



# Government Finance Solutions

**Enhance Internal  
Control**



The 2020 Report to the Nations, released by the Association of Certified Fraud Examiners, reported that the median loss for local government occupational fraud was \$75,000. The largest schemes for governments with less than 100 employees, in descending order, were corruption, billing, noncash, expense reimbursements, and skimming.

The presence of fraud declined significantly when the government employed anti-fraud controls such as external audit of internal controls over financial reporting, management's review of transactions, and a code of conduct.

There are three sides to the fraud triangle: opportunity, rationalization, and pressure. The 2020 Report to the Nations confirms that lack of internal controls, inadequate management reviews, override of existing internal controls, and poor tone at the top increase the opportunity for government fraud. As internal control weaknesses are often a precursor to fraud and loss of revenue, it is reasonable to assume that enhancing the five necessary components of a sound internal control structure—internal control environment, risk assessment, internal control activities, information and communication, and/or monitoring—will reduce the chance that your government falls victim to fraud.

GFS provides you with the tools, resources, and personnel to evaluate your internal control structure. We reduce the opportunity for fraudulent activity by providing solutions to mitigate risk and accomplish your goals. Services can be designed to meet your government's needs.

## **Government Finance Solutions (GFS) Advantages**

- ✓ Conduct a risk assessment
- ✓ Evaluate of internal control activities
- ✓ Train on the importance of internal controls
- ✓ Recommend technological solutions
- ✓ Standardize processes and documentation
- ✓ Supervise less experienced accounting staff
- ✓ Provide transaction reviews and approvals
- ✓ Conduct reconciliations
- ✓ Monitor the execution of internal controls



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