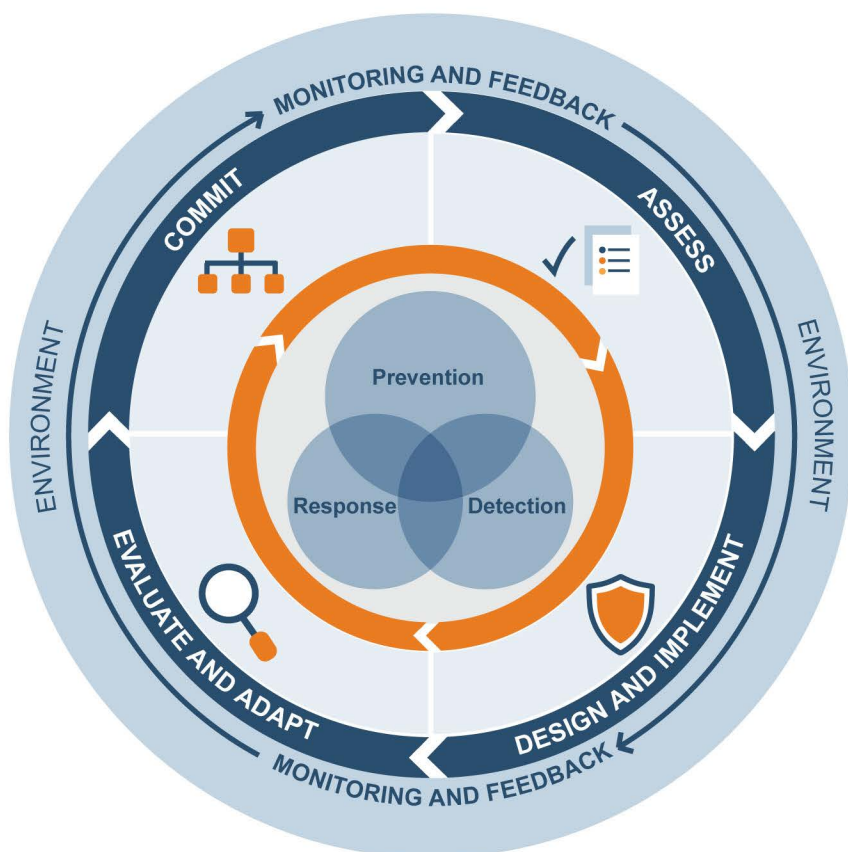


Overview of GAO's Fraud Risk Management Framework

From *A Framework for Managing Fraud Risks in Federal Programs*, GAO-15-593SP

The Fraud Risk Management Framework



► What does the Framework include?

It includes leading practices in four components:



Commit to combating fraud by creating an organizational structure and culture conducive to fraud risk management.



Assess fraud risks and document the assessment in a fraud risk profile.



Design and Implement a strategy with control activities to mitigate fraud risks.



Evaluate fraud risk management activities and **adapt** them for continuous improvement.

The Framework emphasizes using a risk-based approach and focusing on fraud prevention. The practices may be tailored to a program's operations, including environmental factors and the program's risks.

► Why did GAO develop the Framework?



Fraud poses a significant risk to the integrity of federal programs and erodes public trust in government.

Effective fraud risk management helps to facilitate a program's mission and strategic goals.

GAO's prior work showed a need for federal managers to take a more strategic, risk-based approach to managing fraud risks.

► How did GAO develop the Framework?



To develop the leading practices, GAO sought input from dozens of antifraud experts through **interviews** and **focus groups** and conducted an extensive **literature review**. GAO requested input from federal program officials to validate the practices.

► Who might use the Framework?



Program managers can use it to enhance fraud risk management efforts and to help implement fraud-related requirements in *Standards for Internal Control in the Federal Government*, OMB circulars, and legislation.

Auditors can use it to help assess managers' fraud risk management efforts.