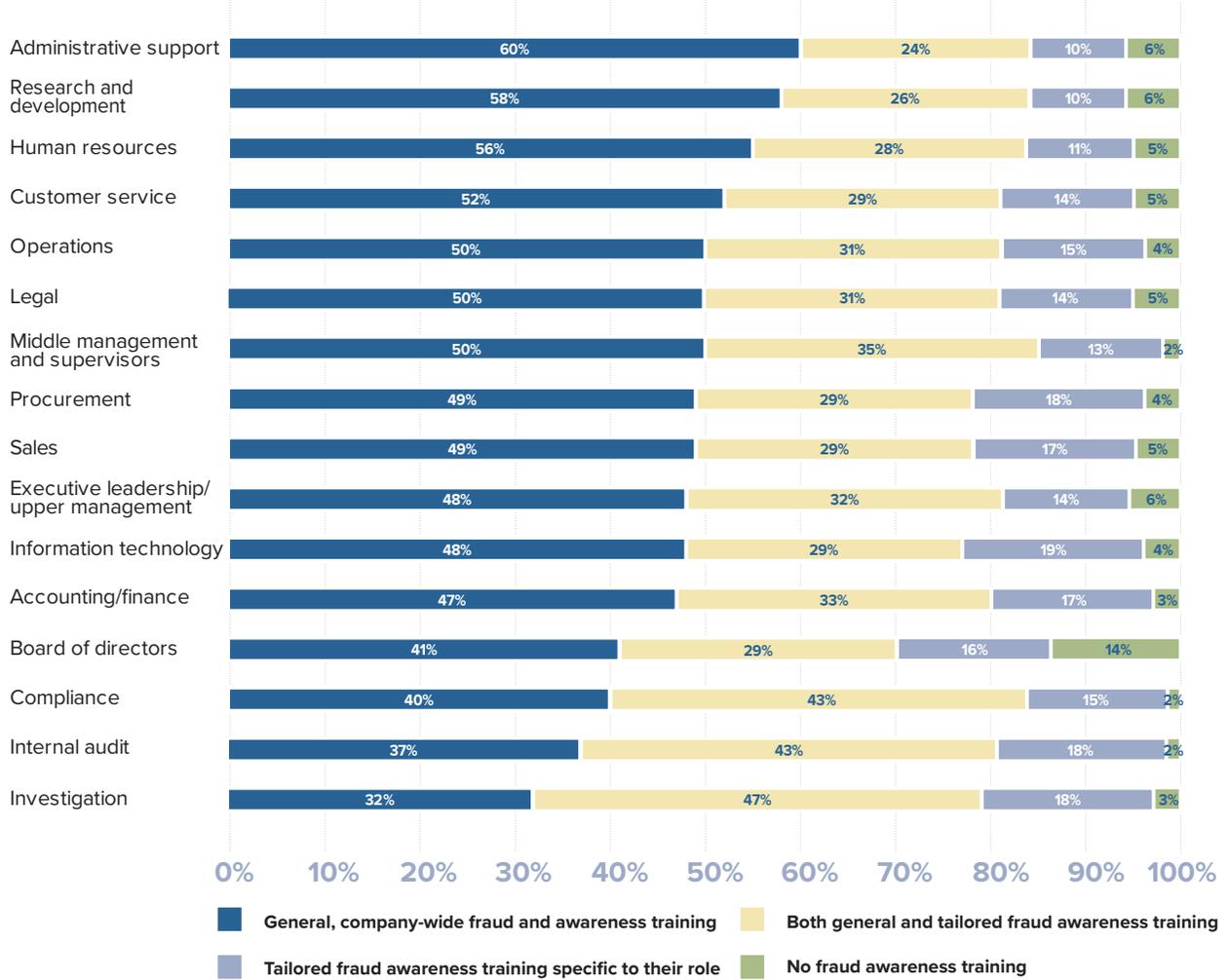
HOW DOES TRAINING VARY BY ROLE?

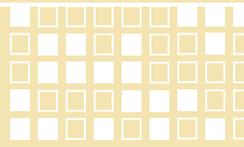


The level of the training's specialization might also vary among different departments or roles within the organization. Offering specialized, or tailored, fraud awareness training to certain roles or departments helps organizations address specific fraud risks or concerns that are more relevant to those individuals. At organizations that offer fraud awareness training, the roles or departments that most commonly receive tailored training specific to their role are investigation (65%), internal audit (61%), and compliance (58%).

On the other end of the training specialization scale, the roles that are least likely to receive tailored fraud awareness training are administrative support (34%), research and development (36%), and human resources (39%). Some organizations do not offer either tailored or general fraud awareness training to certain roles or departments. The role least likely to receive any fraud awareness training is the board of directors; 14% of respondents indicated that their board does not receive fraud awareness training at all, which was more than double the percentage of any other role.

FIG. 4 What type of fraud awareness training is provided to employees in various roles?





HOW MUCH TRAINING IS PROVIDED?

Almost half of the organizations (46%) that offer fraud awareness training to employees do so on an annual basis. More-frequent training was much less common, with 11% of respondents' organizations offering training semi-annually (two times per year), and 8% offering it on a quarterly basis.

Eleven percent of respondents' organizations do not attach a time requirement to their fraud awareness training.

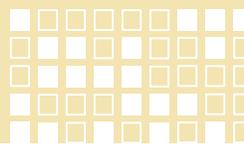


FIG. 5 How frequently does your organization conduct fraud awareness training?

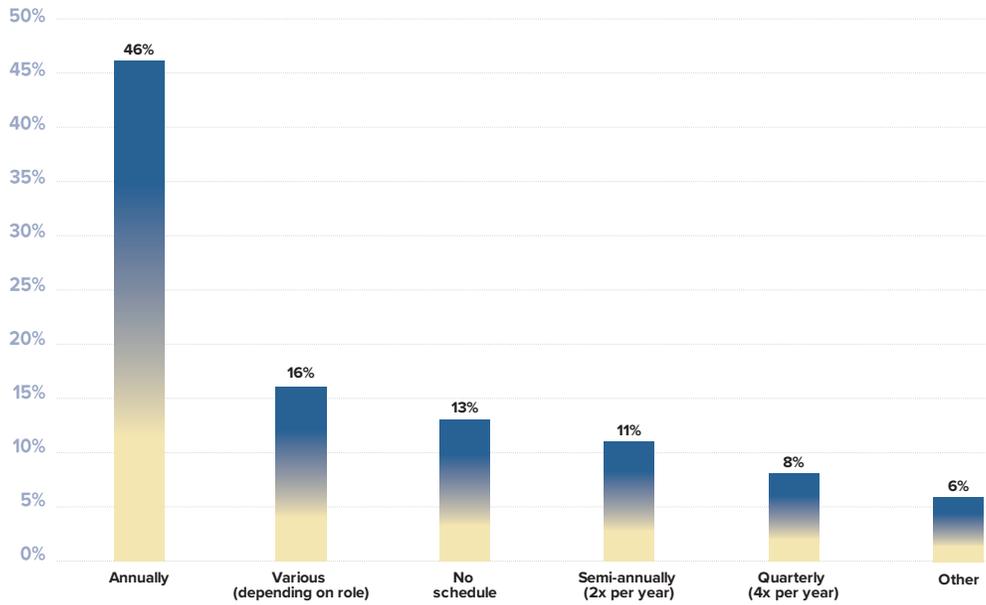
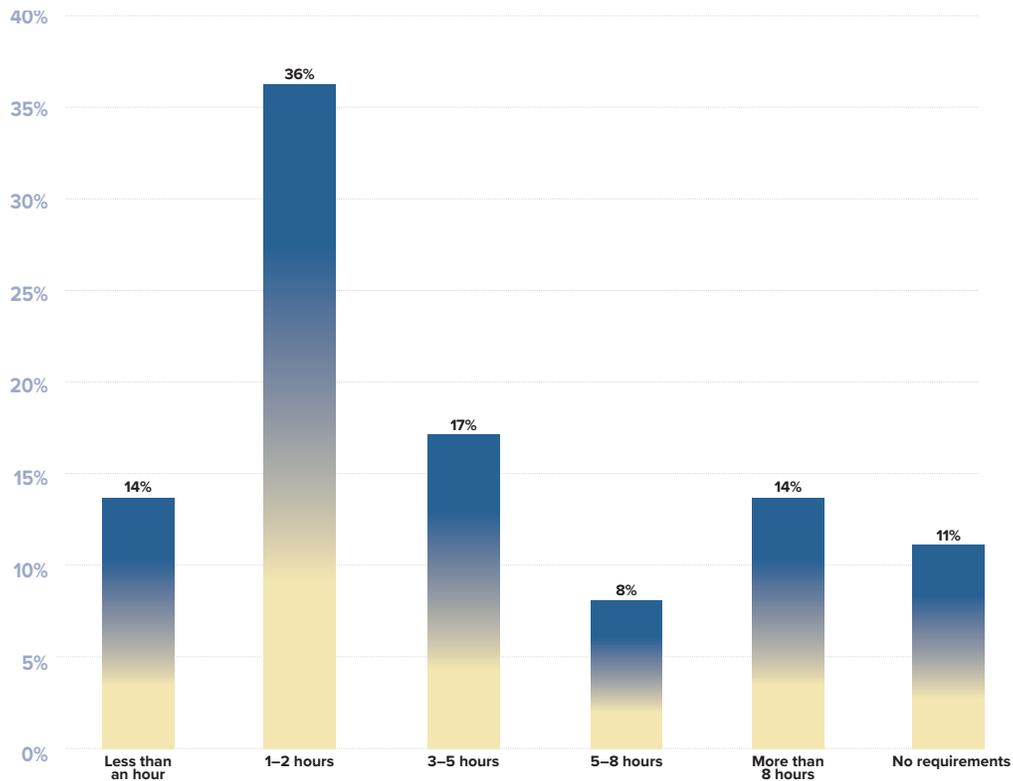
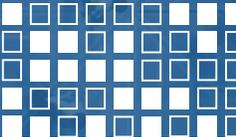
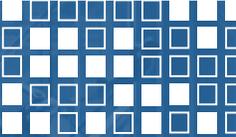


FIG. 6 How much time are employees required to spend on fraud awareness training each year?





WHO CONDUCTS THE TRAINING AND HOW?



Numerous options exist for organizations when it comes to who conducts their fraud awareness training and which approaches or formats they utilize. Most organizations (85%) count on internal personnel, at least in part, to conduct their fraud awareness training, with only 12% relying solely on external providers.

Among the approaches used by organizations, online, on-demand training modules are by far the most common approach, with 78% of respondents' organizations incorporating that format. Half of respondents' organizations conduct fraud awareness training in a live setting with an instructor leading the training. Only one-third of organizations incorporate some form of test or quiz after the training to gauge employee learning and retention.

FIG. 7 Who conducts the fraud awareness training?

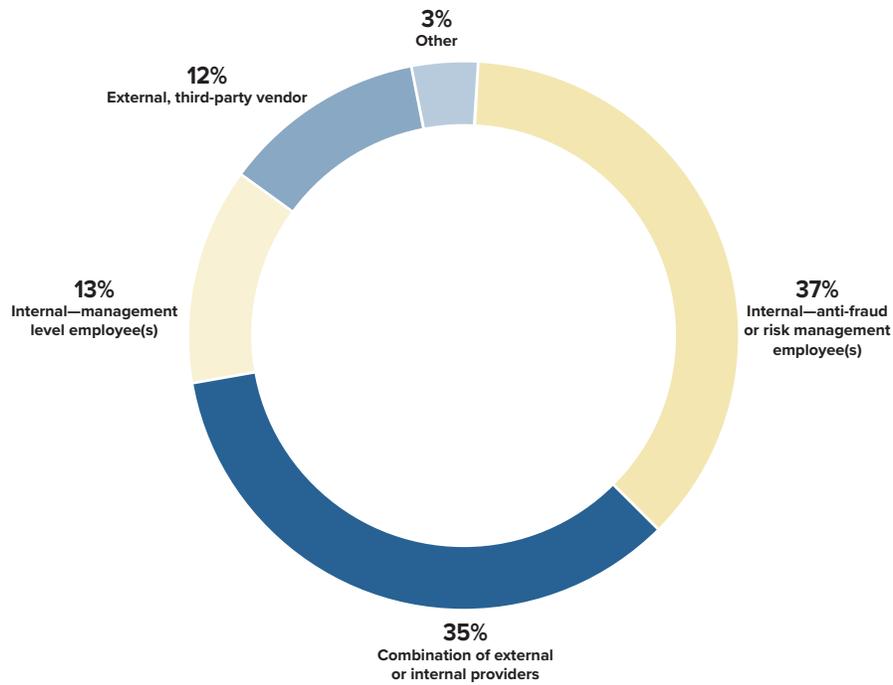
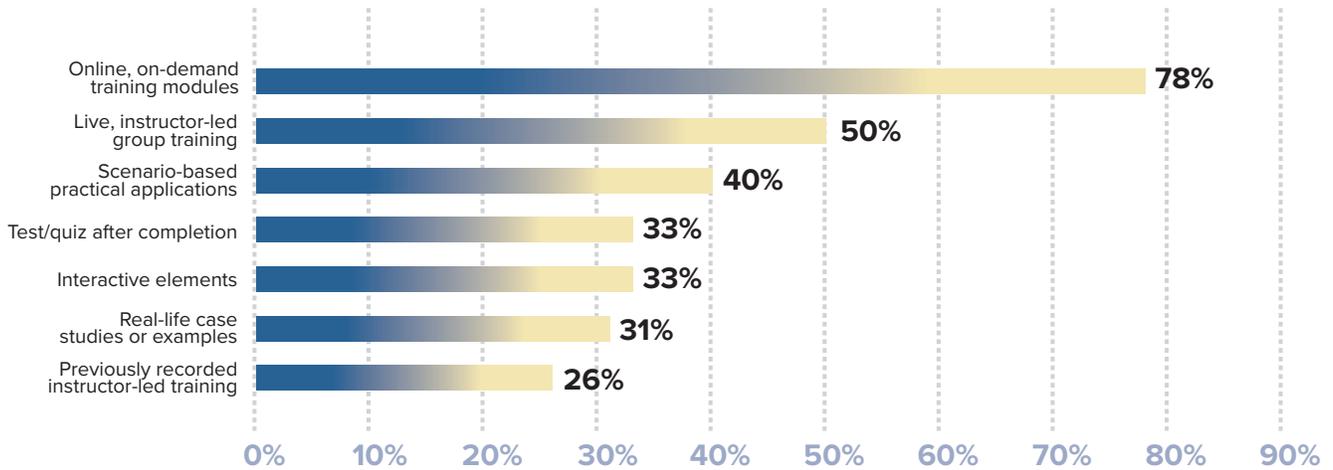
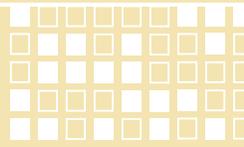


FIG. 8 Which instructional approaches does your fraud awareness training include?





WHICH TOPICS DOES THE TRAINING COVER?

Our findings reveal a high degree of consistency among organizations in terms of topics covered in their fraud awareness training: More than 80% of organizations either already cover or plan to cover each topic included in this survey. Even the least popular topic, past organizational fraud issues or cases, is currently featured in 69% of organizations' training. The most commonly covered topic is red flags of fraud, which is included in 91% of organizations' training, followed closely by ethics, organizational anti-fraud policies, and reporting procedures, each covered in 89% of respondents' training programs. The topics respondents most expected their organizations to add to their fraud awareness training programs were financial reporting fraud (15%) and fraud by vendors or contractors (15%).

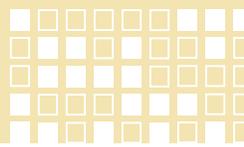
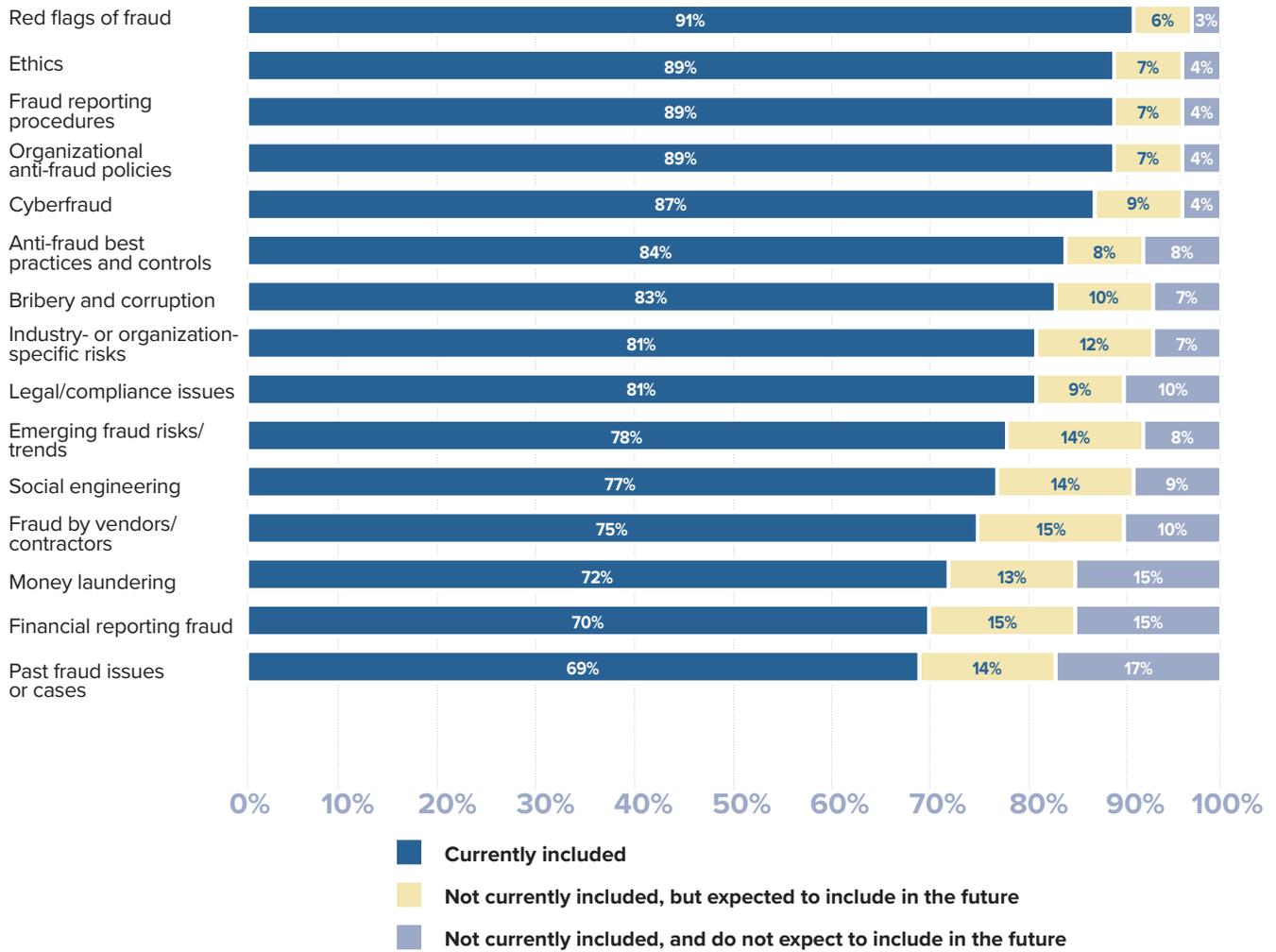


FIG. 9 Which topics are covered in the fraud awareness training?





HOW EFFECTIVELY DOES THE TRAINING MEET ITS OBJECTIVES?



Survey participants were asked to rank the importance of a series of eight objectives for their fraud awareness training. The respondents' three most important objectives, by average ranking, are (1) informing employees about general fraud issues and risks, (2) covering material and content relevant to their organization, and (3) specifying actions employees can take to help prevent or detect fraud.

Respondents were then asked how strongly they agree that their organizations' training programs effectively accomplish each of those objectives. The three objectives that ranked as respondents' top priorities were also the three objectives that respondents most agreed their organizations' training programs accomplish; in other words, respondents' training programs are most effective in the areas they should be, according to organizational objectives for the training. Interestingly, the two objectives involving tangible results—leading to a reduction in fraud occurrence and leading to an increase in tips—both ranked as the least important objectives by respondents and garnered the least amount of agreement that their organization's training accomplished those objectives.

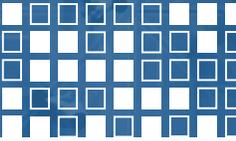
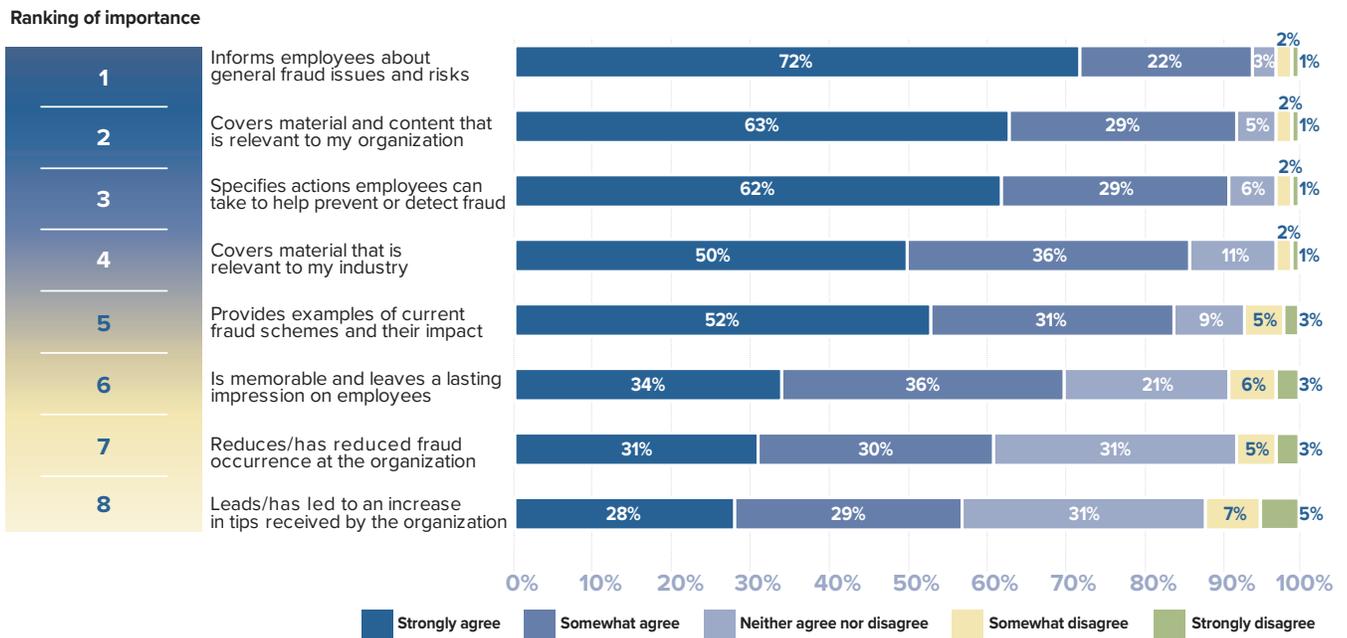
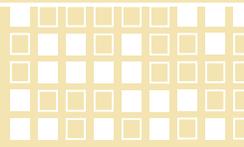


FIG. 10 What are the most important objectives for fraud awareness training and how effectively is your program meeting those needs?





HOW IS THE TRAINING EVALUATED AND UPDATED?

As with any other policies and procedures, fraud awareness training programs should be regularly evaluated and updated to stay current and effective. We asked participants what criteria their organizations use to evaluate their training programs and how often they update their training. The most common methods of program evaluation are employee feedback or surveys (39%), employee training completion rates (17%), and trends in fraud occurrence at the organization (17%). Our data also shows that more than three-quarters of organizations review and update their training programs on an annual basis.

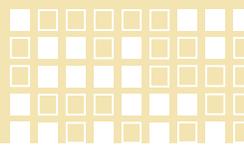


FIG. 11 How is the effectiveness of the fraud awareness training evaluated?

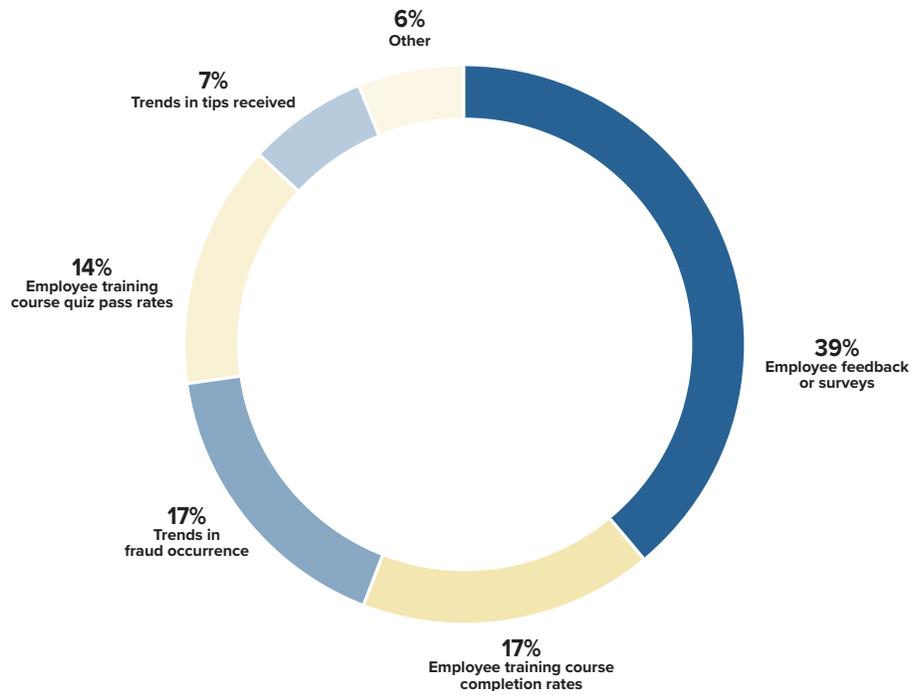
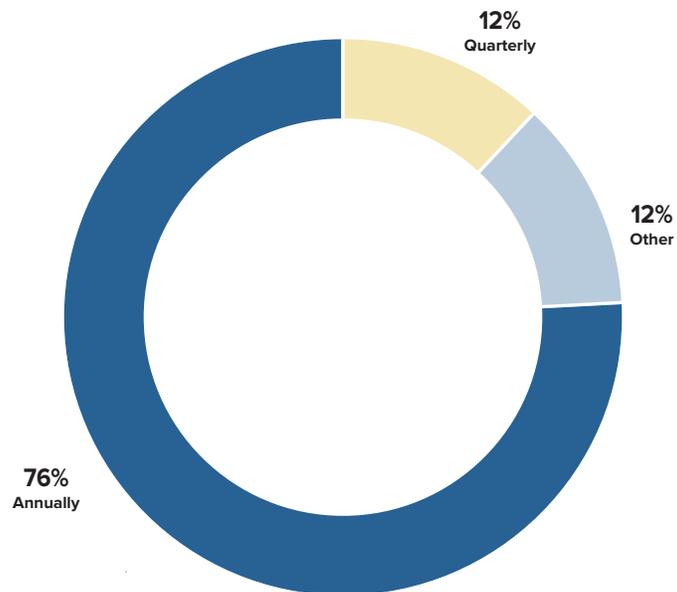
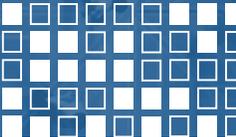
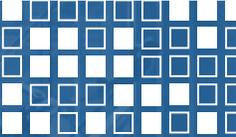


FIG. 12 How often is your fraud awareness training reviewed and updated?

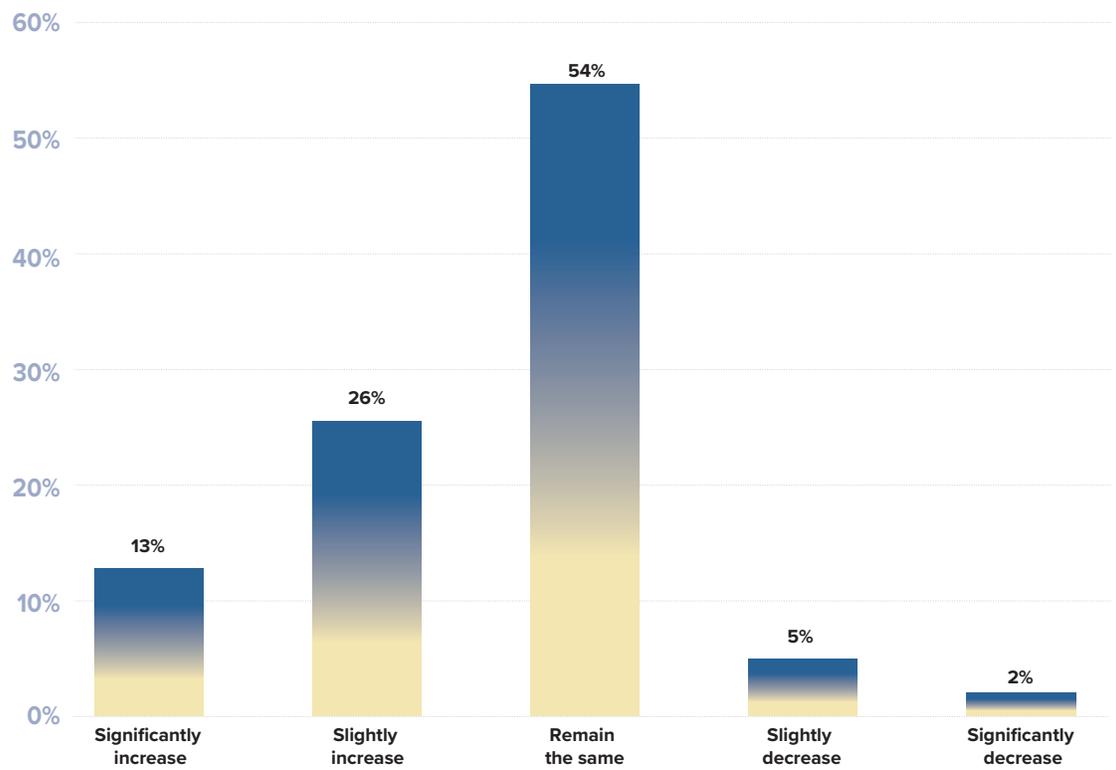


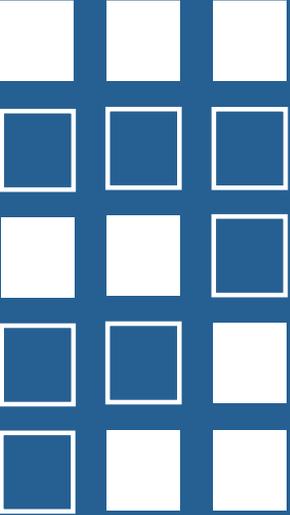
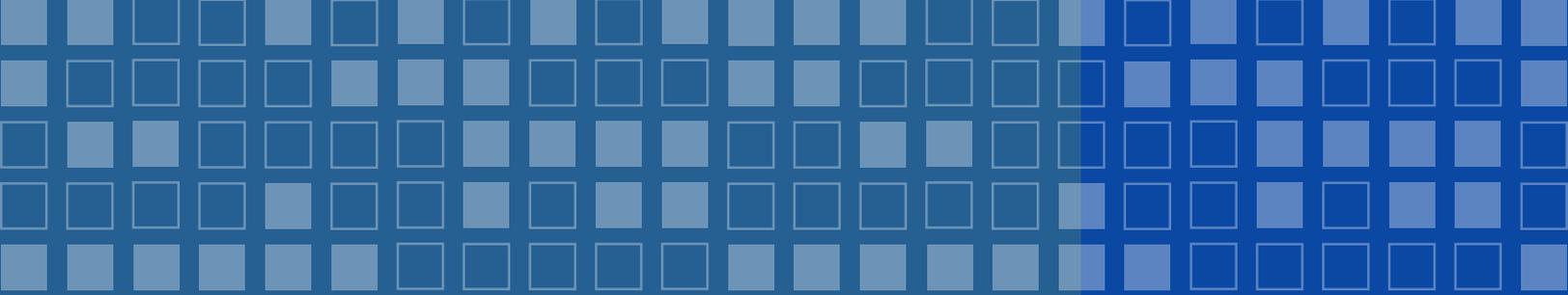


HOW ARE TRAINING BUDGETS EXPECTED TO CHANGE?

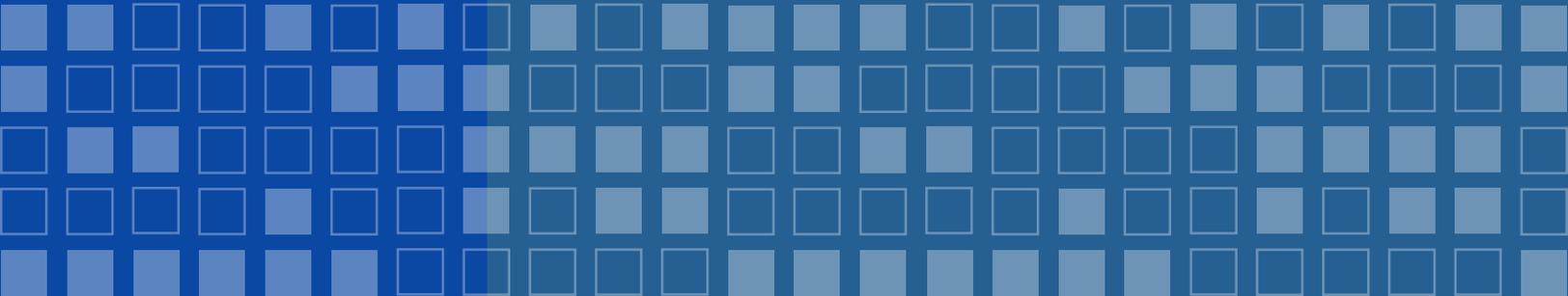
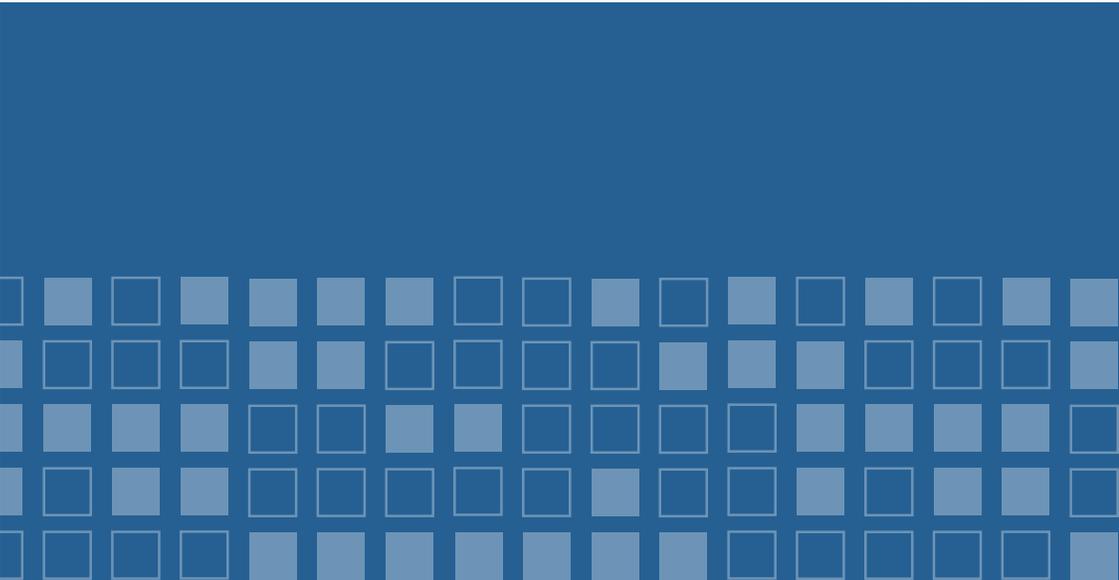
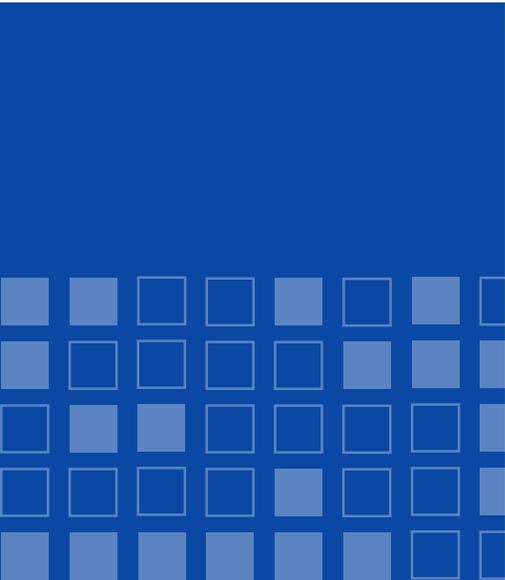
When asked whether they expect their organizations to increase or decrease their budgets for fraud awareness training, nearly 40% noted an anticipated increase, with 13% expecting a significant increase and 26% expecting a slight increase. More than half of respondents (54%) expect their organizations' fraud awareness training budgets to remain the same, and only 7% of respondents expect a decrease.

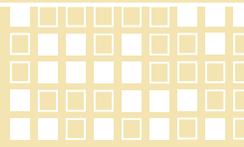
FIG. 13 How is your organization's budget for fraud awareness training expected to change over the next year?





DEMOGRAPHICS OF SURVEY RESPONDENTS





INDUSTRY

Almost half of the survey respondents work in either the banking and financial services industry (24%) or the government and public administration sector (23%). The only other industry with more than 10% of survey respondents was the professional services category, with 11%. The remaining responses were spread across 21 other categories.

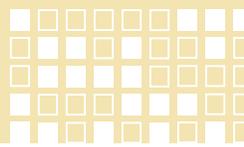


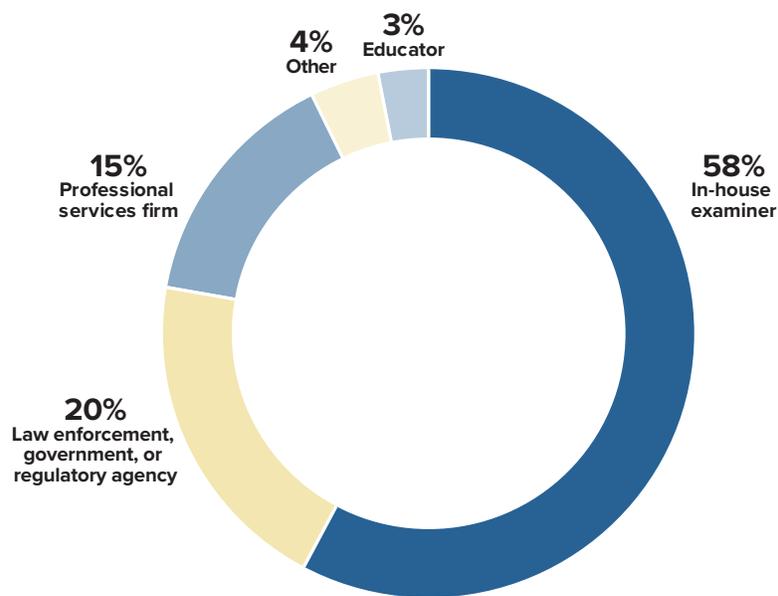
FIG. 14 Industry of respondents' organizations



PROFESSIONAL ROLE

The majority of survey respondents (58%) work as an in-house fraud examiner, conducting fraud-related engagements within a single company or agency. Another 20% work for a law enforcement, government, or regulatory agency that conducts fraud-related engagements for other parties under their employing agency's authority, and 15% work for professional services firms that conduct fraud-related engagements on behalf of client organizations.

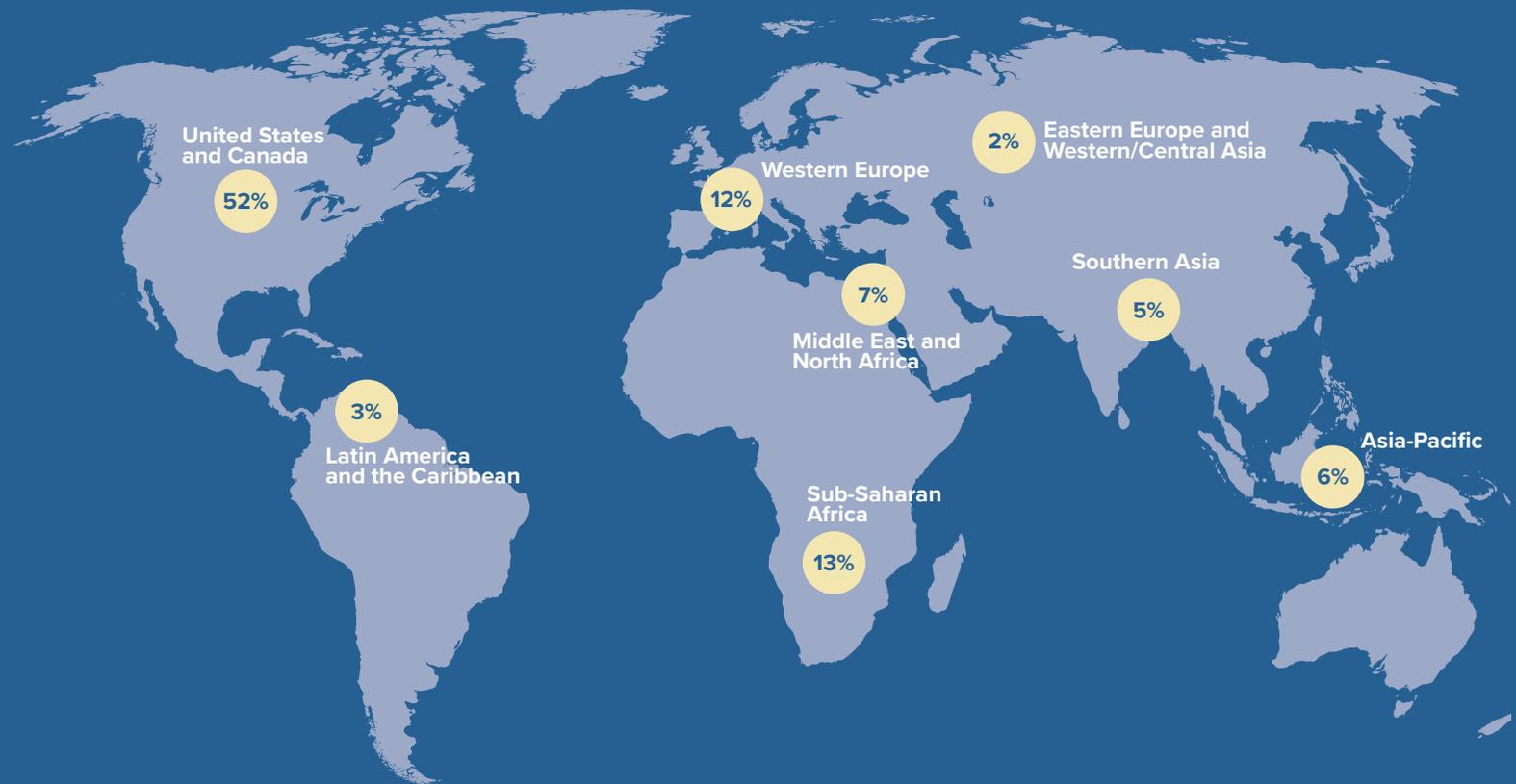
FIG. 15 Respondents' professional roles



REGION

More than half of survey respondents' organizations are based in the United States and Canada (52%), while more than 10% are located each in Sub-Saharan Africa (13%) and Western Europe (12%). Smaller proportions of respondents' organizations are based in the Middle East and North Africa (7%), the Asia-Pacific region (6%), Southern Asia (5%), Latin America and the Caribbean (3%), or Eastern Europe and Western/Central Asia (2%).

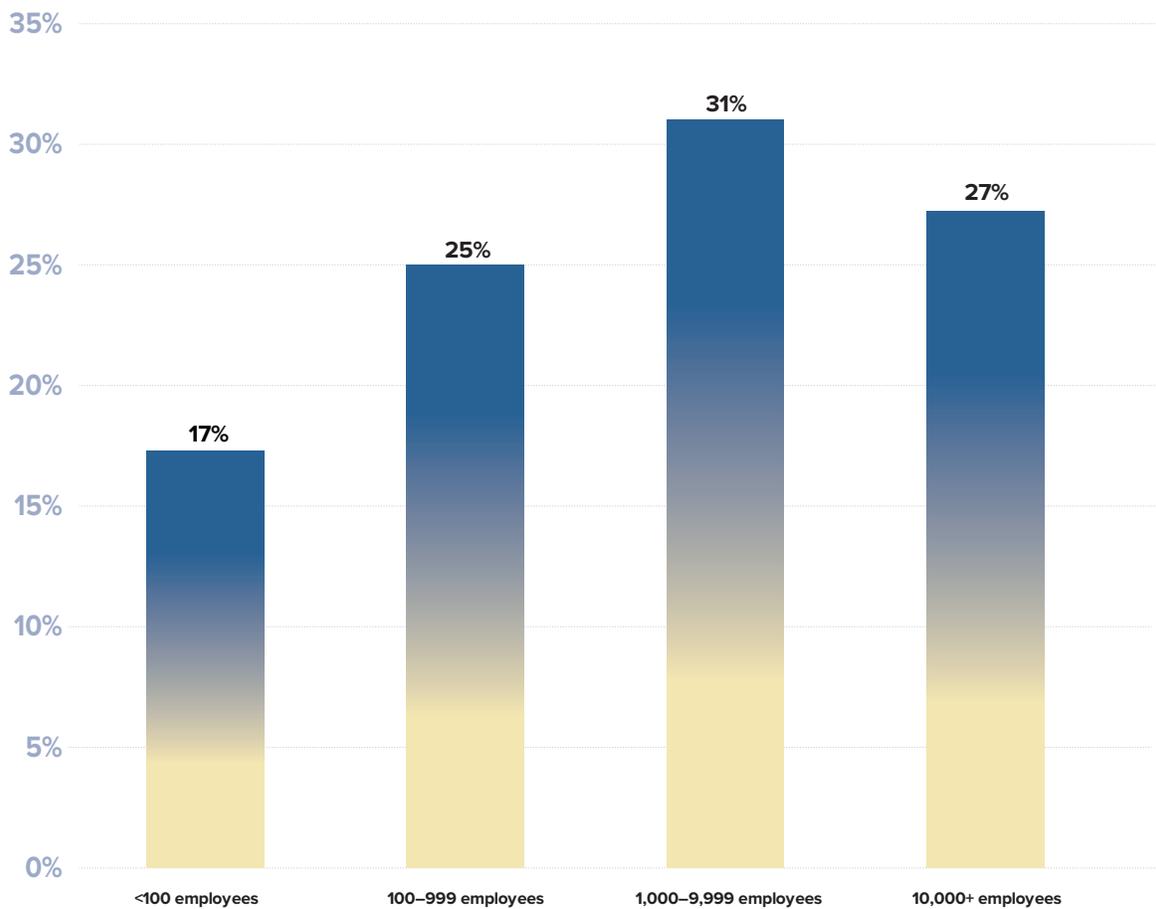
FIG. 16 Region of respondents' organizations



ORGANIZATION SIZE

We also asked survey respondents about the size of their organization in terms of total employees. The most common response was between 1,000 and 9,999 employees (31%), with similar proportions of respondents working for organizations employing either more than 10,000 individuals (27%) or between 100 and 999 people (25%). Smaller organizations with fewer than 100 employees represented 17% of the responses.

FIG. 17 Size of respondents' organizations



ABOUT THE ACFE

Founded in 1988 by Dr. Joseph T. Wells, CFE, CPA, the ACFE is the world's largest anti-fraud organization and premier provider of anti-fraud training and education. Together with more than 85,000 members in more than 180 countries, the ACFE is reducing business fraud worldwide and providing the training and resources needed to fight fraud more effectively. The positive effects of anti-fraud training are far-reaching. Clearly, the best way to combat fraud is to educate anyone engaged in fighting fraud on how to effectively prevent, detect and investigate it. By educating, uniting and supporting the global anti-fraud community with the tools to fight fraud more effectively, the ACFE is reducing business fraud worldwide and inspiring public confidence in the integrity and objectivity of the profession. The ACFE offers its members the opportunity for professional certification. The Certified Fraud Examiner (CFE) credential is preferred by businesses and government entities around the world and indicates expertise in fraud prevention and detection.

MEMBERSHIP

Immediate access to world-class anti-fraud knowledge and tools is a necessity in the fight against fraud. Members of the ACFE include accountants, internal auditors, fraud investigators, law enforcement officers, lawyers, business leaders, risk/compliance professionals and educators, all of whom have access to expert training, educational tools and resources. Members from all over the world have come to depend on the ACFE for solutions to the challenges they face in their professions. Whether their career is focused exclusively on preventing and detecting fraudulent activities or they just want to learn more about fraud, the ACFE provides the essential tools and resources necessary for anti-fraud professionals to accomplish their objectives.

CERTIFIED FRAUD EXAMINERS

Certified Fraud Examiners (CFEs) are anti-fraud experts who have demonstrated knowledge in four critical areas: Financial Transactions and Fraud Schemes, Law, Investigation, and Fraud Prevention and Deterrence. In support of CFEs and the CFE credential, the ACFE:

- Provides bona fide qualifications for CFEs through administration of the CFE Exam
- Requires CFEs to adhere to a strict code of professional conduct and ethics
- Serves as the global representative for CFEs to business, government and academic institutions
- Provides leadership to inspire public confidence in the integrity, objectivity and professionalism of CFEs

For more information, visit ACFE.com.



ACFE[®]

Association of Certified Fraud Examiners

GLOBAL HEADQUARTERS • THE GREGOR BUILDING

716 West Ave • Austin, TX 78701-2727 • USA

Phone: (800) 245-3321 / +1 (512) 478-9000

Web: ACFE.com • info@ACFE.com

© 2021 Association of Certified Fraud Examiners, Inc. All rights reserved. "ACFE," "CFE," "Certified Fraud Examiner," "Association of Certified Fraud Examiners," the ACFE seal, 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.