

# **TO MEASURE THE LEVEL OF AWARENESS IN THE EXTERNAL AUDITORS IN DETECTING AND PREVENTING OCCUPATIONAL FRAUD**

Prepared by: Caroline Tai Ann Chee

## **ABSTRACT**

---

Occupational fraud and abuse has been and still is a widespread problem in the auditing area. Although accounting scandals have put auditors on high alert, occupational fraud still continue to pervade in the business world. Indeed, the most obvious negative consequence of occupational fraud is the significant losses suffered by business entities. Since the most effective way to combat occupational fraud is still unknown, the external auditors are facing a challenging task in resolving this increasingly complex issue.

The overall purpose of this dissertation is to improve occupational fraud detection and prevention. Thus, it is vital to understand recent fraud combating situation, especially the awareness of external auditors. This is to improve their ability in detecting and preventing fraud. The objectives of this research are to identify the factors that affect the likelihood of fraud as well as the position level that has the higher attempt to commit fraud, to inspect the fraud techniques according to their frequency of occurrence and to recognize the effective anti-fraud measures.

Statistical Package for Social Sciences (SPSS is employed to analyze the raw data collected form a questionnaire survey of 94 respondents. From the study, integrity level of individuals is the factor that has the most influence in the risk of occupational fraud. Top management is more susceptible to occupational fraud. Fraudulent statement is the occupational fraud technique that has the highest frequency of occurrence. Internal audit department has the highest level of effectiveness in preventing occupation fraud.

This study proposes that the level of awareness in the external auditors would help to figure out the appropriate ways in detecting and preventing occupational fraud. The major findings are served as guidelines inn combating occupations fraud. Yet, further research studies on other types of fraud could also be conducted.