

## Less than half of privately held businesses have specialist staff to detect fraud

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Percentage of businesses employing specialists to detect fraud		
	Philippines	72
	Mexico	71
	Russia	63
	Armenia	59
	United States	59
	South Africa	56
	Botswana	53
	Turkey	52
	Thailand	51
	India	51
<b>All businesses</b>		
	Canada	43
	Argentina	43
	Netherlands	41
	Australia	40
	Brazil	38
	Italy	37
	Malaysia	37
	United Kingdom	37
	Ireland	36
	Spain	36
	New Zealand	31
	Germany	31
	Singapore	31
	Poland	30
	Belgium	29
	Greece	29
	Hong Kong	28
	Sweden	27
	Taiwan	27
	France	23
	Vietnam	19
	Denmark	17
	Japan	17

Source: Grant Thornton IBR 2008

Less than half (45 per cent) of privately held businesses have specialist staff in place to detect and prevent fraud, according to the International Business Report, produced by Grant Thornton International. Regionally, the NAFTA (North American Free Trade Agreement) countries have the most PHBs reporting specialist staff (58 per cent) while at 26 per cent, East Asia has the lowest percentage.

Ken Sharp, Grant Thornton International global leader for assurance services says: "Globally, fraud costs businesses billions of dollars each year. It is important for privately held businesses to take steps to protect themselves against fraud. Whether specialists are employed or not, processes should be in place to ensure that potentially fraudulent activity is caught in the early stages. As the global economy weakens, and jobs are under threat, the temptation to commit fraud could increase. Businesses should be extra vigilant in these difficult times to ensure that their business is protected."

In those businesses which employ people to detect and prevent fraud, the number of people involved in anti-fraud activity has increased by 12 per cent globally. Regionally, NAFTA countries lead the way with a 16 per cent increase, while the European Union reports a six per cent increase.

The Philippines not only has the highest percentage of PHBs reporting having employees in place to detect and prevent fraud (72 per cent), but those businesses also report the highest increase of those employees (60 per cent).

Juancho Robles, Risk management partner at the Grant Thornton firm in Philippines says, "Philippine business owners are increasingly becoming aware of the need to install an internal system to combat fraud perhaps due to the recent spate of news on public corruption. Based on my experience, however, many are unsure of the appropriate prevention and detection methods to handle common business fraud, particularly misappropriation of company assets and resources as a result of inadequate segregation of duties and misplaced trust on key personnel."

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About IBR:

Grant Thornton International started a major annual survey of the attitudes and expectations of small and medium-sized businesses in 1992 called the European Business Survey (EBS). In 2003 the research project was widened to an international perspective covering medium-sized businesses and renamed the International Business Owners Survey (IBOS).

In 2007, the survey's name was changed from IBOS to the International Business Report (IBR). The IBR survey draws upon 16 years of trend data for original EBS participants and 6 years for original IBOS countries. The 16 year trend data is available for: France, Germany, Greece, Ireland, Italy, Netherlands, Spain, Sweden and the United Kingdom, while the 6 year trend data is available for Australia, Canada, Hong Kong, India, Japan, Mexico, Russia, Singapore, South Africa and the United States.

Grant Thornton International will donate US\$5 to UNICEF for every completed IBR questionnaire. In 2008, this will result in a donation of over US\$39,000.

The research was conducted by Experian Business Strategies Limited. To find out more about IBR and to obtain details of IBR reports and results please visit [www.internationalbusinessreport.com](http://www.internationalbusinessreport.com).