

“Gender dimensions of corruption”:

An internal auditors’ perspective

Dr. Matthias Kopetzky

Joint Hearing on

“Gender dimensions of corruption”

Organized by GRECO

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Who we are?

- The **INSTITUTE of INTERNAL AUDITORS**
 - Established in 1941
 - To represent the internal audit profession
- Currently we have about **180.000 members**
 - Internal Auditors all over the World
- We are the „**3rd Line of Defence**“
 - In private and public sector organisations



We are represented all over Europe

 IIA Austria	 IIA Finland	 IIA Montenegro	 IIA Sweden
 IIA Azerbaijan	 IIA France	 IIA Morocco	 IIA Switzerland
 IIA Belgium	 IIA Germany	 IIA Netherlands	 IIA Turkey
 IIA Bosnia and Herzegovina	 IIA Greece	 IIA Norway	 IIA UK & Ireland
 IIA Bulgaria	 IIA Hungary	 IIA Poland	
 IIA Croatia	 IIA Iceland	 IIA Portugal	
 IIA Cyprus	 IIA Italy	 IIA Romania	
 IIA Czech	 IIA Latvia	 IIA Serbia	
 IIA Denmark	 IIA Lithuania	 IIA Slovenia	
 IIA Estonia	 IIA Luxembourg	 IIA Spain	

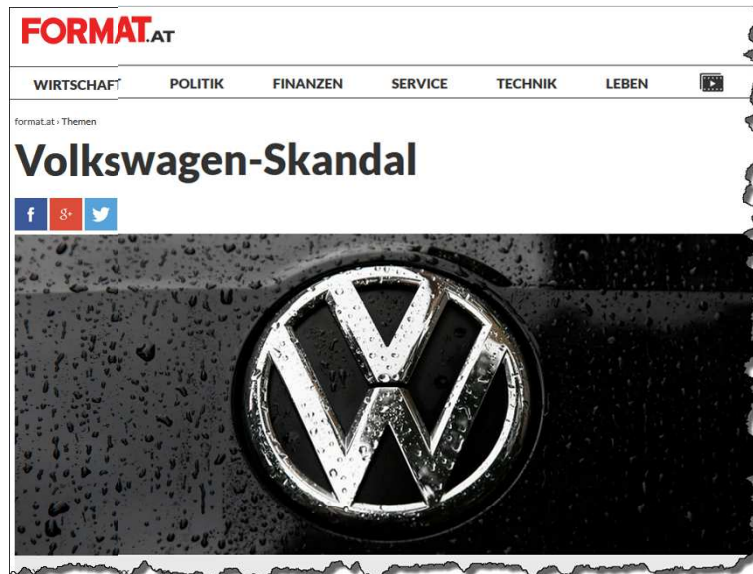


Corruption is THE audit challenge

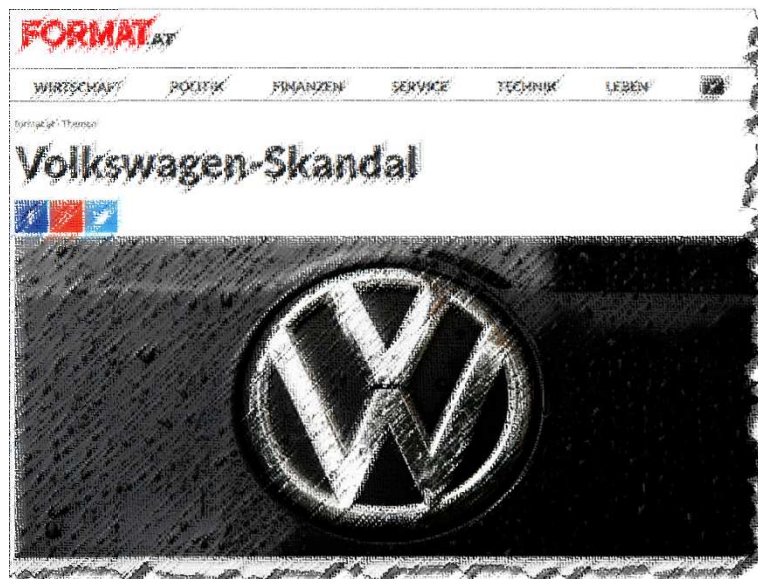
- **Internal Audit is focused on**
 - Fraud detection
 - Management of fraud cases
 - Oversight of fraud prevention
- **Corruption is**
 - Almost impossible to detect
 - The cases are very complex
 - And often not solved at all
 - Prevention of corruption is a wide-spread lip-saying, but often not lived within the entities (private and public sector as well)



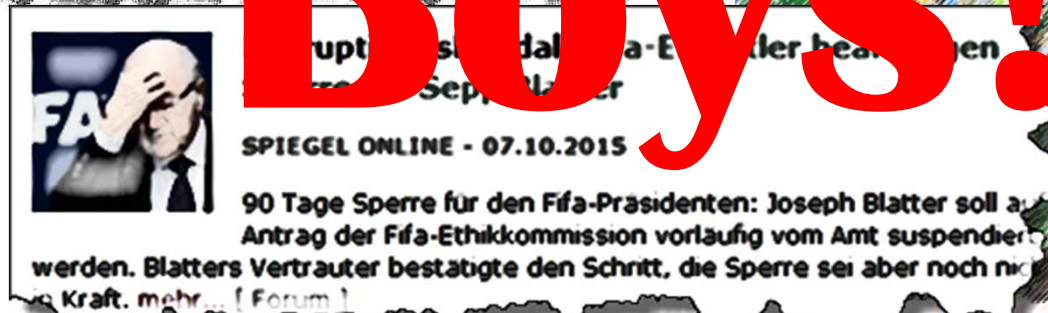
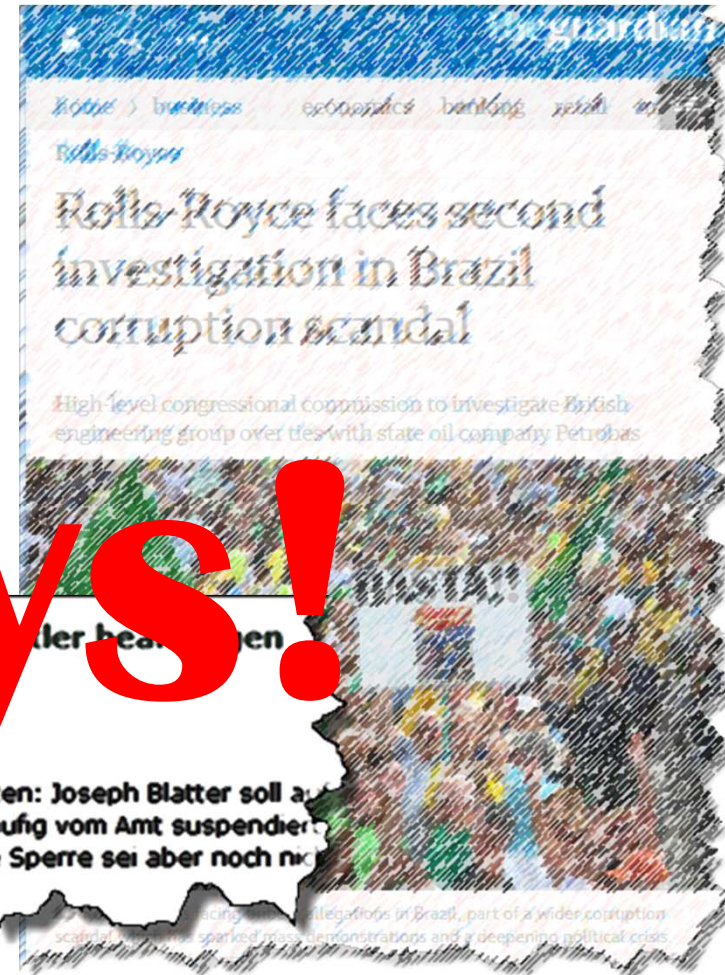
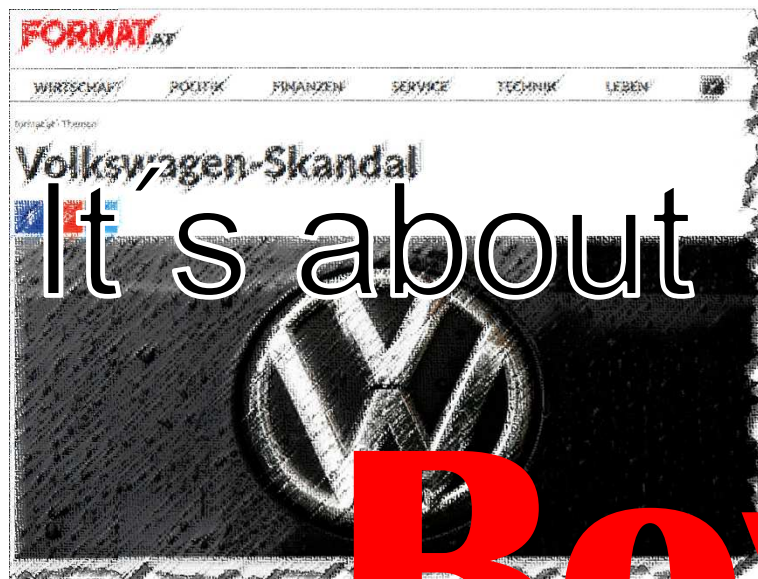
... and we fail constantly



What do those cases have in common?



What do those cases have in common?



So, how does the perfect prevention strategy look like?

- More compliance?
- More laws?
- More trials and jail sessions?
- More education on corruption?
- Or
- More **WOMEN** into the workplace



Some strange answers!

- **Observation of experienced fraud investigators:**
 - We don't had corruption cases with one or more women as main perpetrators?
- **No Cases**
- IIA Austria started a research project named „Gender & Corruption“



Gender & Corruption – a research project!

- Is there a quantitative difference between males and females becoming perpetrators in corruption cases?
- Is the gender-mix in job environments relevant for the likelihood of „developing“ a corruption scheme?



Our Research Project:

We asked Internal Auditors all over Europe

- We asked the experts on the fight against corruption
 - Internal Auditors all over Europe
- We wanted to know from them
 - If they had to investigate corruption cases with women involved
 - If they think about an influence of female bosses against corruptional behavior in the entity
 - If they see an effect with more women in the work place

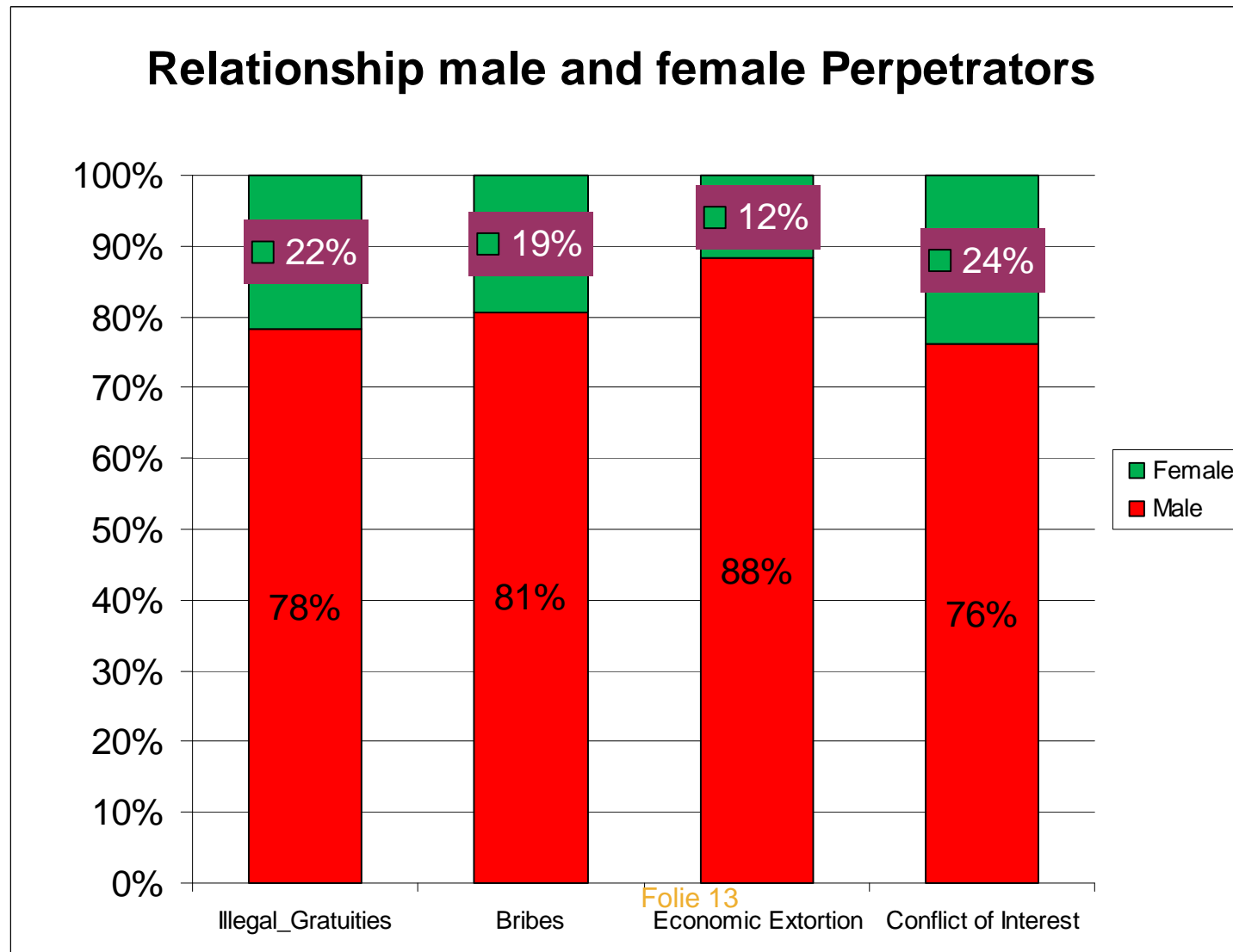


Why did we start this Research?

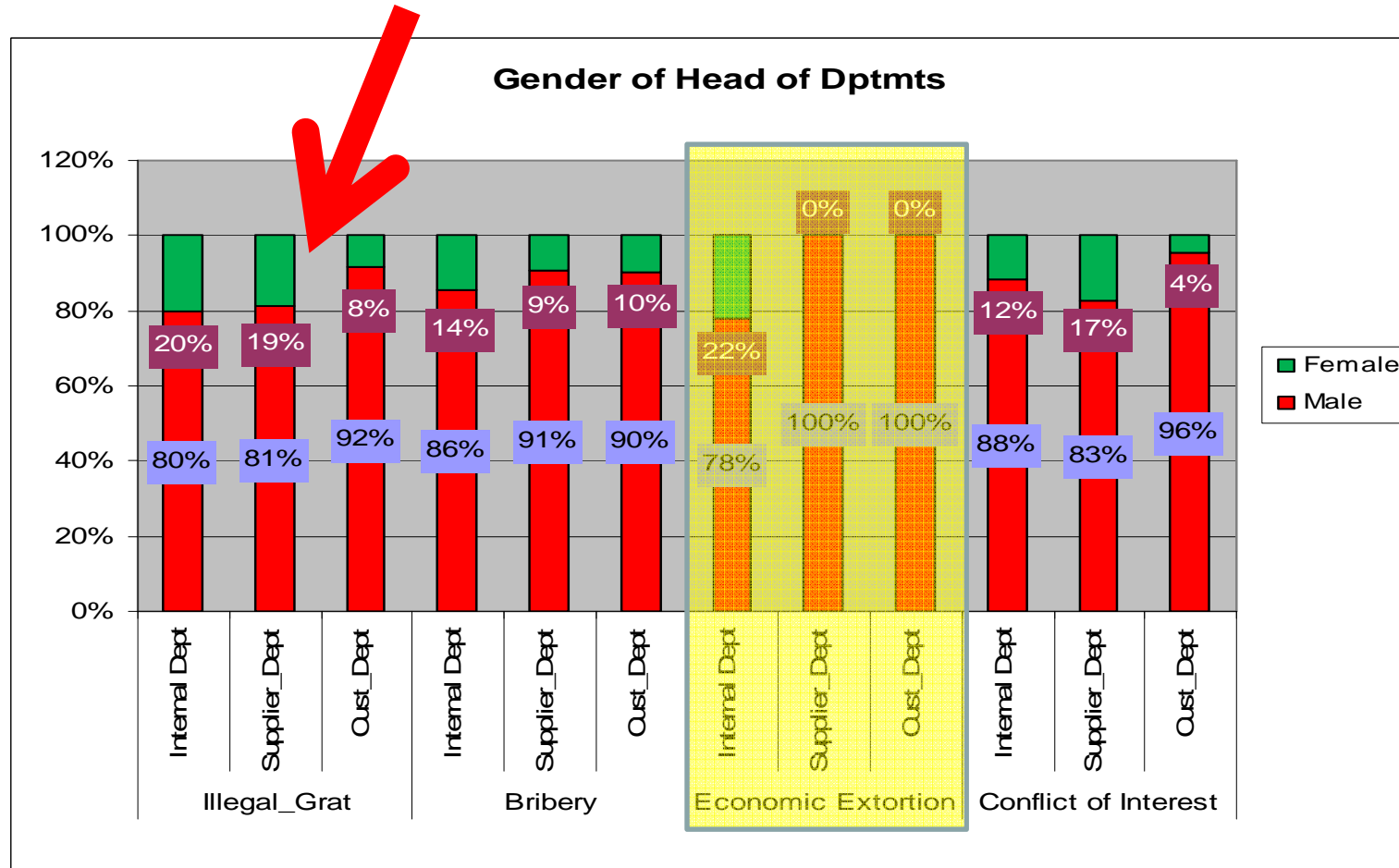
- Important Question
 - Based on individual experience of the profession
 - Now make it **scientific viable**
- A Surprising **New Argument**
 - In the gender discussion
 - In prevention of corruption
- **Possibly a Strong Way of Prevention**
 - If it is true, that **stronger involvement of women** in corruption prone environments could help **prevent corruption**



The IIA-Austria Study 2012/13 – Cases from Internal Auditors

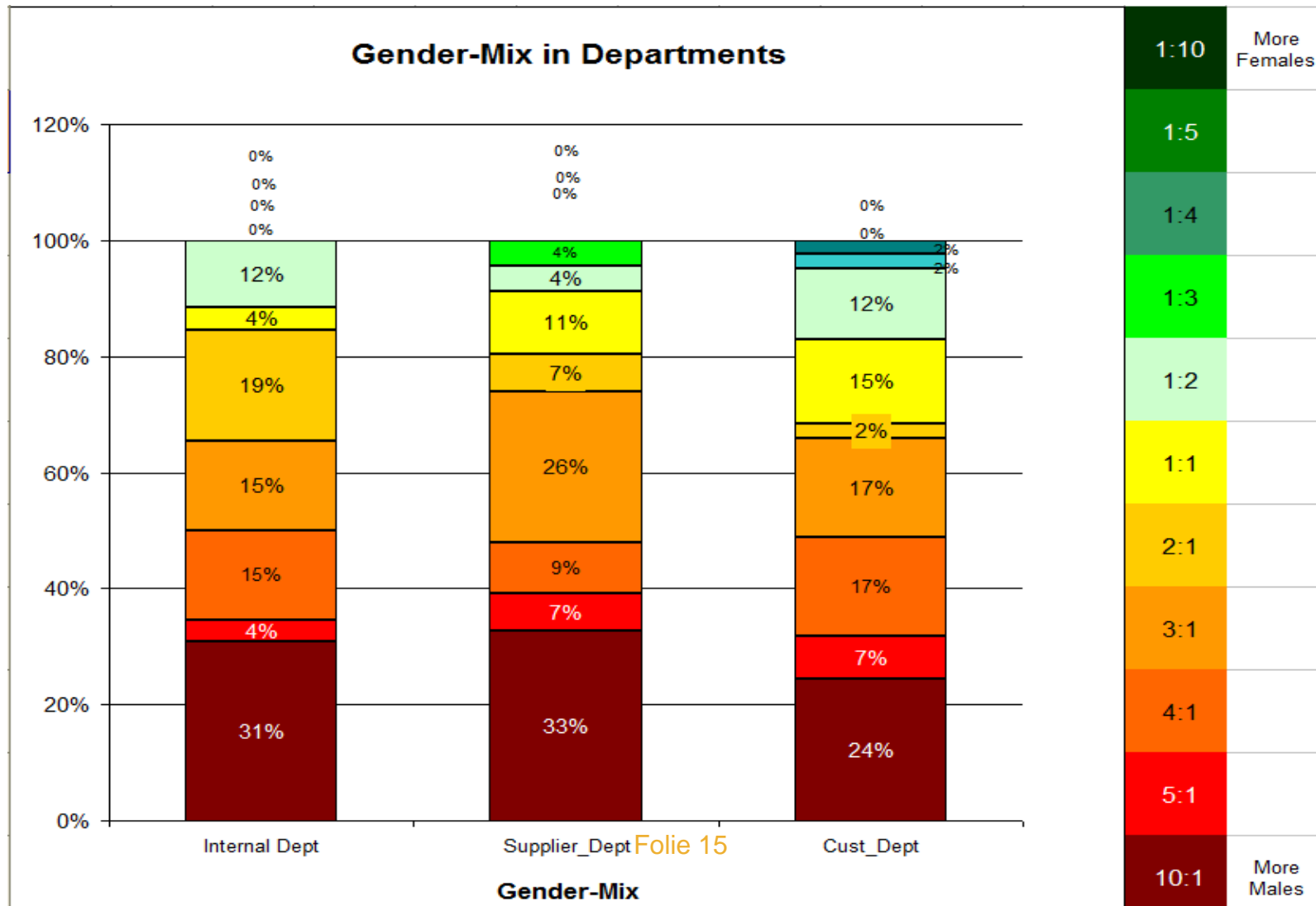


Tone from the (female) top – any relevance?



Gender-Mix in Workplace

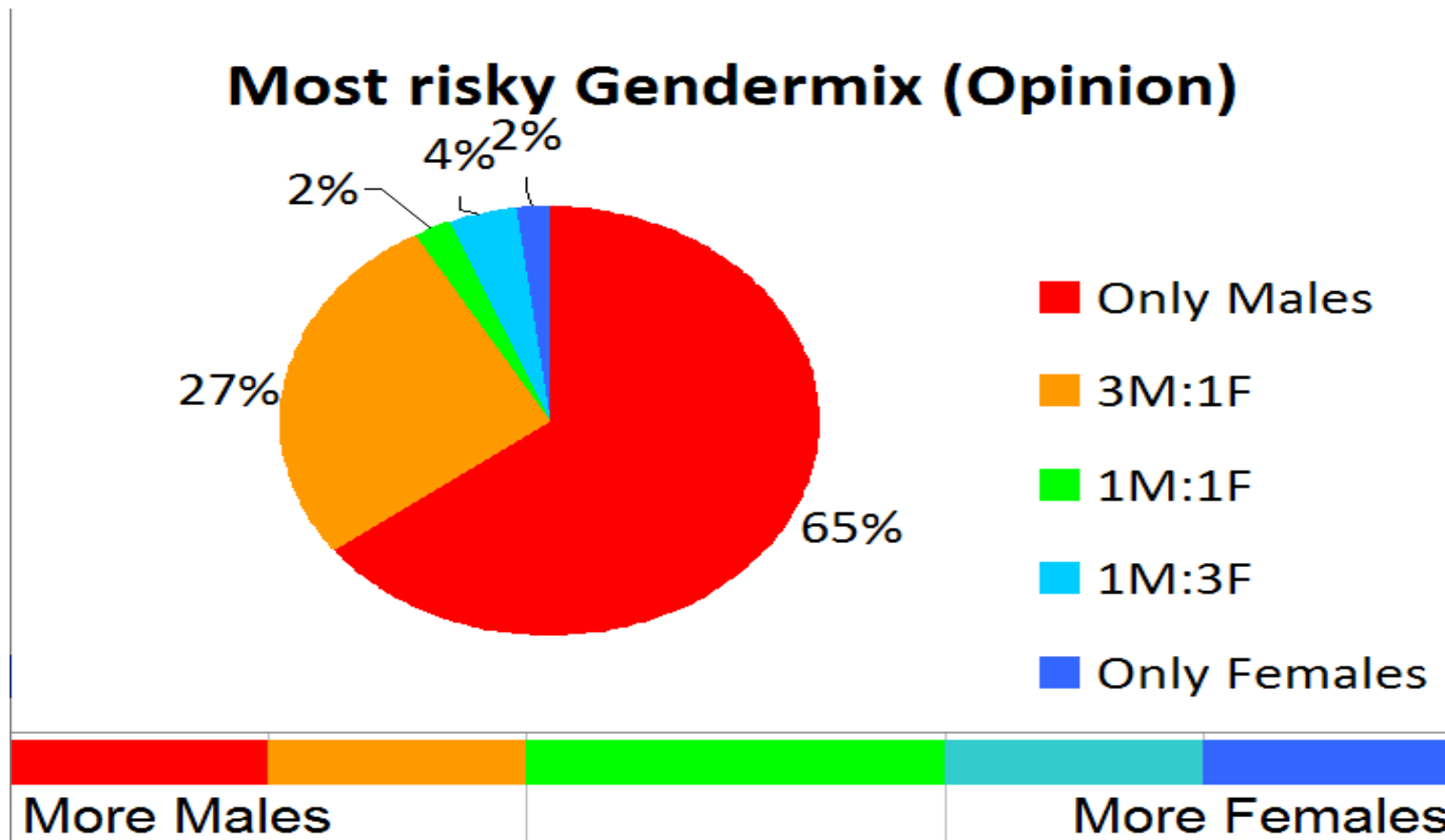
Does it make the difference?



Folie 15

Opinion of Internal Auditors in the study “Gender&Corruption”

- What is the riskiest gender-mix in a department for corruption cases to develop?



Do we have a solution?

- If we keep our expectations low enough
 - Maybe we have kind of a solution

Lambsdorff: Es hat sich gezeigt, dass zum Beispiel Männer mehr zu korrupter Reziprozität neigen als Frauen. Das war für uns eine durchaus überraschende Erkenntnis. Aber es gibt in vielen Ländern die Tendenz, verstärkt Frauen in der Strafverfolgung einzustellen – mit dem Argument, diese seien weniger korrupt. Das deckt sich ein Stück weit mit unseren Befunden. Im Labor hat sich gezeigt, dass vor

- “There is a tendency in a lot of countries to promote women in criminal prosecution – with the argument, women are less corrupt. This is bit in line with our own findings.”

- <http://www.researchgate.net/publication/281743630>

What we learned from the Study?

- engaging more females in areas vulnerable to corruption could have a containment effect
- Risk of such preventive activities is zero
- Cost of such preventive activities is zero



More research is necessary still...

- We will concentrate the next round of our research on
 - The gender-mix-question
 - Getting answers from a broader interviewing base
 - Getting response all over Europe
- Maybe we support GRECO's agenda this way



Mag. Dr. Matthias Kopetzky, CIA,CFE,CPA

- Active Job Position

- **CEO** of Business Valuation Gutachten- und Unternehmensberatung GmbH
(seit 1998)

- Professional Experience

- Business Consultant
- Managerial positions in the IT Industry
- HFP-Auditors (Vienna)
- CEO of Business Valuation Gutachten- und Unternehmensberatung GmbH
- Permanent Expert Witness in Austrian Courts
- Specialist all aspects of economic crime

- Engagements

- Certified Fraud Examiner CFE and member of the ACFE (Association of Certified Fraud Examiners)
- Certified Public Accountant CPA/Maine/US
- Certified Internal Auditor CIA and member of the IIA (Institute of Internal Audit in Austria)
- Lecturer at various universities (Vienna, Wr. Neustadt, Innsbruck, ...)
- Chair of Special Interest Group “Economic Crime” at the IIA-Austria
- Corresponding member to the Special Interest Group “Economic Crime” at the IIA-Germany



Mag. Dr. Matthias Kopetzky, CIA,CFE,CPA

■ Books and Articles

- Wells-**Kopetzky**: “Handbuch – Wirtschaftskriminalität in Unternehmen” (LexisNexis-Orac, Wien, 2012)
- “Das Risikomanagement aus der Sicht der Internen Revision“- Autorengemeinschaft (Linde) Hrsg: IIR Österreich
- **Kopetzky**, Matthias: „Case 55 - Double Damage“ in Wells, Joe (Hrsg): Fraud Casebook – Learning from the bad side of Business (Wiley, 2007, N.J. USA)
- **Kopetzky**, Matthias: „Neue Bedeutung der Korruption im Strafrecht“ in Fellmann/Klug: IKW-Band 116 – Vademecum der Korruptionsbekämpfung (2008, Kommunale Forschung Österreich)
- **Kopetzky**, Matthias: „The Fraud Factor“ in The CPA Journal, April 2008, New York
- **Kopetzky**, Matthias: „Schutz vor Mitarbeiterverfehlungen in Banken“ in *Die gewerbliche Genossenschaft*, Jg 136, Ausgabe 9-10/2008, S 20ff

