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COMPANY CULTURE AND ITS IMPACT ON FRAUD

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Fraud is one of the many threats business owners face and developing a program meant to detect, deter and prevent fraud is critical. While hard internal controls are important, perhaps the most vital aspect of an anti-fraud strategy is a company's culture. Collusion between management, employees and even third parties can make fraud difficult to detect or deter. In a culture that values integrity, it is more likely that collusion will be reported and, even better, that collusion will be prevented from occurring in the first place. The challenge to establishing and nurturing such a culture is that it can involve more "feel good" type of actions such as showing employees that their opinions matter and emphasizing a team dynamic.

However, human capital can be a company's most valuable investment and developing the right culture will not only help mitigate fraud but also contribute to its long-term success.