



Fédération des Experts
Comptables Européens

Press Release

Ref : PR61

Embargoed until: 02 November 2005

FEE Guide for SMEs on How to Reduce the Risk of Fraud

Europe's accountants help SME entrepreneurs to limit fraud risk

Brussels, 02 November 2005: FEE, the representative organisation of the accountancy profession in Europe, today launched its publication. **How SMEs can reduce the risk of fraud.** This practical guide is designed to assist in limiting the risk of fraud.

"Fraud is too often an unmanaged risk in Small and Medium-sized Enterprises (SMEs). Its impact is widely felt: on employees, on other stakeholders and ultimately, on business performance. Fraud produces serious consequences for businesses performance, often leading to business failure," warned FEE Vice-President and Chairman of the SME/SMP Working Party, Jose Maria Bove, speaking at the launch of the publication.

FEE Vice-President Bove added that:

"This publication will alert SMEs to the risk of fraud. It analyses its impact, provides practical suggestions to identify, detect and prevent fraud and recommends implementing internal control systems tailored to their specific needs. Cases studies are provided to illustrate the range and nature of fraudulent activity. Accountants can play a crucial role in advising entrepreneurs on how to reduce the risk of fraud since they can provide forensic or control advice, separately from statutory audits. They have the appropriate knowledge and expertise to help SMEs develop and implement systems and measures to detect, combat and in particular to prevent fraud."

The paper also highlights the key role audit and voluntary forensic audit can play in detecting fraud. It is the latest in a series of FEE guides addressed to small businesses.

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Notes for Editors:

1. The publication ***How SMEs can reduce the risk of fraud*** can be downloaded free-of-charge from the FEE website (<http://www.fee.be>) or copies may be ordered from Sylvie Romancide (Fax: + 32 2 231 11 12, Email: Sylvie_Romancide@fee.be).
2. Recent FEE SME-related publications include: *Avoiding Business Failure - a practical guide for SMEs* (2004); *How to Prepare the Successful Sale of an Established Family Business* (2002); and *Business Valuation: A Guide for Small and Medium Sized Enterprises* (2001). The aforementioned publications may be downloaded free-of-charge from the FEE website (<http://www.fee.be>).
3. The Fédération des Experts Comptables Européens (FEE) is the representative organisation for the accountancy profession in Europe. FEE's membership consists of 44 professional institutes of accountants from 32 countries. FEE member bodies are present in all 25 member states of the European Union and three member countries of EFTA. FEE member bodies represent more than 500,000 accountants in Europe.