Grant Thornton

WEBINAR - 7 JULY 2026

Reducing fraud through proactive prevention

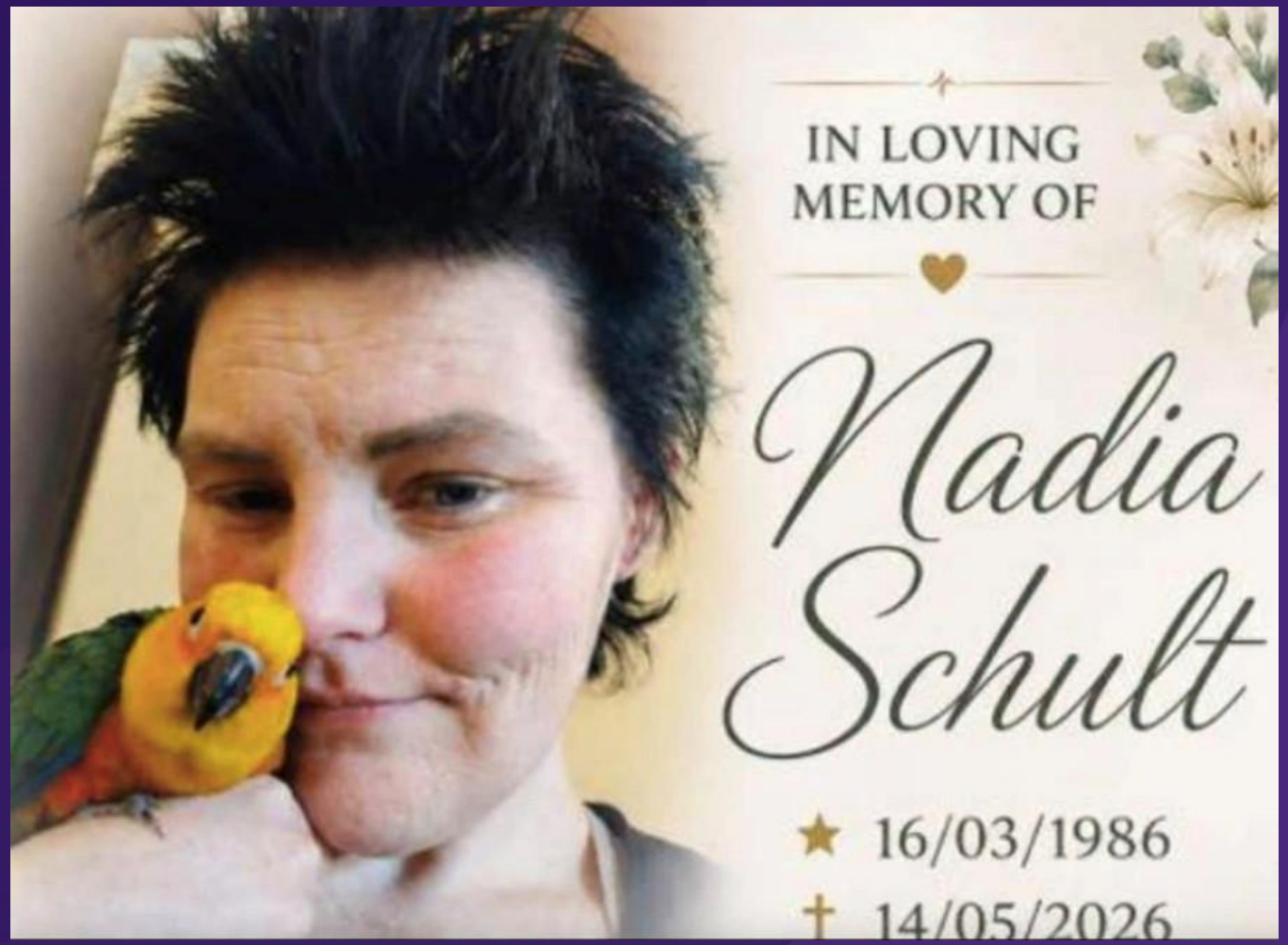


Thank you for joining us, we will begin shortly

- Please ensure that your mic is on mute unless you are contributing to the discussion
- Please use the chat box to share questions, comments, experiences
- We have dedicated slots for discussion during which we encourage attendees to switch on video / audio and share insights

We hope you enjoy this webinar

Prevention is better than cure



Grant Thornton

© Grant Thornton Botswana

"Restoring confidence requires reform, **discipline**, and **resilience-building measures** that ensure sustainable growth"

- **Mr. Lesego Moseki,** Governor of the Bank of Botswana -

Grant Thornton

© Grant Thornton Botswana

Topics

1 - Our speakers

2 - Why fraud prevention matters

3 - The reality of fraud: data and insights (ACFE-driven)

4 - Unmasking the drivers of fraud - root causes and triggers

5 - What works: fraud prevention in practice

6 - Reflection moment

7 - Embedding an ethical culture

8 - Integrated approach: from prevention to response

9 - Knowledge exchange



Grant Thornton

© Grant Thornton Botswana

Our speakers



Sanmarie Storm | Senior Manager



Gert Venter | Associate Director



Arindam Ghosh | Head of Advisory



Maria Pretorius | Director and Head of Business Risk Services

Grant Thornton

© Grant Thornton Botswana

Why fraud prevention matters

Grant Thornton

© Grant Thornton Botswana

The true cost of fraud

5%
Annual revenue lost

2,402 cases
Total losses topped USD 3.4 billion

USD 5,5 trillion
Estimated global annual losses

12 months
Average detection time

The cost of fraud is never only financial - it erodes trust and derails governance.

Source: ACFE 2026 Report to the Nations

Grant Thornton

© Grant Thornton Botswana



LOCAL CONTEXT

Botswana's 2026 National Forensic Audit Programme found **P160 billion** in contracts and payments exposed to suspected irregularity, with an estimated **P33 billion** in loss

National Forensic Audit Programme Summary Report, s.2.4.1

Grant Thornton

© Grant Thornton Botswana

The reality of fraud: data and insights (ACFE-driven)



What the data tells and why prevention pays off

Median loss per case: USD 104,000; average loss: USD 1,457,000

43% of fraud is still caught through tips, more than any other method; 55% of those tips come from employees

The longer a fraud runs, the costlier it gets: caught within 6 months → USD 40,000 median; running over 5 years → USD 1.115 million

In Government and Public Administration specifically, median loss is USD 100,000

Strongest links to lower losses and faster detection: management review (55% lower losses), proactive data monitoring (53%), code of conduct (50%), surprise audits (50%)

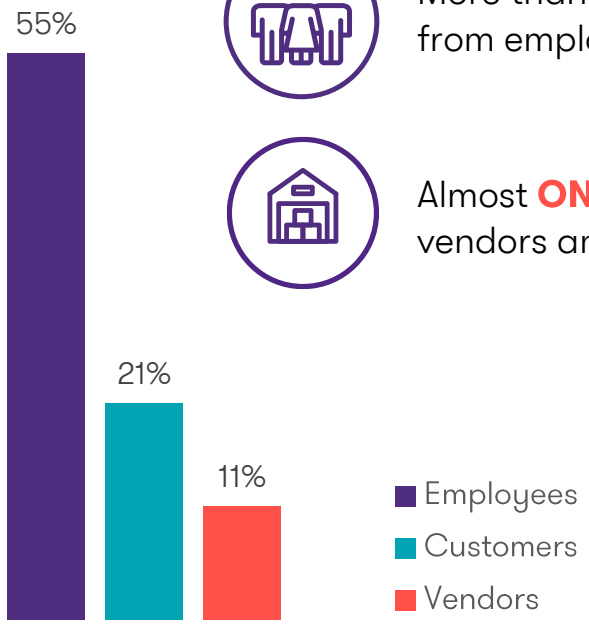
Fraud-awareness training works: trained employees are 2x+ more likely to submit a tip that leads to detection (71% vs 29%)

A combined approach - code of conduct, risk assessments, training, hotlines, dedicated fraud function - consistently outperforms any single control

Grant Thornton

© Grant Thornton Botswana

Initial detection of occupational fraud

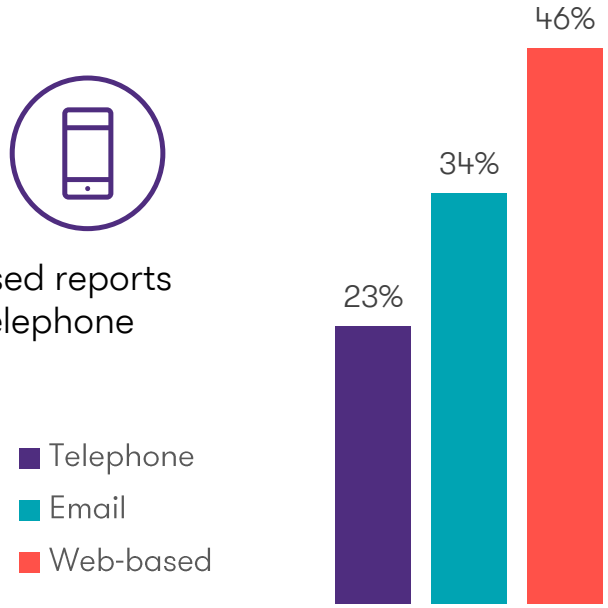


More than **HALF** of tips came from employees.

Almost **ONE-THIRD** came from vendors and customers.

The most **COMMON MECHANISMS** used to report fraud tips:

Email and web-based reports **BOTH** surpassed telephone hotlines.



Source: ACFE 2026 Report to the Nations

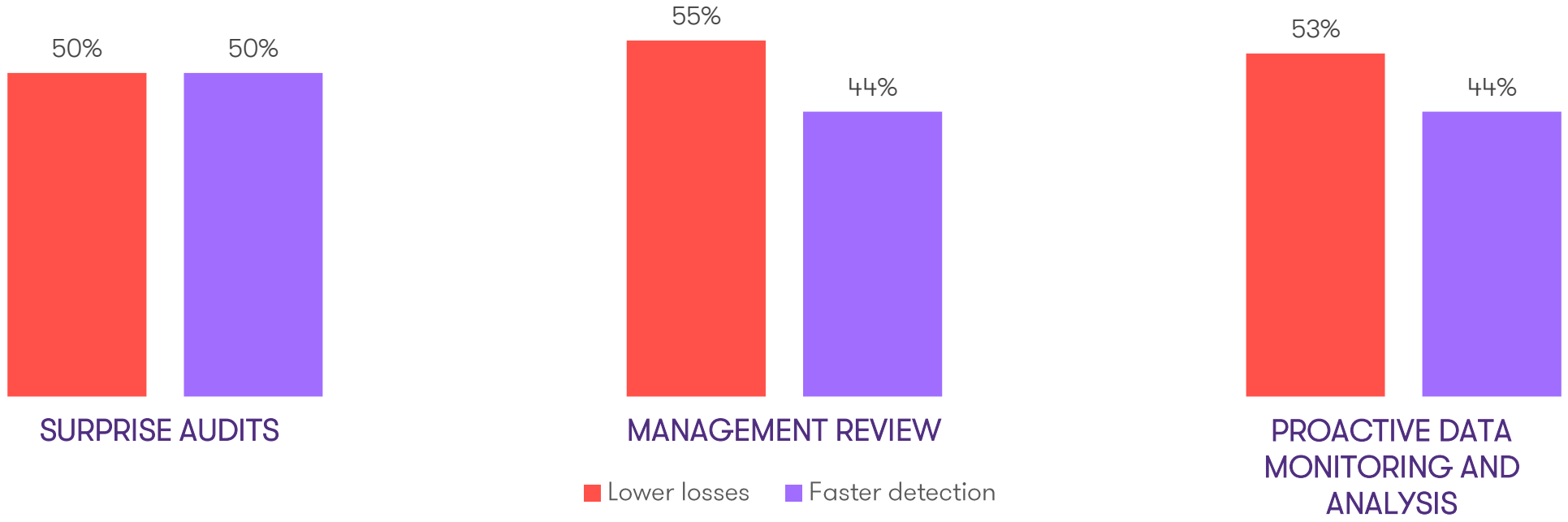
Grant Thornton

© Grant Thornton Botswana

Most effective anti-fraud controls

When a lack of internal controls was cited as the primary contributing factor to a fraud's occurrence, **MEDIAN LOSSES WERE 43% HIGHER** than overall median losses

An average, the presence of an internal control **REDUCED FRAUD LOSSES BY MORE THAN ONE-THIRD** (37% average reduction in losses for controls present vs. not present).

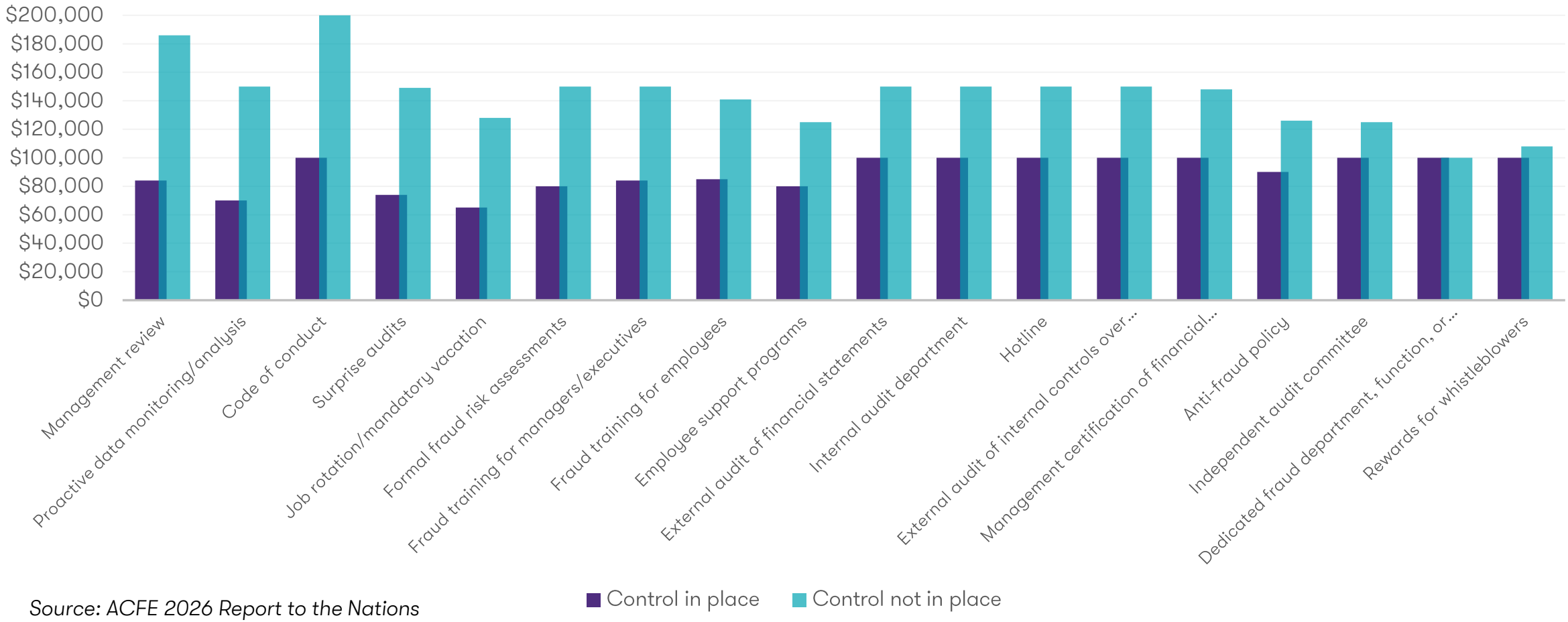


Source: ACFE 2026 Report to the Nations

Grant Thornton

© Grant Thornton Botswana

How does the presence of anti-fraud controls relate to median loss?

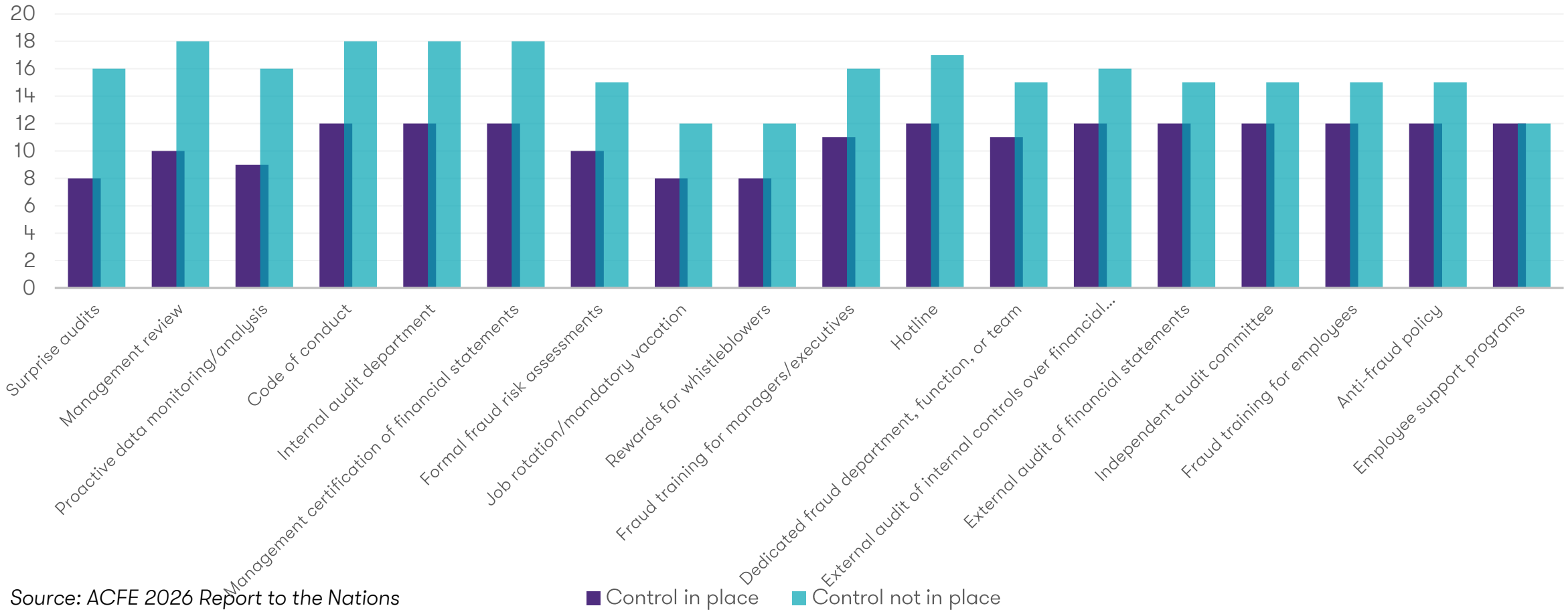


Source: ACFE 2026 Report to the Nations

Grant Thornton

© Grant Thornton Botswana

How does the presence of anti-fraud controls relate to the duration of fraud?



Source: ACFE 2026 Report to the Nations

Grant Thornton

© Grant Thornton Botswana

The effectiveness of providing fraud awareness training

A growing percentage of organizations are providing **FRAUD AWARENESS TRAINING** for their staff.

	2016		2026
Employees	**52%**	→	**67%**
Managers	**51%**	→	**66%**

Organizations that have **FRAUD AWARENESS TRAINING** have lower median losses.

Training both staff-level employees and management
$84,000 MEDIAN LOSS

Training neither
$150,000 MEDIAN LOSS

OVER 2X MORE TIPS

Employees whose organizations provided fraud awareness training to employees were **MORE THAN 2X** as likely to submit a tip that resulted in the detection of fraud.

Employee tips with and without **FRAUD AWARENESS TRAINING**

71%
Employee whistleblowers had fraud awareness training



29%
Employee whistleblowers did not have fraud awareness

Source: ACFE 2026 Report to the Nations

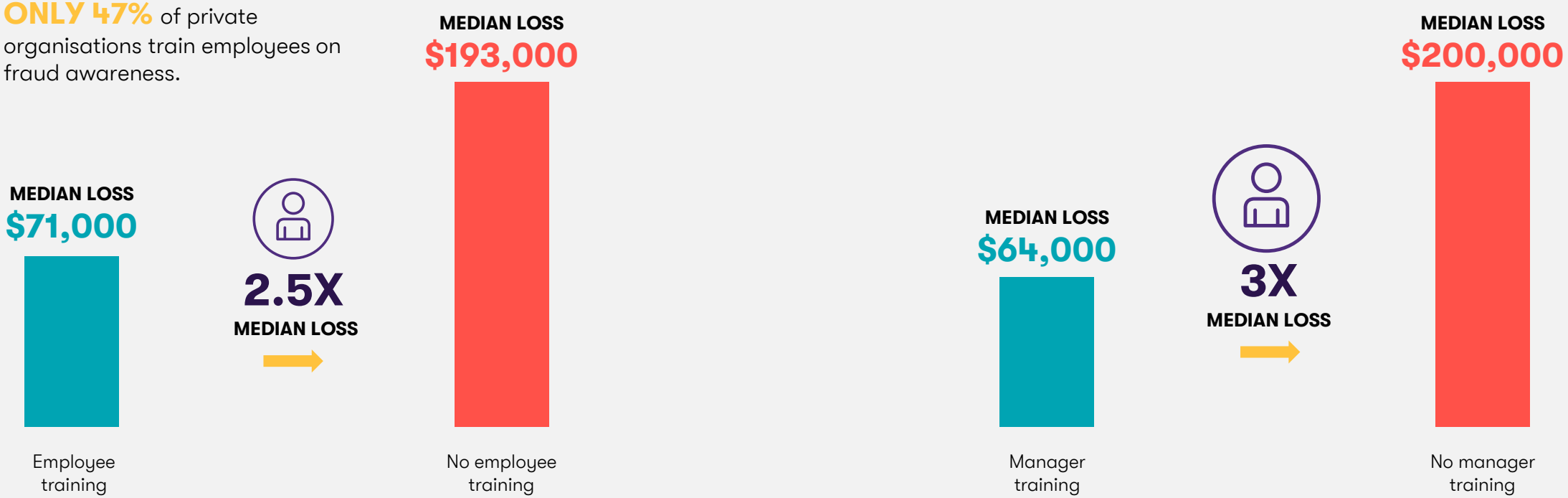
Grant Thornton

© Grant Thornton Botswana

The effectiveness of providing fraud awareness training

The impact of fraud awareness training at privately held companies

ONLY 47% of private organisations train employees on fraud awareness.



Source: ACFE 2026 Report to the Nations

Grant Thornton

© Grant Thornton Botswana



LOCAL CONTEXT

Botswana's national forensic audit 2026 found the same pattern domestically: Procurement (29%) and Governance (26%) findings together make up 56% of all findings, with 72% rated Very High or High severity

National Forensic Audit Programme Summary Report, s.2.2–2.3

Under-reporting remains a real risk: Botswana's Whistleblowing Act (2016) is built around named disclosure, not anonymous reporting (s.9(3)(a)) - a structural gap worth flagging

Grant Thornton

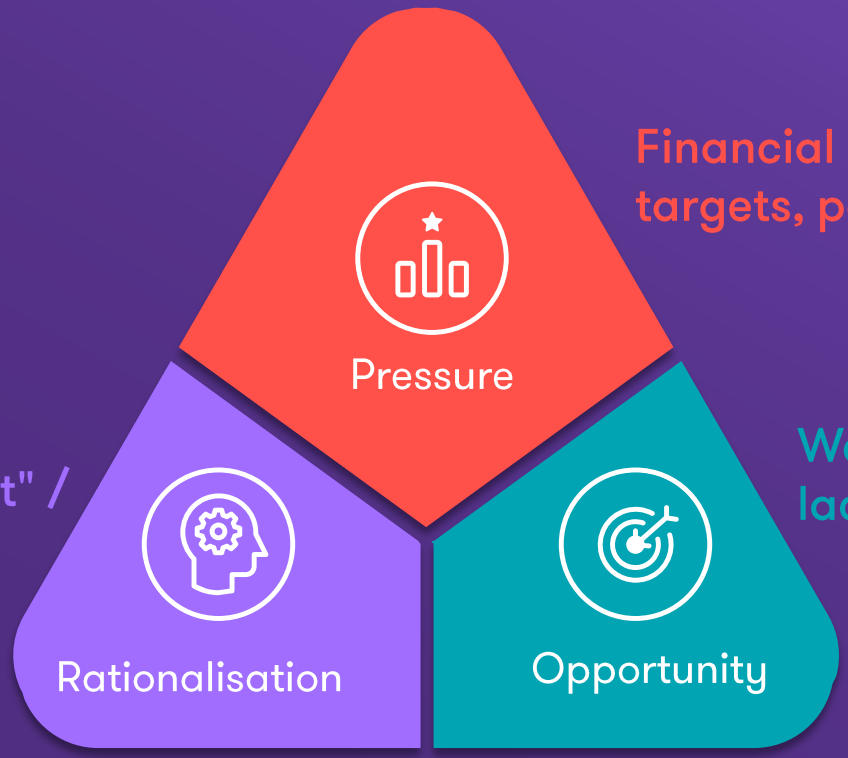
© Grant Thornton Botswana

Unmasking the drivers of fraud: root causes and triggers



The fraud triangle

Most fraud prevention programmes focus only on opportunity (controls) but neglect pressure and rationalisation. A complete prevention framework addresses all three.



Financial strain, performance targets, personal circumstances

"I'm just borrowing it" / "Everyone does it"

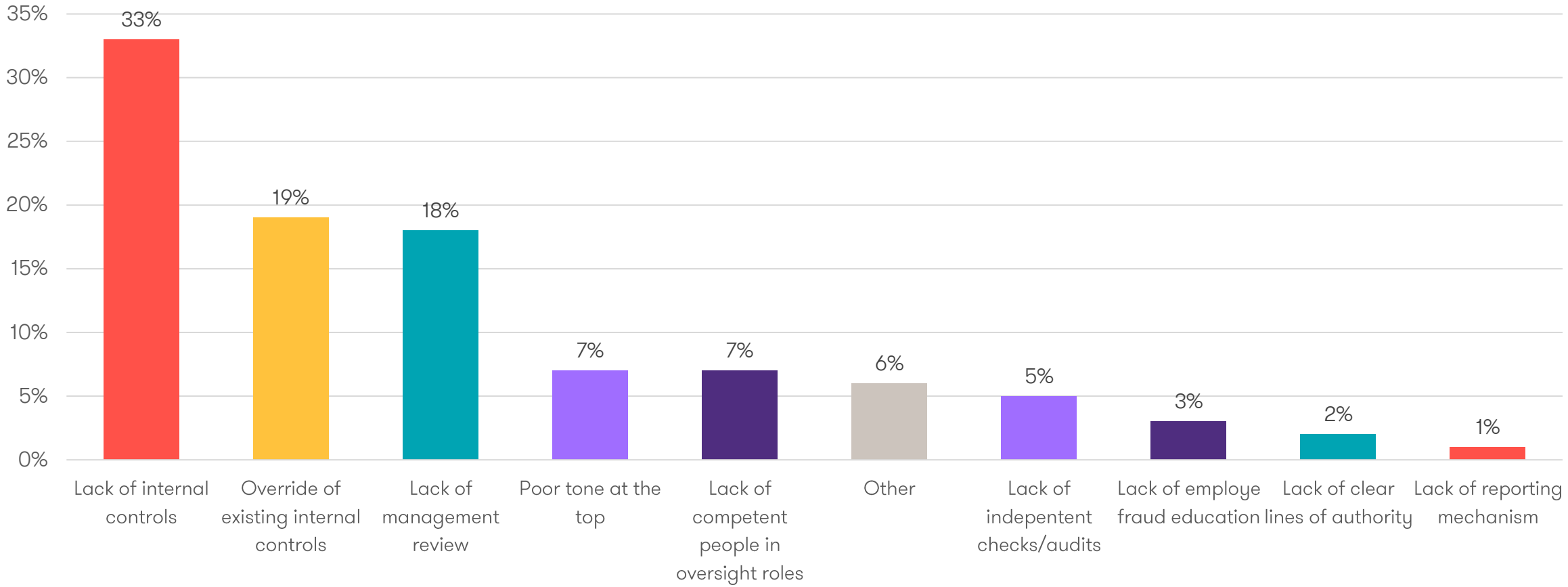
Weak controls, poor oversight, lack of segregation of duties

Grant Thornton

© Grant Thornton Botswana

From symptoms to root causes

Common post-incident conclusions such as 'lack of oversight' or 'non-compliance with policy' are symptoms, not root causes.



Grant Thornton

© Grant Thornton Botswana



LOCAL CONTEXT

Botswana's 2026 audit identified weak oversight and ineffective controls as leading systemic enablers nationally, and documented intimidation and isolation of employees who raised concerns

National Forensic Audit Programme Summary Report, s.6.2, 6.7

Grant Thornton

© Grant Thornton Botswana

What works: fraud prevention in practice



Key anti-fraud controls – ACFE evidence

Organisations with the following controls in place report significantly reduced fraud losses and shorter detection times:



Hotlines and whistleblowing mechanisms - the single most effective detection method (43% of fraud detected by tip)



Surprise audits - strong deterrent effect, particularly when announced as standard practice



Fraud risk assessments - proactive identification and prioritisation of risk areas



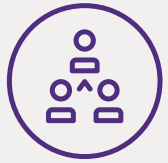
Anti-fraud policy and training - creates awareness and reduces rationalisation



Internal audit function - independent assurance that controls are operating effectively



Management review and oversight - active engagement, not passive sign-off



Segregation of duties - reduces opportunity



Code of conduct with annual acknowledgement - reinforces expectations and creates accountability

Source: ACFE 2026 Report to the Nations

Grant Thornton

© Grant Thornton Botswana

The proactive prevention framework

Prevention is most effective when structured around five pillars



Governance: tone at the top, board oversight, fraud risk policy



Risk Assessment: structured, regular, linked to the risk register



Controls: preventive and detective, working together



Culture and Ethics: training, declarations, ethical leadership



Reporting and Response: whistleblowing channels, investigation protocols

Grant Thornton

© Grant Thornton Botswana

Practical examples to consider

- Fraud risk register: how to structure it, who owns it, how frequently to update it
- Data analytics for anomaly detection: beyond manual review
- Gifts and hospitality register: simple, high-impact control
- Pre-employment screening and ongoing declarations of interest
- Mandatory leave / job rotation: effective for long-tenure employees in high-risk roles



Grant Thornton

© Grant Thornton Botswana



LOCAL CONTEXT

Botswana's 2021 Procurement Act concentrated approval authority in a single Accounting Officer for efficiency[AG6.1] - the 2026 audit found this also reduced independent challenge

National Forensic Audit Programme Summary Report, s.6.4.3-6.4.4

Grant Thornton

© Grant Thornton Botswana

Reflection and break

(5 mins)

Before we move from controls to culture - which of the control gaps that we've just discussed feels most familiar in your organisation?

Please share your response via the poll in the chat

Grant Thornton

© Grant Thornton Botswana

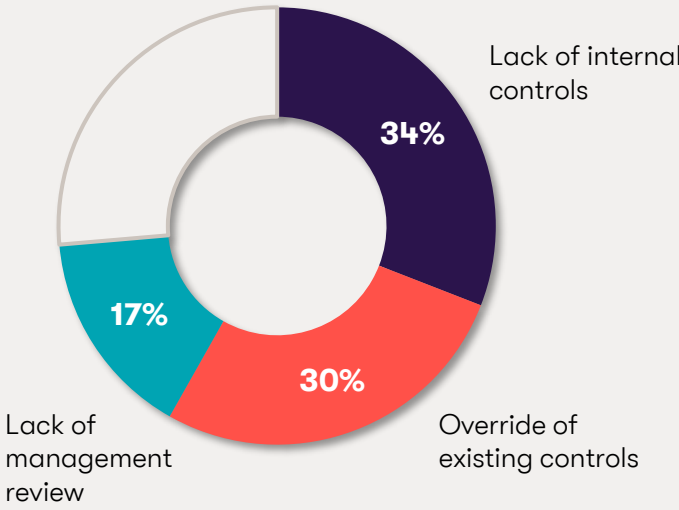
Embedding an ethical culture



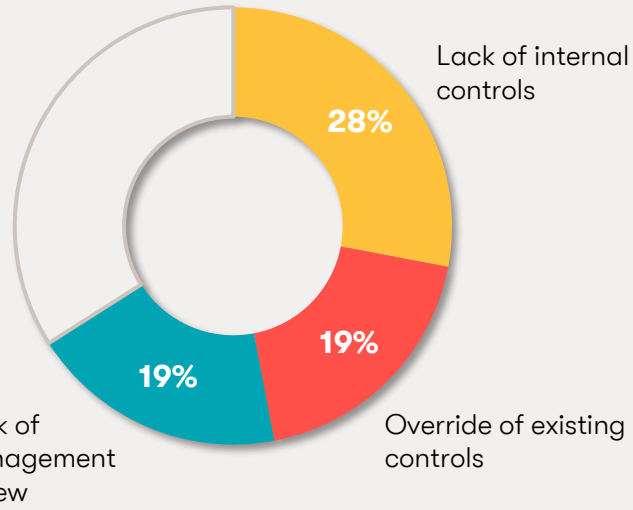
Culture is what you do, not what you write down

A poor tone at the top is the third most common root cause behind frauds committed by owners and executives.

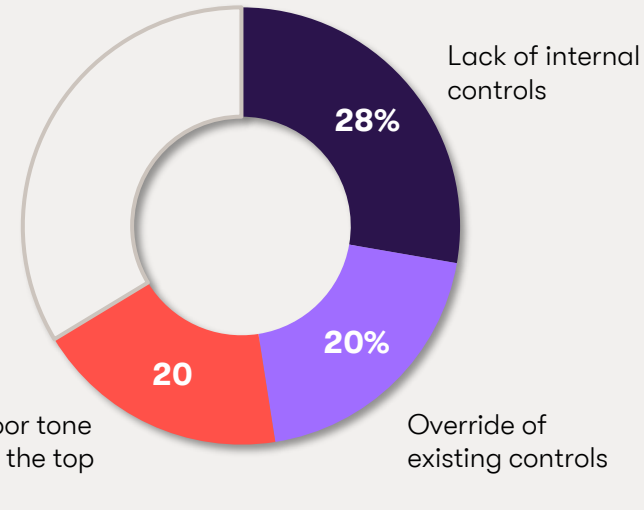
Employee



Manager



Owner/Executive



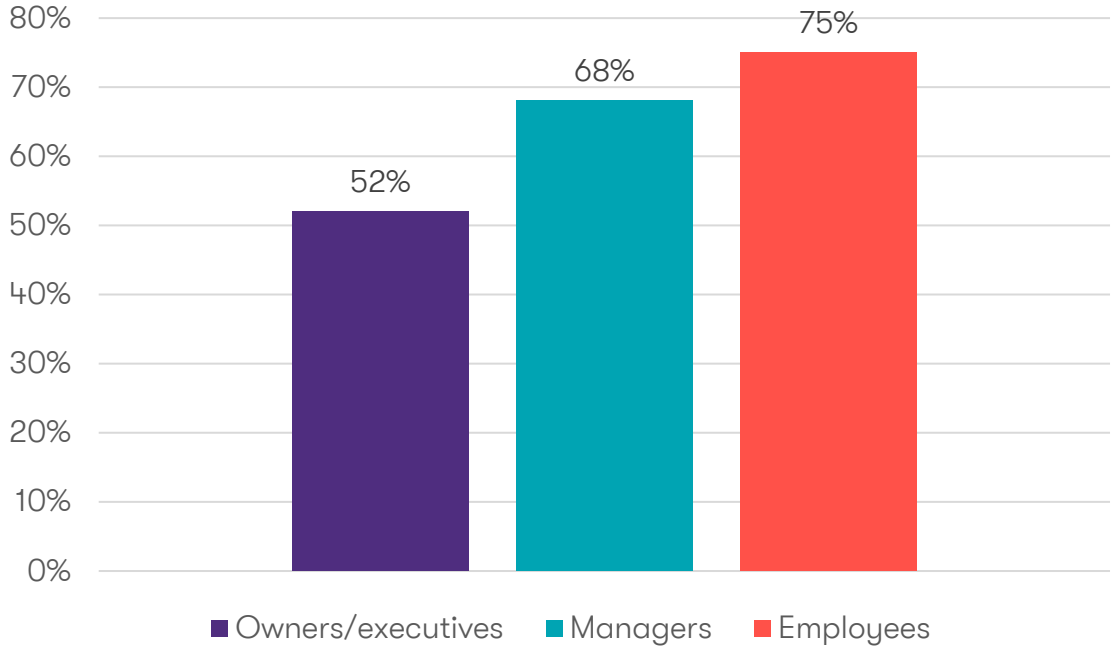
Source: ACFE 2026 Report to the Nations

Grant Thornton

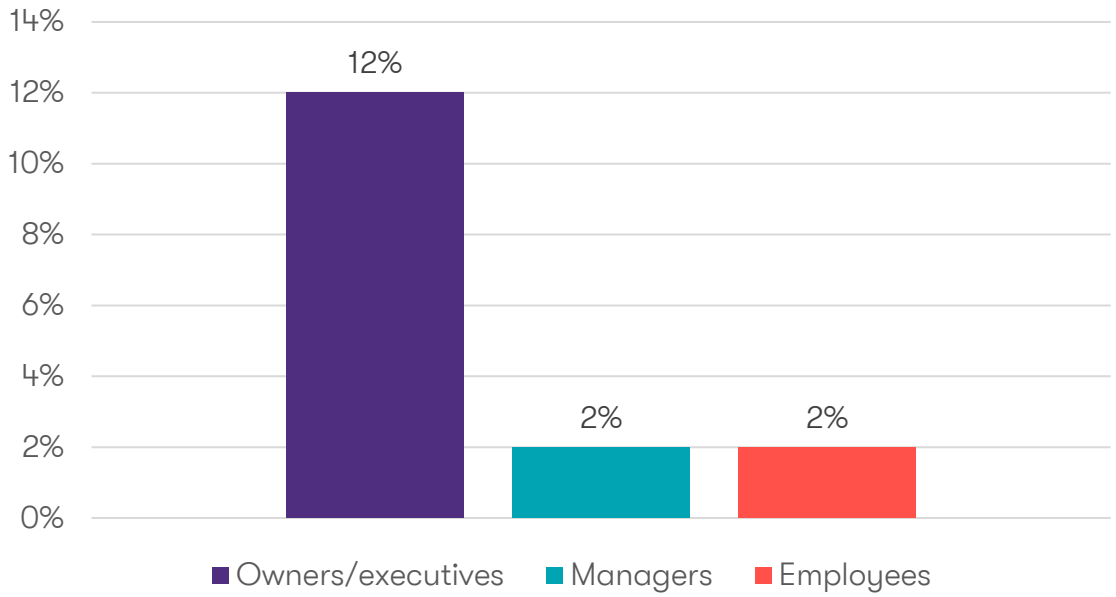
© Grant Thornton Botswana

The test of consequence management

How often are perpetrators in different positions terminated following a fraud?



How often do perpetrators in different positions receive no punishment following a fraud?



Source: ACFE 2026 Report to the Nations

Grant Thornton

© Grant Thornton Botswana

Practical embedding mechanisms

Ethics training

Scenario-based, decision-making under pressure - not compliance tick-box exercises

Declarations of interest

Regular, monitored, and actioned when conflicts are identified

Ethics helpdesk

Employees need a safe channel to seek guidance, not just to report misconduct

Ethics champions

Link between the ethics function and operational reality

Social and ethics committee

Governance structure for ethics oversight at board level



Ethics must be integrated into performance management (KPIs, rewards, promotions)

Grant Thornton

© Grant Thornton Botswana



LOCAL CONTEXT

Botswana's Whistleblowing Act (2016) punishes victimising a whistleblower with up to P50,000 or 10 years - the harshest penalty in the Act (s.21)

Yet the 2026 audit found retaliation happened anyway - intimidation and isolation of people who raised concerns

National Forensic Audit Programme Summary Report, s.6.7
Botswana's 2021 Procurement Act

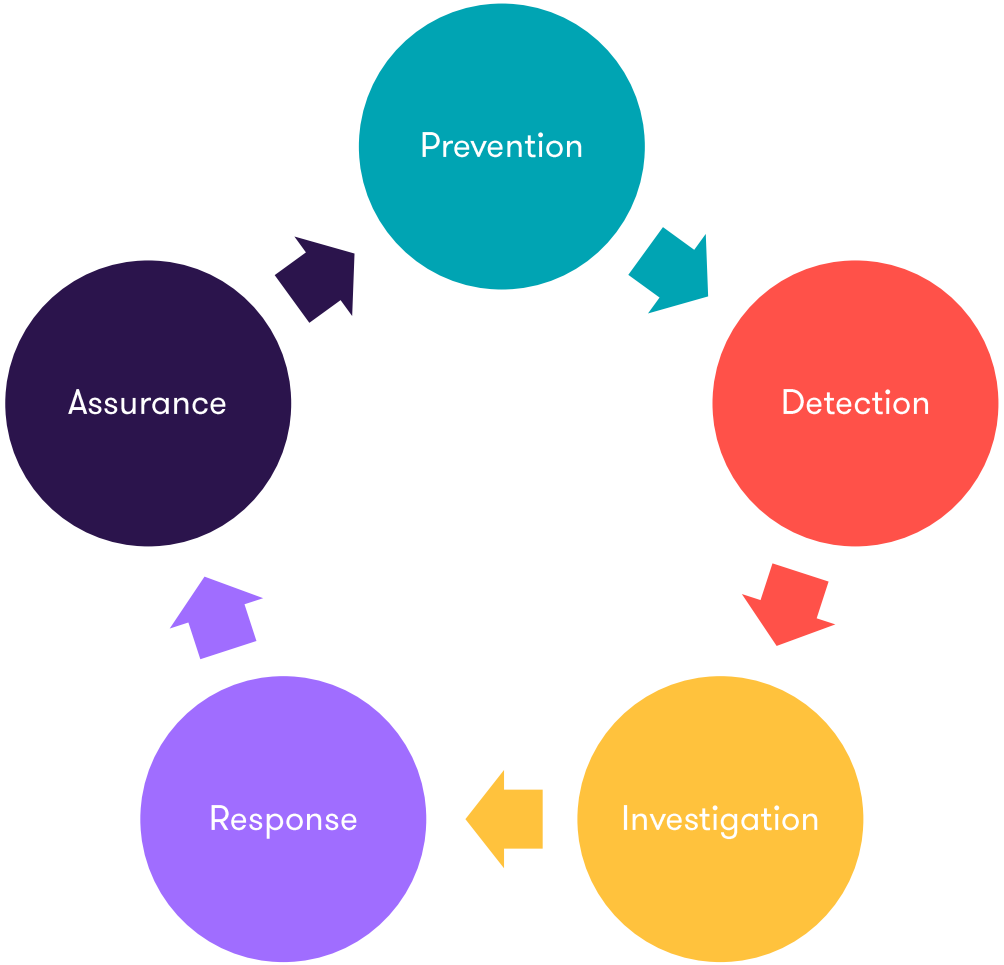
Grant Thornton

© Grant Thornton Botswana

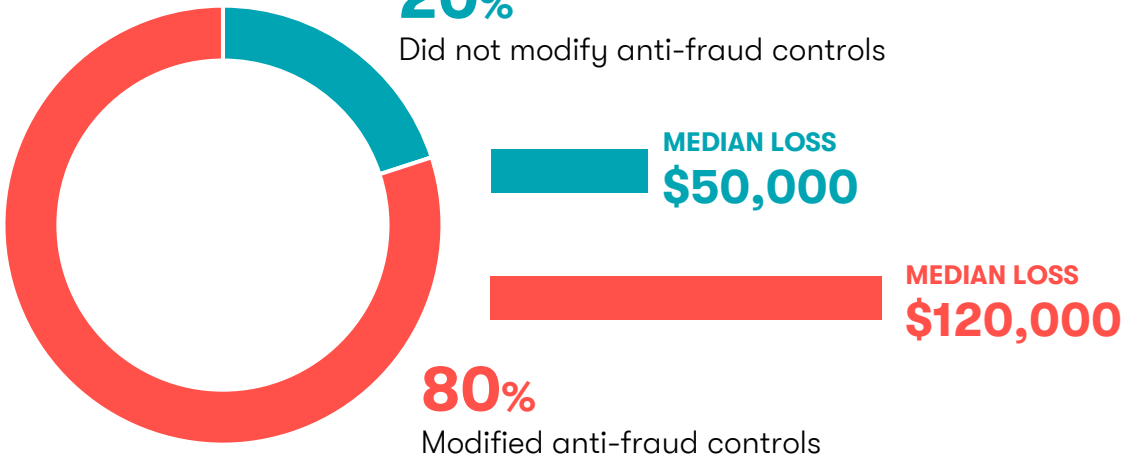
Integrated approach: from prevention to response



One loop, not a straight line



Did victim organization modify their anti-fraud controls following the fraud?



A forensic investigation closes an incident - it doesn't, by itself, close the risk

Grant Thornton

© Grant Thornton Botswana

Post-incident minimum standards



Grant Thornton

© Grant Thornton Botswana



LOCAL CONTEXT

Botswana's 2026 audit arrived at the same structure independently - proposing six reform pillars: governance, institutional, procurement, financial, operational, and cultural reform

National Forensic Audit Programme Summary Report, Table 7.1

Grant Thornton

© Grant Thornton Botswana

Knowledge exchange

If we only investigate fraud but do not strengthen the system, we are managing incidents, not risk. The organisations that reduce fraud over time are those that complete the loop: prevent, detect, investigate, respond, and assure.

Grant Thornton

© Grant Thornton Botswana

Thank you for joining us!

Please share feedback about this webinar (3 mins)

Scan the QR code to give your feedback

Grant Thornton

© Grant Thornton Botswana



© Grant Thornton Botswana. All rights reserved.

Grant Thornton Botswana is a member firm of Grant Thornton International Ltd (Grant Thornton International / GTIL). 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions