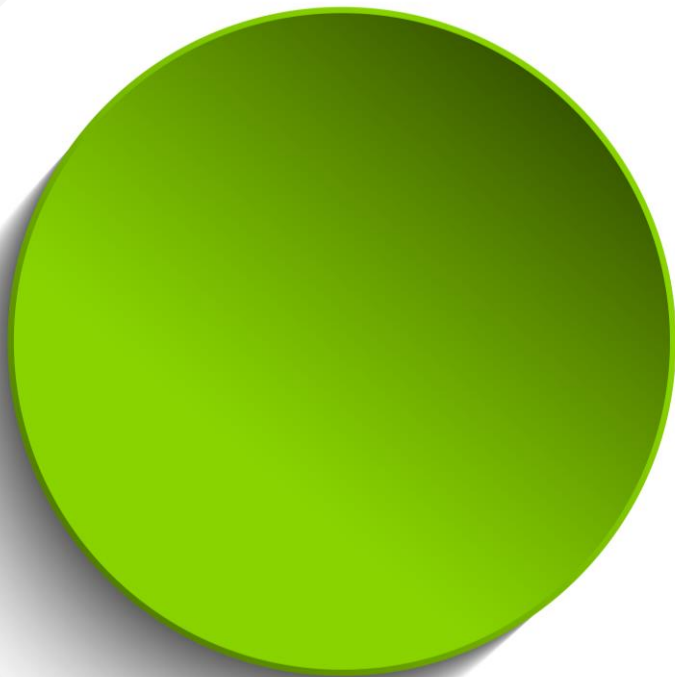




2024 APAC Integrity Survey results

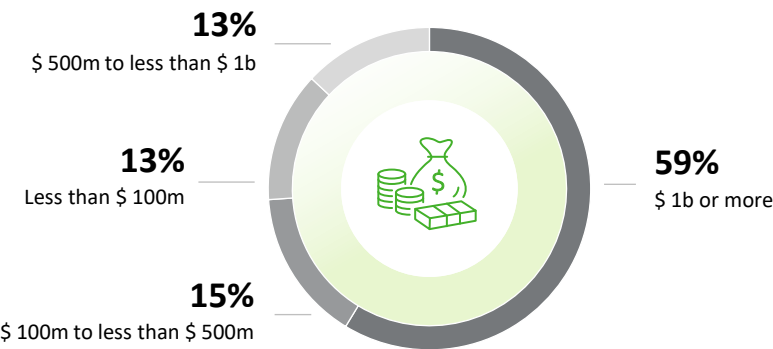
A study by Deloitte Forensic, 2024



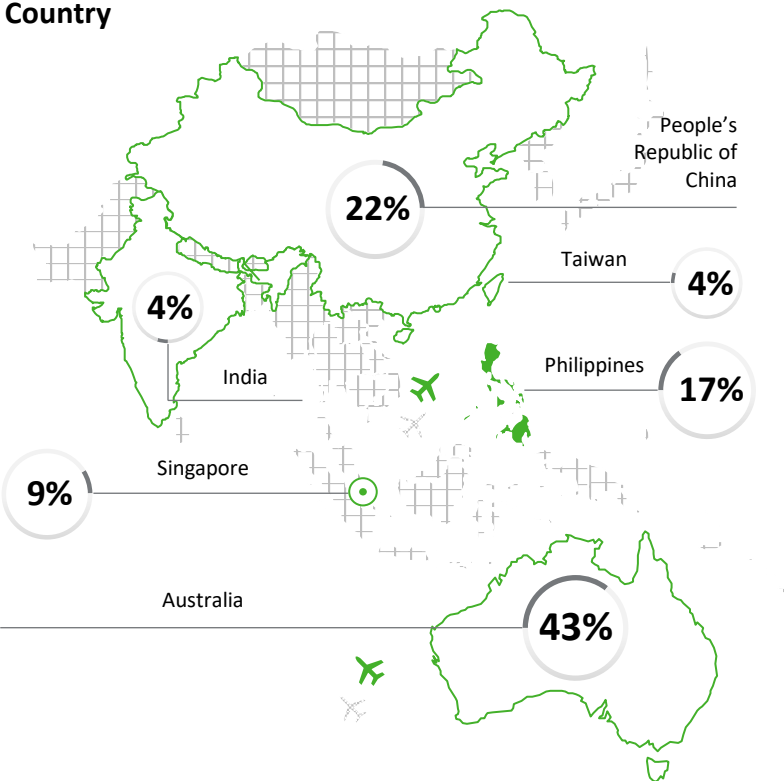
Survey scope

46 Leaders in Integrity, ethics & compliance, and internal audit functions | 15+ sectors | 6 countries

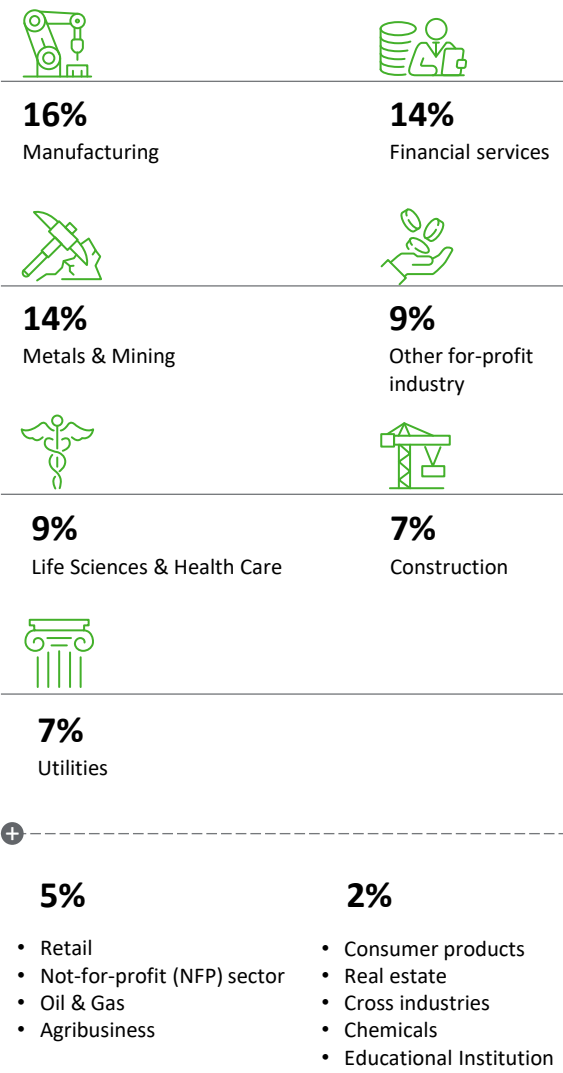
Annual revenue



Country



Industry representatives



Employees



About this survey

We are pleased to present the 2024 Deloitte APAC Integrity Survey (**the Survey**) results. This report encapsulates the insights gathered from 46 integrity leaders spanning various industries in the public and private sectors, who engaged with our digital questionnaire. The respondents were from a range of industries comprising of leadership from compliance, investigations, legal, risk and internal audit functions. Exploring 25 thought-provoking questions, the survey delved into crucial themes including the prevention and detection of unethical behaviour, an in-depth analysis of the investigation function's Inquiry and assessment, and an examination of the ever-changing role of technology.

Executive summary



The Survey sheds light on the ethical landscape of organisations across the Asia-Pacific region, revealing both commendable practices and critical areas of concern. While ethical standards are a top priority with the implementation of codes of conduct prevalent among respondents, alarming gaps remain in key areas.



Notably, a significant portion of multinational companies lack comprehensive anti-bribery and anti-corruption framework, exposing themselves to reputational and financial risks. The absence of periodic fraud risk assessments among many organisations further heightens vulnerability to unforeseen risks.



The survey also reveals insights into investigative practices, reporting structures, key performance indicators, and skills within investigation functions. Concerns arise regarding reporting channels and the need for independence in reporting structures to prevent conflicts of interest. Despite the prevalence of core skills like fraud detection and legal capabilities, gaps exist in critical areas such as forensic accounting and corporate intelligence.



While organisations express a growing interest in adopting advanced technologies like AI and machine learning in investigative processes, the current adoption rates remain limited.



As regulatory bodies in the APAC region intensify scrutiny on ethical practices, the findings of this survey serve as a call to action for organisations to bolster their integrity frameworks, cultivate a culture of compliance, and embrace technological advancements in their investigative processes to navigate the evolving landscape of corporate integrity successfully. The influence of technologies for integrity professionals will play a crucial role in this transformation. If companies and organisations want to succeed, they will have to pay more attention to ethical ways of doing business, ensure rigorous compliance with regulations, and leverage advanced technologies to enhance efficiency and accountability.

Preventing and detecting unethical behaviour



Preventing corporate misconduct

Ensuring ethical standards and integrity in the business world is crucial for long-term success. From this perspective, our survey delves into the strategies businesses are employing to identify and counteract unethical practices.

In this section of our survey, we focused on queries related to policies and procedures and tools to avert opportunistic practices such as fraud, corruption, harassment, bullying and greenwashing, and regular training sessions for employees. Each measure contributes towards the broader objective, yet as highlighted by our respondents, the role of leadership in setting ethical standards and reaffirming a culture of integrity is paramount.

Policies and procedures

The survey respondents mention code of conduct, internal audit function, whistleblower and anti-bribery and corruption policies as the most widely used tools for counteracting unethical behaviour. This comes as no surprise given such corporate policies and procedures are the cornerstone of any business process.

However, it's concerning to observe a significant portion of multinational companies, approximately **12%**, don't have comprehensive anti-bribery and anti-corruption policies in place. This can expose organisations to reputational risks as well as negatively affect financial well-being of the company. The other major factor to consider is legal risks, including violations of laws such as the Foreign Corrupt Practices Act (FCPA) and similar regulations.

It's surprising to find out that **35%** of respondents, including a notable **12%** of multinational companies, don't conduct periodic fraud risk assessments. This not only highlights a gap in their compliance programs, but also potentially exposes these organisations to unforeseen financial and reputation risks. By neglecting regular risks assessments, organisations run the risk of overlooking vulnerabilities in their operations which may be exploited for fraudulent activities.

Furthermore, nearly half of all respondents, including **31%** of Australian corporations, lack modern slavery policies. This gap in policy implementation can result in non-compliance with principles outlined by the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

In Australia, the Australian Modern Slavery Act mandates the disclosure of modern slavery statements by certain entities. These statements are instrumental in demonstrating a company's commitment to eradicating modern slavery from its operations and supply chains, thereby upholding human rights and ethical labour practices and contributing to the global effort to combat human rights violations and exploitation.



The organisation's strong culture of integrity is driven by the senior leaders, particularly the CEO, who demonstrate a deep commitment to compliance and ethical conduct. The company emphasises the importance of leadership setting a positive example and fostering a speak-up environment. This tone from the top inevitably permeates throughout the organisation and influences how employees approach risk, conformance with processes, and complying with regulations. The compliance program is supported by the leadership's dedication to upholding integrity in all aspects of the business, creating a culture of accountability and ethical behaviour.

– Head of Ethics and Compliance in a large energy company

Policies and procedures in place within your organisation to prevent unethical behaviour include:

All
respondents have a code of conduct

98%
of respondents have established Internal audit function and whistleblower policy, with 65% conducting periodic fraud risk assessments

91%
of respondents have Anti-Bribery and Corruption policy

76%
of respondents have ESG strategy, with 43% of integration of ESG considerations into decision-making process

59%
have implemented monitoring social and environmental risks throughout the supply chain.

Only 52%
of respondents have policies addressing modern slavery issues.

Training

Periodic training reinforces ethical standards, educates employees on potential risks, and fosters a culture of integrity and accountability. A well-structured training program with illustrations, tests, and case studies of ethical dilemmas will not only help to capture employees' attention but also serve as a preventive measure against unethical and corrupt practices.

Around **89%** of participants include Conflict of Interest in their annual training program, making it the most popular topic.

Anti-bribery and anti-corruption trainings

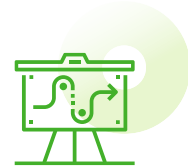
Notably, **24%** of respondents do not have annual anti-corruption trainings, and among Australia-based companies **26%** do not have annual anti-corruption trainings. This trend is alarming since effective anti-corruption policies and procedures require training of staff, regular communication, monitoring, and ongoing review and assessment of compliance with the policies and procedures and their effectiveness. According to best practice guides, such as those issued by the OECD, the International Organisation for Standardisation (ISO), the U.S. Department of Justice (DoJ), and the U.S. Securities and Exchange Commission (SEC), and Standards Australia, communication, including training, is one of the key elements of a comprehensive program to minimise or reduce the risk of bribery and corruption.

Anti-bullying and anti-harassment training

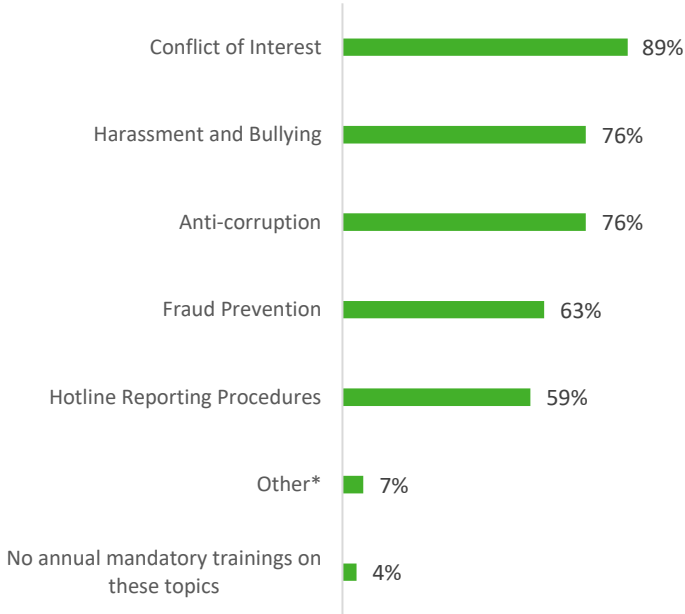
We observe that **24%** of all respondents do not have annual anti-harassment and anti-bullying training in place: **75%** of respondents from Singapore, **50%** from India, **40%** from China, and **25%** from the Philippines reported lacking such training.

It is noteworthy that in Singapore, India, China, and the Philippines, regulations require employers to prevent workplace harassment, such as bullying and sexual misconduct. For instance, in Singapore, employers must implement anti-harassment policies and provide training. In India, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 ('POSH Act') mandates the formation of Internal Complaints Committees and regular educational workshops. In China, the revised Women's Protection Law requires measures including internal policies, complaint procedures, and employee training. The Philippines has laws such as the Anti-Sexual Harassment Act and the Safe Spaces Act, which mandate employers to maintain a harassment-free environment through training, policies, and prompt action on complaints.

Additionally, we note that **95%** of Australian-based companies have anti-bullying and anti-harassment training in place. This is likely due to Australian legislation in this area, particularly recent amendments to the Sex Discrimination Act. Alongside amendments to Work Health and Safety Laws and the Fair Work Act, this has resulted in a significant shift in the legal landscape.



Topics covered in annual trainings



*Sanctions; Gifts and Entertainment, Data Compliance, Business Partner Risks, etc.; Privacy, records governance, enterprise risk fencing, modern slavery, anti-competitive behaviour

Hotline reporting procedure training

The survey findings indicate a concerning lack of regular training in hotline reporting channels among companies, with more than **40%** of organisations not having such programs in place.

We note that tips are one of the most common types of identification of wrongdoing, and if a company's employees are not aware of its hotline facilities or whistleblowing program, then it is potentially risk-averse.

Based on our experience, companies who neither properly promote their whistleblowers hotline nor have adequate training in place often discover, when initiating an ethics survey, a lack of awareness and trust among their employees regarding the reporting channels. This often stems from insufficient information about the hotline's existence and purpose. Therefore, to amplify the usage and trust in hotlines, organisations should focus on vigorous training programs. These should not only promote the hotline but also educate employees, executives, and key personnel about its usage, reporting procedures, and appropriate responses to issues.

Preventing fraud/corruption risks

Tools to prevent fraud and corruption are essential for preserving organisational integrity, trust, and financial stability. They help identify and deter fraudulent activities, protecting against financial losses and reputational harm.

Most survey participants employ the whistleblower reporting system and risk assessment as their primary tools for fraud prevention. The whistleblower system allows for anonymous reporting, fostering a culture of transparency and accountability within organisations. In parallel, risk assessments contribute by identifying potential vulnerabilities and threats, helping organisations to proactively prevent fraud by implementing measures to mitigate identified risks. The combination of these tools offers a powerful approach in preventing corporate misconduct.

The survey shows that more than 60% of respondents employ data analytics and monitoring tools to prevent fraud and corruption.

Notably, data analytics made the shift from being a mere auxiliary tool to a principal element of business integrity toolsets more than a decade ago. Yet, there is a substantial fraction of companies, close to 40%, that haven't adopted it, consequently facing the risk of competitive disadvantage. Companies are strongly advised to embrace effective data analytics implementation to avoid lagging in their competitive landscapes.

It's interesting to observe that less than 30% of respondents deploy fraud detection and prevention software. Out of these, the primary sector is financial services comprising 18% of the total. It's important to highlight that a significant, 58%, of this fraction are enterprises with an annual revenue of \$1 billion or more.

High system costs could be a deterrent for smaller businesses or those on tight budgets, contributing to such low adoption rates. Additionally, certain businesses might assess their risk of fraud to be lower, preferring to concentrate resources on other operational areas. Despite the benefits such software delivers, the associated costs and the complexity of understanding these systems can hinder widespread usage.

Preventing sexual harassment and bullying

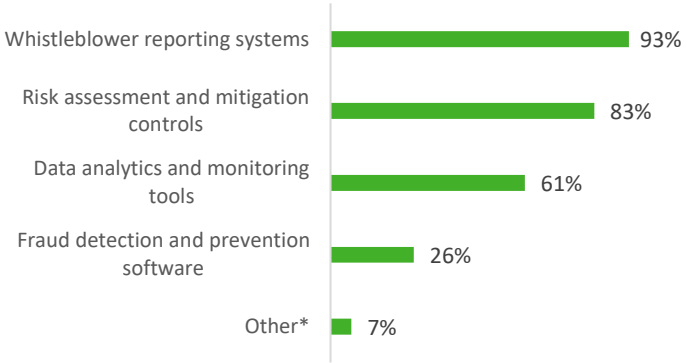
Over the past decade, Sexual Harassment and Sexual Assault (SASH) incidents have notably become the predominant reports. Countries including Australia have made strides in this area by fortifying their legislation to mandate companies to fight SASH.

In November 2022, Australia passed the Anti-Discrimination and Human Rights Legislation Amendment (Respect at Work) Bill, imposing a direct duty on employers to undertake 'reasonable and proportionate measures' to eradicate, as far as possible, illegal gender-based discrimination, including sexual harassment. This requirement is outlined in section 47c of the Sex Discrimination Act and is referred to as the 'Positive Duty'. It necessitates employers to initiate proactive, reasonable, and proportionate measures to eliminate discrimination based on gender, sexual harassment, and sex-based harassment related to work, as well as any conduct that creates a hostile work environment due to sex-related acts of victimisation.

Our survey revealed that strong preventive measures are both recognised and deployed among Australia-based companies. A total of 91% of respondents underscored the role of a supportive and inclusive company culture. Almost equally, 85% pointed out accountability measures like disciplinary actions for perpetrators, and another 87% acknowledged an anonymous reporting system as effective tools for SASH prevention.



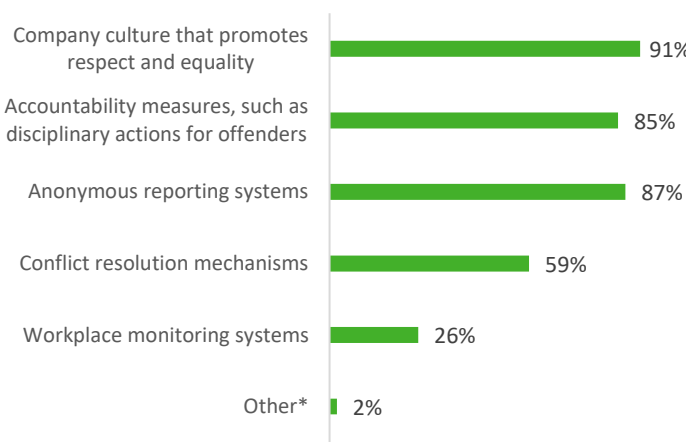
Tools to prevent fraud/corruption



* IA function, external audit, employee feedback mechanism



Tools to prevent sexual harassment and bullying



* Code of conduct including training



Dealing with sexual harassment cases successfully requires taking a victim-centered approach, understanding Employee Relations laws in the jurisdictions that you operate, and managing the emotional challenges that arise in such investigations. It is essential those tasked with investigating such matters receive adequate and ongoing training and support.

– Head of Business Integrity in a large mining company

Greenwashing and similar unethical practices

Greenwashing has become an emerging issue globally and is being targeted by many national and global regulators.

Among the popular measures mentioned by respondents to prevent greenwashing are transparency in reporting ESG initiatives (59%) and independent verification of sustainability claims (26%).

26% of respondents' organisations do not have proactive measures in place to prevent greenwashing and similar unethical practices, raising concerns about why this is not considered a best practice. Alarminglly 37% of respondents from Australian companies do not have such measures in place.

Companies within the manufacturing sector (18%), metals & mining (12%), and financial services (12%) are at the forefront of implementing measures to prevent greenwashing and other unethical practices. Notably, 35% of respondents who reported taking preventive steps are based in Australia, while 26% are from China.

The issue of greenwashing has escalated as a global concern, leading companies to face substantial financial losses due to regulatory fines and severe damage to their reputations. In the APAC region, regulatory bodies are intensifying their scrutiny on greenwashing practices, underscoring the importance of accurate and transparent environmental claims by businesses.

For instance, the Australian Competition & Consumer Commission (ACCC) laid out guidelines in December 2023 to ensure that environmental assertions by companies are not only truthful and evidence-based but also easily comprehensible to the public, without being misleading or deceptive. Concurrently, the Australian Securities & Investments Commission (ASIC) has emphasised its commitment to combatting greenwashing as a key enforcement priority in 2024.

Likewise, the Competition & Consumer Commission of Singapore (CCCS) marked its focus on combating greenwashing by developing clear guidelines to help identify and address misleading environmental claims.

The Australian Federal Government released a draft of the Treasury Laws Amendment Bill on 12 January 2024, which, if passed, will mandate climate-related financial disclosures for certain entities starting 1 January 2025. The new requirements will apply to companies meeting size thresholds or having emissions reporting obligations, including listed and unlisted companies, financial institutions, and superannuation funds.

In China, major stock exchanges have unveiled draft sustainability reporting norms aimed at compelling large, listed companies, including dual-listed entities, to disclose their ESG practices. The first set of reports is due in 2026.

India is also taking proactive steps to regulate ESG funds, with new regulations slated to take effect from 1 October 2024. These rules mandate ESG funds to allocate at least 80% of their assets in accordance with their ESG strategy, ensuring the remaining 20% of investments align with the fund's sustainability goals.

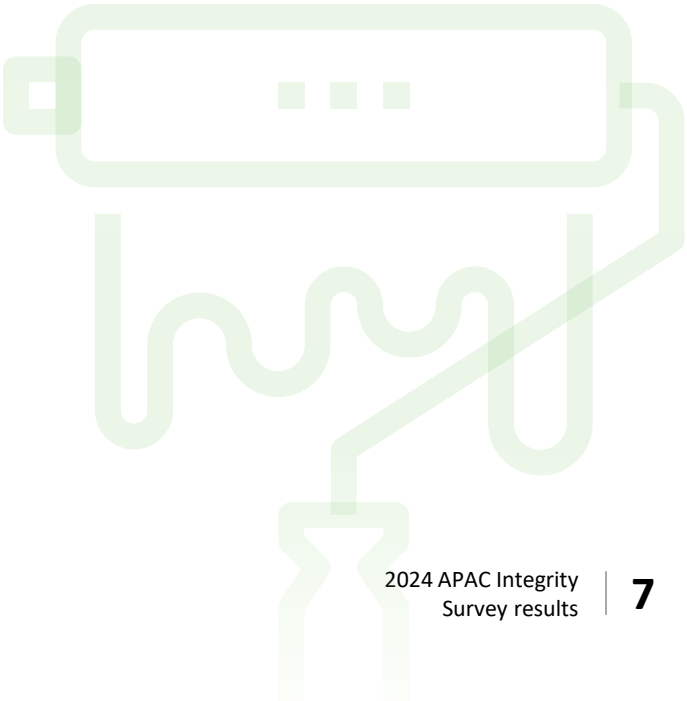
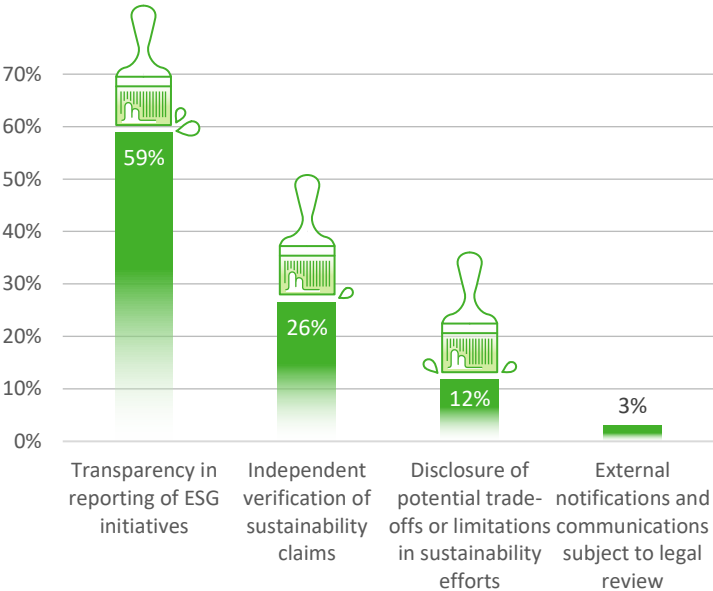
Companies across the APAC region are encouraged to prioritise transparency and integrity in their environmental claims by adhering to regulatory guidelines and best practices. By aligning with these standards, companies can build trust with consumers, contribute to a sustainable future, and uphold ethical standards in the marketplace.



Greenwashing ... the practice of misrepresenting the extent to which a financial product or investment strategy, or an entity's product, services or initiatives, are environmentally or climate friendly, sustainable or ethical. It can be applied to investment products and the marketing of goods and services. The incentive to make claims of these kinds arises from increased market demand for more 'green' products, and increasing consumer awareness of the manner in which investments are made, or goods and services produced.

– Law Council of Australia

Measures to prevent greenwashing and similar practices



Exploring the Investigation Function

Structure, Expectations and KPIs



In today's business landscape, internal investigations play an important role in upholding laws, regulations, and ethical standards to protect a company's integrity and reputation. The debate around the necessity of a dedicated internal investigation department continues among industry leaders.

Specialised internal investigation teams bring expertise in conducting impartial investigations, facilitating efficient issue resolution and risk mitigation. These teams also foster transparency and accountability, prompting employees to report concerns confidently and prevent escalation of problems. However, concerns exist regarding the potential costs of maintaining a separate internal investigation department, with implications for impartiality and conflicts of interest.

In this section, we inquired about the presence of a dedicated investigation function, the reporting structure, obstacles faced, management expectations, key performance indicators (KPIs) and capabilities, common types and sources of investigations.

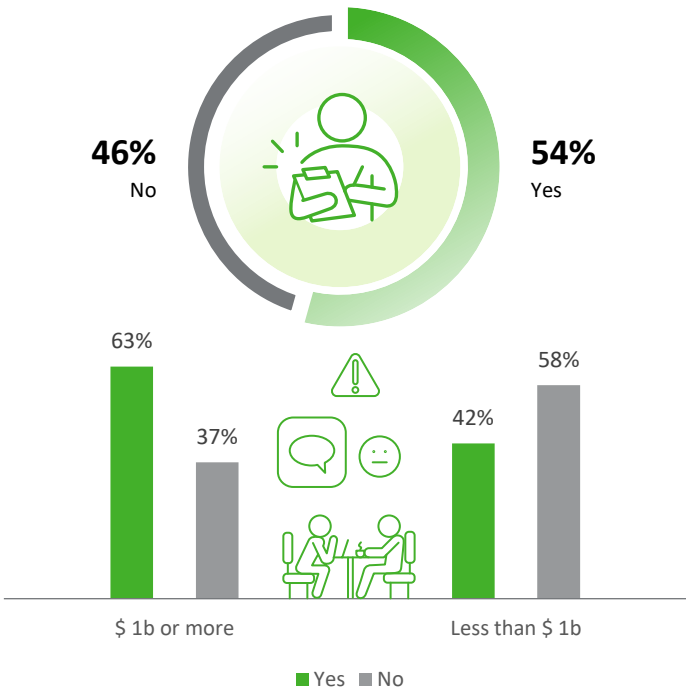
Dedicated investigation department/function

The survey findings indicate that **54%** of respondents currently have a dedicated investigation department or function. It's notable that **63%** of companies with revenues of \$1 billion or more maintain a dedicated investigation function, whereas **over 50%** of companies with revenues under \$1 billion lack a specialised investigation unit.

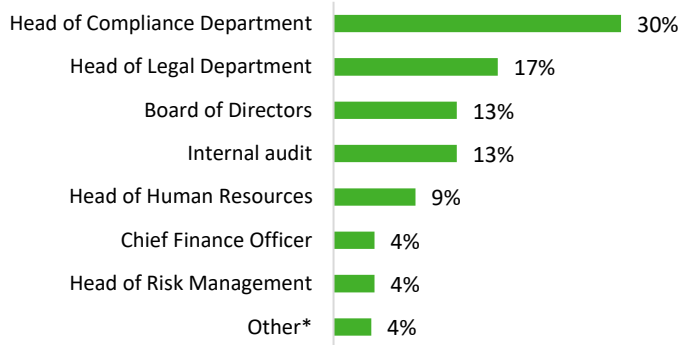
Our survey highlights that in companies lacking a dedicated investigations function, the following departments often participate in a variety of investigations—covering areas such as fraud, corruption, and other misconduct, including bullying and sexual harassment:

Internal Audit	Human Resources
37%	35%
Compliance Department	Legal Department
28%	27%

Dedicated investigation department/function



To whom does an investigation function report?



A total of **30%** of respondents indicated their investigation function reports to the compliance department, while **17%** reported that it goes to the legal department. Among respondents with an annual revenue of less than \$1 billion, the majority noted that their investigation function reports to the Head of the Legal Department. This trend can be credited to the overarching legal perspective regarding the matter, coupled with the potential requirement for legal privilege in conducting the investigation.

Additionally, **4%** of respondents stated that their investigation function reports to the Chief Financial Officer. We note that this arrangement requires special attention to potential conflicts of interest, as maintaining independence could be more challenging in such cases.

*Independent Non-Executive Director, Senior Management

Management expectations

Senior management primarily expects the investigation function to achieve four main goals: investigating potential misconduct and identifying internal control weaknesses (46%), acting as a preventative measure within the organisation (41%), and ensuring compliance with regulatory and legal requirements (39%).

These expectations vary significantly by country. A common expectation across multiple countries is to enhance internal controls. In Australia, 42% of respondents highlighted this, while in China, 80% emphasised it, and in Taiwan, 50% noted it. Respondents from Singapore also reflected the same expectation with 25%.

Respondents from several countries emphasised the need for the investigation function to act as a preventative control. 80% of respondents in China mentioned this, while in Taiwan, 50% of respondents and in India, 100% of respondents underscored its importance.

The variation in management expectations across different countries underscores the need for a more tailored approach to defining the objectives and KPIs for the investigation function in each region.

Key performance indicators

Determining Key Performance Indicators (KPIs) for investigation functions in companies can be challenging. Finding metrics that accurately gauge the effectiveness of investigations while aligning with company goals and ethical standards is tough. Measuring investigation quality and stakeholder satisfaction adds complexity, as does staying abreast of changing regulations and risks, requiring constant KPI adjustments.

Our survey revealed the most popular KPIs are the case closure rate (30%), number of investigations conducted (22%) and time to resolution (22%).

While senior management's expectations emphasise a comprehensive and proactive approach to investigations, the KPIs in practice are more process-oriented and may not fully capture the broader impact of the investigation function. To align better with management's expectations, it may be beneficial to incorporate additional KPIs that measure the effectiveness of internal controls identified, the preventative impact of the investigation function, and compliance outcomes.

Top-5 Key KPIs for investigation function

30%	22%
Case Closure Rate	Number of investigations conducted
22%	17%
Time to Resolution	Stakeholder Feedback
15%	
Qualitative assessment of investigation outcomes	

What are the main expectations of senior management for investigation function?

- 46% To investigate the facts and circumstances of potential instances of misconduct / Enhancing internal controls through identification of control weaknesses
- 41% To be a preventative control within the organisation
- 39% Comply with regulatory/legal requirements
- 33% To proactively monitor for fraud, abuse and other types of misconduct



We prioritise benchmarks over strict KPIs. These benchmarks cover metrics such as the volume of whistleblower (which we refer to as speak-up) reports per 100 FTEs, the ratio of investigated speak-up reports to grievances, the substantiation rate of investigations, and the average days to close cases. Monitoring these benchmarks at group (global), regional, and country levels is integral to ensuring the effectiveness of our speak-up and investigation function. Regularly reporting these metrics to our board not only keeps us accountable but also fuels our continuous improvement efforts.

– Head of the Business Conduct Office in a global mining services company

In regard to business integrity related investigations, defining and extracting value from meaningful KPIs is an ongoing challenge.

– Head of Business Integrity in a large mining company

Exploring the Investigation Function

Case types and key statistics









The key statistics for investigation functions in the APAC region reveal the following insights based on the size of organisations:

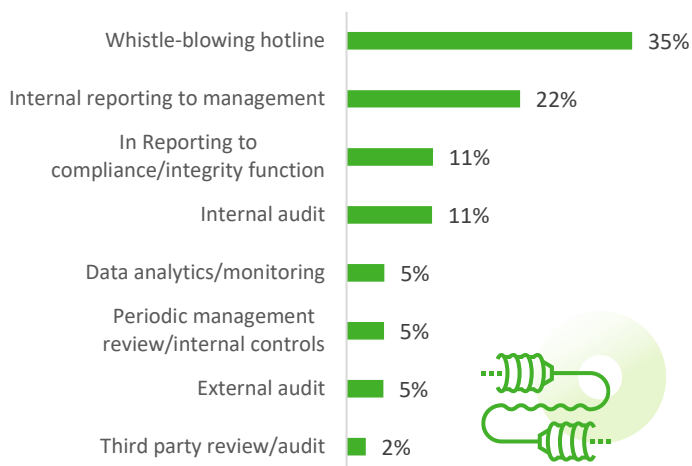
- Organisations with fewer than 5,000 employees start on average 11 cases annually, with a substantiation rate of **45%**. On average, there are 2.8 cases per employee involved in investigations, and 2 employees are terminated or leave as a result of these investigations.
- Companies with 5,000 to fewer than 10,000 employees initiate 14 cases per year, with a **43%** substantiation rate. Each employee involved handles an average of 2.8 cases, and typically, 1 employee is terminated or leaves due to these investigations.
- Entities with 10,000 to fewer than 50,000 employees start 135 cases annually, with a **50%** substantiation rate. The average number of cases per employee involved jumps to 27, and 33 employees are affected by terminations or departures due to investigations.
- Organisations with 50,000 or more employees report starting 600 cases per year, with a substantiation rate of **41%**. Each investigator handles 30 cases on average, and 50 employees are terminated or leave as a result.

We note that organisations with larger workforces tend to handle a significantly higher number of investigation cases annually. Despite the increased volume, the substantiation rates remain relatively consistent, ranging from **41% to 50%**. Moreover, larger organisations tend to have more employees dedicated to conducting investigations, with a higher average number of cases per investigator. This data suggests that as organisations grow, their ability to manage and substantiate cases efficiently is maintained, though the impact in terms of employee terminations or departures also increases.

Key statistic

	less than 5,000 employees	5,000 to less than 10,000 employees	10,000 to less than 50,000 employees	50,000 or more employees
 Number of cases typically started during the year	11	14	135	600
 Number of cases which are usually substantiated	5	6	68	243
 Number of employees who were terminated or left your organisation as a result of investigations conducted	2	1	33	50
 Number of employees, including subcontractors, who are typically involved in conducting internal investigations	4	5	5	20
 Average of cases per employee	2.8	2.8	27	30
 Percentage of substantiated cases	45%	43%	50%	41%

Where do your organisation's investigations typically originate from



The statistics highlight distinct trends in reporting channels. The most popular reporting channels are the whistleblowing hotline and reporting directly to management.

Notably, in some jurisdictions, such as India with an average of **60%**, Singapore with **58%**, and Taiwan with **75%**, organisations often initiate investigations based on whistleblower hotline reports. In the Philippines, internal reporting to management (**20%**) and internal audit (**16%**) are the preferred channels, although the whistleblowing hotline and external audit also contribute as sources.

This highlights the importance of adapting reporting mechanisms to regional preferences to ensure effective and comprehensive investigation processes.

Most common types of investigations in your organisation



Our survey revealed that investigations into various code of conduct violations are the predominant focus for all respondents across the APAC region. However, there are notable variations in the most common types of investigations across different countries:

- Australia: **37%** of respondents highlighted code of conduct investigations (excluding harassment and bullying), while **32%** pointed to harassment and bullying investigations as the top two types.
- India: A significant **50%** of respondents reported both bribery and corruption investigations and harassment and bullying investigations as the leading types.
- China: The most prevalent investigations were bribery and corruption (**30%**), assets misappropriation or misuse (**20%**), and code of conduct violations (**20%**).
- Singapore: Half of the respondents (**50%**) cited assets misappropriation or misuse investigations as their most common type.
- Philippines: **38%** of respondents indicated that code of conduct investigations (excluding harassment and bullying) were the most frequently occurring.
- Taiwan: A significant **50%** of respondents mentioned both bribery and corruption investigations and harassment and bullying investigations as the leading types.

These differences highlight the varying cultural and regulatory environments in each country, which influence the types of issues that organisations prioritise in their investigative efforts. Understanding these regional nuances can help develop more effective investigation strategies and compliance programs.

Exploring the Investigation Function Challenges

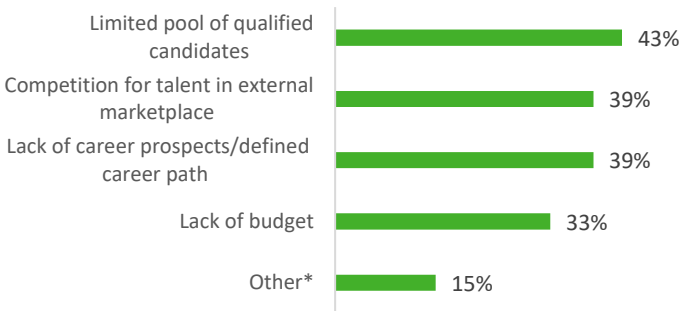


Meeting the hiring challenges in corporate investigations

In today's competitive market, hiring professionals for investigation functions in companies is challenging due to limited resources and the demand for unique expertise. Companies face a lot of challenges while recruiting individuals with specialised skills, such as digital and accounting forensic skills. Balancing technical proficiency with the ability to navigate legal complexities further complicates the hiring process. To address these challenges, companies must strategically invest in attracting and retaining top-tier investigative talent to effectively safeguard their interests and mitigate risks.



Primary obstacles that organisations face in recruiting and retaining professionals with the necessary skillset

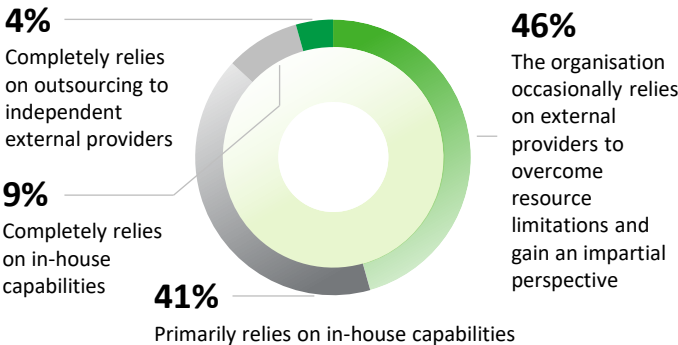


* Corporate culture, isolated role in the organisation, this skillset is not necessary as the function is not a dedicated investigation function, This function isn't seen as an attractive career path, lack of material cases

According to the survey, the main obstacles that organisations face in recruiting and retaining professionals with the necessary skillset slightly vary depending on the country:

- In Australia, the most frequently reported obstacle among respondents (58% of all country-based respondents) was competition for talent in the external marketplace.
- In India, the most common obstacles (50% each) mentioned by respondents were a lack of budget and a lack of career prospects/defined career path within the investigative capability.
- In the Philippines, the most frequently reported obstacle was a limited pool of qualified candidates (75%).
- In China, 60% of respondents cited a lack of career prospects/defined career path within the investigative capability.
- In Taiwan, 100% of respondents identified a lack of career prospects/defined career path within the investigative capability.

In-house investigation capabilities vs. outsourcing investigation to independent external providers



Professional capabilities and skills exist within your organisation's investigation function

A total of 76% of respondents indicated their investigation functions include core fraud detection/investigation skills, while 74% mentioned having a legal skill set. Data analytics skills were emphasised by 72% of respondents, while 63% stated their employees possess financial analysis and valuation experience. Half (50%) of respondents reported having capabilities in financial crime, including AML and sanctions, as well as sexual harassment investigations. Only 43% of respondents have forensic accounting capabilities, and 39% have skills in corporate intelligence and e-discovery data management.

Top- 5 capabilities outsource to external parties

- 59% Legal advice
- 37% E-discovery and forensic technology
- 33% Forensic accounting
- 20% Data analytics and Sexual harassment
- 11% None

According to our survey, a significant number of respondents express a preference for seeking assistance from external experts for specific tasks. The top five capabilities outsourced to external parties include legal advice, e-discovery and forensic technology, forensic accounting, data analytics, and managing cases of sexual harassment. This trend indicates a high level of trust that companies place in external experts to manage these critical aspects of their operations. Evidently, outsourcing these tasks can prove beneficial in accessing specialised expertise and addressing intricate challenges with efficiency.

Top-5 main obstacles faced by the investigation function in your organisation

28%

Limited staff capacity

26%

Lack of resources

22%

Resistance from employees or teams being investigated

20%

Insufficient budget allocation

17%

Lack of cooperation from other departments, Incomplete or inaccessible data

Our survey highlights the diverse challenges faced by investigation functions across different countries in the region. A lack of resources was a significant issue in India (**100%**), China (**40%**), Australia (**25%**), and Singapore (**25%**). Internal resistance was also a concern in Australia (**25%**) and Singapore (**25%**), which additionally faced regulatory constraints. Limited staff capacity was problematic in China (**40%**), the Philippines, and India (**100%**). In Taiwan, obstacles were evenly distributed among budget limitations, inadequate training, lack of autonomy, staff shortages, and inter-departmental cooperation issues. The Philippines also identified insufficient technology infrastructure as a major challenge. These differences underline the necessity for tailored approaches in addressing the unique challenges encountered by investigation functions in each country.



In the next 5-10 years, the profession is likely to undergo significant changes. Speak-up report volumes will continue to increase and will move beyond the traditional categories of fraud and non-compliance towards cultural misconduct, including issues like bullying, harassment, and discrimination. This shift will require a greater emphasis on softer skills for investigating such matters, which are harder to teach compared to traditional fraud detection techniques.

Organisations are expected to invest in resources dedicated to addressing these cultural issues, with a focus on providing more support to participants during the investigation process. Collaboration between internal investigation teams, HR business partners, and employee assistance providers will be crucial in handling these complex issues effectively. As the landscape of integrity and leadership evolves, a more holistic and culturally sensitive approach will be essential to foster a safe and ethical work environment across diverse global settings.

– Head of the Business Conduct Office in a global mining services company



Role of technology



Technology plays a pivotal role in enhancing the effectiveness of forensic functions within organisations. From tracking financial transactions to detecting fraudulent activities, technology serves as a powerful tool in the arsenal of corporate investigators. By using special software and data analytics, companies can uncover hidden patterns, identify anomalies, and mitigate risks more efficiently. Technology also allows forensic professionals to focus their efforts on high-value activities. In this section of our survey, we asked respondents about the data analytics tools utilised to combat fraud and corruption, predictive detection capabilities, the integration of AI, as well as the types of technological tools employed in corporate investigations. We also explored the challenges associated with embracing or implementing technology solutions in corporate investigations.

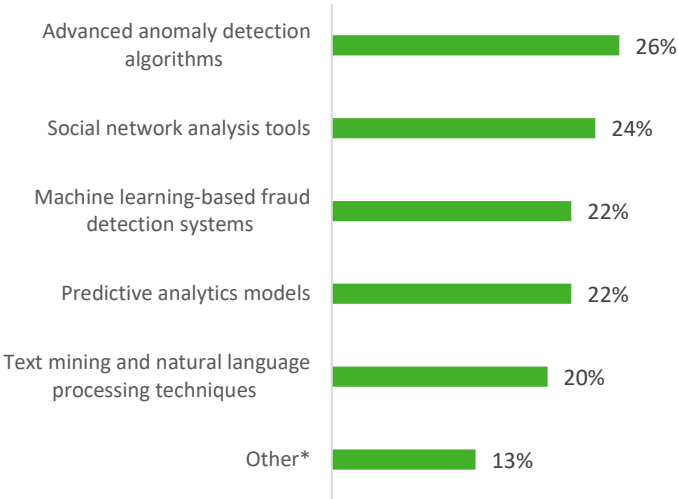
Does your organisation have monitoring data analytics tools against fraud and corruption



A total of **48%** of respondents noted they have data monitoring analytical tools. Within the group using these tools **33%** of companies reported a revenue of \$1 billion or more, while **15%** had a revenue below \$1 billion. This discrepancy may be influenced by various factors, with the high cost of such tools being a significant consideration.

Only **15%** of respondents use AI and machine learning tools for investigative purposes. All of those respondents have annual revenue of more than \$1 billion.

What monitoring and data analytics tools against fraud and corruption is your organisation planning to use next year?



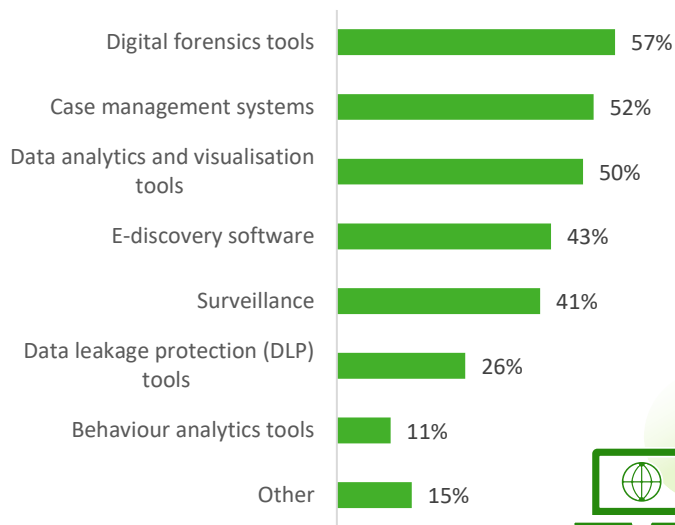
* ACL

A total of **43%** of respondents plan to use monitoring and data analytics tools to combat fraud and corruption next year, with respondents from India and Taiwan notably abstaining from such plans. The adoption of these tools varies across countries in the APAC region:

- In Australia **26%** of respondents favoured advanced anomaly detection algorithms, social network analysis tools, and text mining and natural language processing techniques.
- In China **10%** of respondents indicated plans to use predictive analytics models, social network analysis tools, and text mining and natural language processing techniques.
- In the Philippines **25%** of respondents plan to use advanced anomaly detection algorithms, predictive analytics models, machine learning-based fraud detection systems, and social network analysis tools.
- In Singapore **25%** of respondents plan to implement advanced anomaly detection algorithms, predictive analytics models, and machine learning-based fraud detection systems.

This data suggests a growing trend towards sophisticated data analytics methods for fraud detection and decision-making across various industries in the region.

What types of technology tools does organisation currently use in corporate investigations?

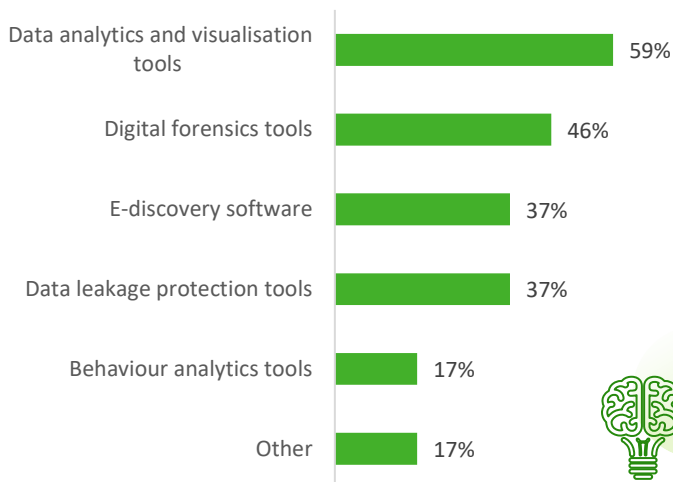


The majority of respondents currently use:

- Digital forensic tools (57%): especially popular in Australia (82% of respondents) and in China (60%).
- Case management systems (52%): particularly favoured in Taiwan (100%) and India (100%) and in Australia (65%).
- Data analytics and visualisation tools (50%): highly utilised in Singapore (75%), in China (60%), and in Australia (53%).

We also observed that data analytics and visualisation tools are maintained in-house by 59% of respondents, while digital forensic tools are maintained in-house by 46% of respondents. This indicates that digital forensic tools are more often outsourced compared to data analytics and visualisation tools.

Which of the following technology capabilities does your organisation have in-house?



What challenges, if any, does your organisation face in adopting or implementing technology solutions in corporate investigations?



The following challenges were noted by the respondents when adopting or implementing technology solutions in corporate investigations:

- Lack of budget or resources (65%): This challenge was highlighted by 100% of respondents in Taiwan, 80% in China, 75% in the Philippines, and 65% in Australia.
- Lack of skilled personnel (54%): 100% in Taiwan, 60% in China, and 59% in Australia.
- Compatibility issues with existing systems (28%): 50% in Singapore cited this as their main challenge.

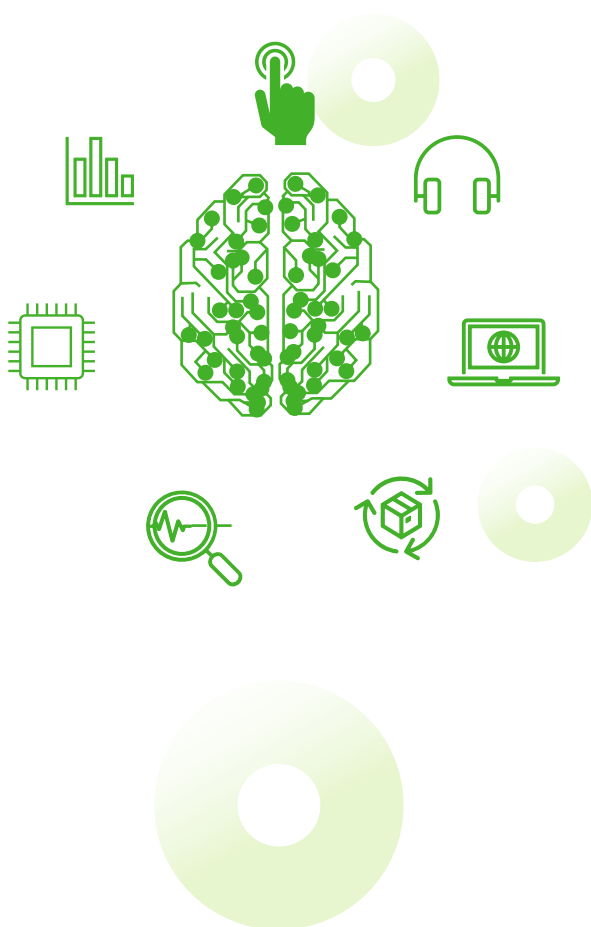
Use of Generative Artificial Intelligence (GenAI)

Our survey revealed **76%** of respondents recognise the potential of GenAI in preventing and responding to unethical behaviour within organisations.

Others suggested various applications where AI could be beneficial, including the use of AI-driven e-discovery tools for efficiently searching electronic documents to detect misconduct, and digital forensics for comprehensive data analysis. Respondents also highlighted the value of generative AI in ethical decision support systems and behaviour analytics tools for the early detection of irregular patterns among employees.

Legislative changes regarding privacy, data sharing, and critical infrastructure security also emerged as areas where AI could play a role in bolstering integrity.

AI has demonstrated its potential in enhancing integrity and aiding companies and organisations in critical ways. By automating the detection of unethical practices, offering advanced analytical capabilities, and facilitating compliance with regulatory frameworks, AI helps in creating a more transparent and accountable business environment. As AI technology continues to advance, its role will likely become even more integral in upholding ethical standards and fostering a culture of integrity.



GenAI is a great support in detecting the relevant misconduct through use of E-discovery tools



The application of GenAI in preventing and responding to unethical behaviour can be promising in various domains. One compelling use case is in the development of AI-driven ethical decision support systems.



We plan to use GenAI for an ability to identify behavioural patterns



track and monitor social networks or data usage of employees to detect unethical behaviour.

Contacts



How Boon Tay
Partner - Risk, Data & AI
Perth
Tel: + 61 8 9365 7268
htay@deloitte.com.au



Forde Nicolaides
Partner - Forensic
Melbourne
Tel: + 61 3 9671 7679
fnicolaides@deloitte.com.au



Tanya Vladimirkaya
Associate Director - Forensic
Perth
Tel: + 61 4 0522 4762
tavladimirkaya@deloitte.com.au



Valeriia Zhelavskaia
Manager - Forensic
Perth
Tel: + 61 8 9365 0575
vazhelavskaia@deloitte.com.au



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organisation”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our global network of member firms and related entities in more than 150 countries and territories (collectively, the “Deloitte organisation” serves four out of five Fortune Global 500® companies. Learn how Deloitte’s approximately 312,000 people make an impact that matters at www.deloitte.com.

Deloitte Asia Pacific

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which are separate and independent legal entities, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

Deloitte Australia

The Australian partnership of Deloitte Touche Tohmatsu is a member of Deloitte Asia Pacific Limited and the Deloitte organisation. As one of Australia’s leading professional services firms, Deloitte Touche Tohmatsu and its affiliates provide audit, tax, consulting, risk advisory, and financial advisory services through approximately 8000 people across the country. Focused on the creation of value and growth, and known as an employer of choice for innovative human resources programs, we are dedicated to helping our clients and our people excel. For more information, please visit our web site at <https://www2.deloitte.com/au/en.html>.

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.