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INTERNAL AUDIT AS MEANS OF FRAUD PREVENTION
AND DETECTION IN ORGANISATIONS
(as of the Example of Bulgarian Public Enterprises)

ABSTRACT

of the dissertation paper

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The dissertation work has been presented to the Department of Control and Analysis of Economic Activities and proposed for defence.

The dissertation work comprises 205 standard pages and consists of an Introduction Chapter, a Main Statement in three chapters, a Conclusion Chapter, Bibliography and Reference List Chapter, a Statement of Authenticity and Reliability, and Appendices.

The public session of the scientific jury for the paper defence shall be held on 30.06.2025, at the Rectorate Main Hall of the Dimitar A. Tsenov Academy of Economics, in the town of Svishtov.

The defence materials shall be available for consultation at the Doctoral and Academic Development Office.

I. GENERAL OVERVIEW OF THE DISSERTATION WORK

1. Relevance of the topic

Every year, organisations worldwide suffer huge losses from fraud, resulting in deterioration of their performance and financial health, project terminations, organisational failures, deteriorated reputation, collapsed trust, and a series of further adversities. An insidious phenomenon such as fraud poses a serious threat to the interests of any organisation, notwithstanding private or public, and also to all organisational stakeholders. In effect, the damage of fraud is quantified not only as financial losses. Its disruptive impact can also limit economic growth and damage the reputation of any organisation, regardless of its geographical location, scale or field of operation.

Among the common causes creating favourable conditions for fraud occurrence are poorly designed internal controls and poor management, since they undermine the organisation's processes and can hinder the achievement of its aims to different degrees. Organisations with appropriate, adequate and effective internal control procedures (incl. internal audit) allow the management to deal with the risk of damage to the organisation in a proper way, limiting the fraud risk.

The current model of internal audit forms an integral part of the internal control system which, by definition, adds value to the organisation by improving the general management processes, risk management and internal controls. According to the International Professional Practices Framework for Internal Audit (IPPF), the relevance of the internal audit is to reassure the management that such controlling processes are appropriate and effective, incl. in regard to the fraud prevention and detection in the organisation. When internal audit is properly structured and effectively executed, it significantly enhances the organizational environment and serves as a strong deterrent to fraud. From this point of view,

the paper focuses on the internal audit as a valuable fraud prevention and/or detection tool available to the organisational management.

The scope of the study focuses on identifying opportunities to enhance the performance and significance of internal audit in combating fraud in organisations, in particular, in Bulgarian public enterprises. The choice of the research object originates from the following *arguments*:

- **First.** Public enterprises in the Republic of Bulgaria, as defined in Art. 1 of the Public Enterprises Act (PEA), are commercial companies registered under the Commercial Act (CA) with over 50% of the capital owned by the state/municipality, companies on which the state/municipality otherwise exercises a dominant influence, their subsidiaries, and state-owned enterprises.
- **Second.** According to the definition in the PEA, a public enterprise is an organisation which operates in the local public sector. A huge public resource (capital) is concentrated in such companies and they are used for channelling a substantial part of the state and municipal investments, mainly through public procurement for goods or services. Therefore, an increased public interest exists on public enterprises, and an increased state control is exercised.
- **Third.** Like all other public and private commercial organisations, these enterprises are vulnerable to fraud, as well as to other types of misuse of the public funds they manage. Their management bodies should, therefore, respect the good practices in corporate management, by applying and complying with all legal requirements regarding establishing and maintaining appropriate management, risk management and internal control systems for the public sector.

2. Study object and subject

*The **object** of the study are the internal audit practices in Bulgarian public enterprises concerning fraud prevention and detection, and its **subject** is the fulfilment of the internal auditors' duties regarding fraud prevention and detection in Bulgarian public enterprises.*

3. Aims and objectives of the thesis

*The **aim** of the paper is to assess potential limitations in the fulfilment of the internal auditors' duties regarding fraud prevention and detection in Bulgarian public enterprises, and to identify opportunities for improving practice in this regard.*

In order to achieve the aim thus defined, the following **objectives** of the study have been formulated:

1. To identify **key premises and characteristics of occupational fraud** and to outline **the role and duties of the organisational management** for combating such fraud;
2. **To define the content of internal audit**, and, based on the outcome, to **define its relevance** for the system of general internal organisational controls applicable to fraud prevention and detection;
3. To identify **the main duties** of internal auditors regarding fraud prevention and detection, and, based on the outcome, to **articulate the approach** to be applied in assessing fraud risk, as well as the risk management in the organisations, and, eventually, to **assess the instruments of** the assurance engagements carried out when fraud is suspected;
4. To **articulate the opportunities** for improving internal audit practices in fraud prevention and detection in Bulgarian public enterprises, aiming at minimising the impact of current weaknesses and limitations in fulfilling the internal auditors' duties.

4. Paper thesis

The thesis defended by the dissertation is that *the internal audit practices in Bulgarian public enterprises reveal the existence of specific limitations in the performance of the duties of internal auditors concerning fraud prevention and detection. Such limitations may impact negatively the appropriateness and effectiveness of internal audit; and finding solutions thereto would improve the relevance on internal audit for combating fraud in these organisations.*

5. Research methodology

In this study, both *scientific and theoretical* and *empirical research methods* are used. Scientific and theoretical methods include: scientific analysis and scientific synthesis; comparative, systematic and logical analysis; statistical analysis and interrelations' assessment. The empirical methods, on the other hand, include: an author's survey of the sources of information considered relevant for the research area; a study of statements and positions of internal auditors of Bulgarian public enterprises through the survey (questionnaire); data visualisation in graphics or charts; description of findings and study of practical experience.

For the purpose of this dissertation paper, an *author's empirical study (questionnaire)* has been conducted among internal auditors of Bulgarian public enterprises. The very survey took place online between April and May 2024. The questionnaire has been designed by the author of the paper for the purpose of the research (see Appendix 1) and contains 22 questions aimed at contributing to the resolution of the *main research questions*.

6. Limitations of the study

The limitations of the study are related to the following basic premises:

- Due to the fact that the study has been carried out in a particular period of time, amendments, completions or derogations of the legal norms regarding the studied matters may have taken place;
- The scope of the research does not cover a study of the internal audit's potential to counter corruption, bribery, errors and other concepts as comparable to fraud. Such negative phenomena are considered only as different from fraud and in terms of their potential to appear as indicators of fraud occurrence in organisations;
- The scope of the research does not include other public organisations such as spending units of first, second or third level, on behalf of central or local administrations, or public enterprises with no internal audit as per the Public Sector Internal Audit Act.
- Only services provided by internal auditors under assurance engagements are covered by this research. Other consultancy services of internal audit which involve advising the client (management and/or other positions in the organisation) are a specific engagement and, in delivering such services the internal auditors' duties for fraud prevention and detection do not apply.

7. Approval Procedure

The dissertation has been discussed at a meeting of the Department of Control and Analysis of Economic Activities at D. A. Tsenov AE. Parts of the research have been published in specialised scientific publications.

8. Application of the research results

In order to achieve the aims of the research, fulfil the objectives and confirm the thesis, the paper analyses and assesses the internal audit practice as means for fraud prevention and detection in Bulgarian public enterprises. The conclusions drawn and the results of the author's survey aim to articulate the opportunities to

improve the fulfilment of the duties of internal auditors, assigned to them by the International Professional Practices Framework for Internal Audit (IPPF) and the national legislation for fraud prevention and detection in organisations.

II. SCOPE AND STRUCTURE OF THE DISSERTATION

The dissertation work consists of 223 pages or 205 standard text pages, according to the Bulgarian State Standard (BDS). The main text body extends across 190 pages and consists of an Introduction Chapter, three chapters of Exposition, and a Conclusion Chapter. 35 charts, 8 diagrams and 5 sketches are used as visuals. The thesis also includes: a Statement of Authenticity and Reliability, Bibliography and Reference List which comprises 91 titles, incl. books, articles, legal acts, reports, summaries, standards, and 4 Appendices.

The dissertation work is structured as follows:

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III. MAIN STATEMENT OF THE DISSERTATION WORK

INTRODUCTION CHAPTER

The introduction of the paper demonstrates that the chosen topic is both relevant and significant. The subject and object of the research are defined. The aims and the objectives to be fulfilled in the research paper are also stated. The thesis which shall be defended is formulated. The methodology of the research is described and the conditions limiting the research are outlined.

CHAPTER ONE. THE ROLE OF MANAGEMENT AND INTERNAL AUDIT IN COMBATING FRAUD IN ORGANISATIONS

The First Chapter is scientific and theoretical. It consists of 58 pages and is structured in three sections to fulfil the first and second objectives, set to the aim defined in the introduction of the paper.

Section 1.1. Nature of fraud, types of fraud and their impact on organisations.

Based on a scientific analysis of Bulgarian and foreign authors' opinions, and the opinions of international professional organisations engaged in research in the field of control, audit and fraud, together with an author's study of the practice of internal audit in Bulgarian public enterprises, a detailed description of fraud is made, types of fraud and their impact on the organisational activities are reviewed.

In accordance with the aims and objectives of the dissertation, the following ***working definition of fraud*** has been elaborated: an activity which *relates to the commission of illegal, unjust and morally unacceptable acts (or omissions) by a person, group of persons or organisations, with the aim of obtaining a personal benefit or advantage, by seizing a specific favourable opportunity, with a clear*

motive and using premeditated means, manners and techniques to put in action an intention to defraud.

Section 1.2. Role and responsibility of the management of organisations in combating fraud.

Based on a scientific analysis of Bulgarian and foreign authors' opinions, and the opinions of international professional organisations engaged in research in the field of control, audit and fraud, together with an author's study of the practice of internal audit in Bulgarian public enterprises, the limits of the responsibility of the management of organisations for the design, implementation and development of a comprehensive process for fraud prevention and detection, are determined. From such a perspective, the responsibility of the management in organisations, including public enterprises, consists in:

- ***First.*** To design, implement and develop an appropriate system for identifying and assessing all risks (incl. fraud) to the achievement of the aims;
- ***Second.*** To apply all necessary measures to reduce the risks (incl. fraud) to an acceptably low level of residual risk, i.e. to design, implement and develop an appropriate and effective internal control system;
- ***Third.*** To ensure the internal audit function in compliance with the applicable legislation and the International Professional Practices Framework for Internal Audit (IPPF) as part of the internal control system for fraud prevention and detection.

A ***conclusion*** which might be drawn is that the management bodies of organisations (incl. public enterprises) have the ***comprehensive management responsibility*** for designing, implementing and developing appropriate systems for risk management (incl. fraud), and are obliged to implement appropriate and effective internal controls to reduce such risks to an acceptably low level of residual risk.

Section 1.3. Nature, role and importance of internal audit in combating fraud in organisations.

Based on a scientific analysis of the opinions of Bulgarian and foreign authors, and the opinions of international professional organisations engaged in research in the field of control, audit and fraud, together with an author's study of the practice of internal audit in Bulgarian public enterprises, the nature, importance and role of the internal audit in combating fraud in organisations are defined.

In terms of the IIA's position in the Standards (IPPF), ***the nature*** of internal audit has the ***following characteristics***: an ***independent and objective*** assurance and consulting ***activity*** designed to add value and improve an organisation's operations; a ***separate entity*** – a department, unit, consulting team, or other professionals who provide independent and objective assurance to the management, as well as consulting services designed to add value and improve the operation of organisations; a ***professional activity*** performed by particular specialists with the required competences (education and experience) and legal capacity, holding international (e.g. from IIA) or nationally recognised (e.g. from the Ministry of Finance of the Republic of Bulgaria) certificates.

It is argued that internal audit is ***essential*** in the risk management processes and in the assessment of the appropriateness and performance of internal controls in organisations, thereby effectively assisting management in combating fraud.

Research on international and Bulgarian practices related to the positioning of internal audit in the system of general and organisational controls has resulted in defining its role in the general system of controls applied in organisations, incl. combating fraud. Internal audit is perceived as a relevant ***general control*** in the system of internal controls in organisations, and also as a ***significant and highly useful activity*** for improving risk management processes and internal controls in organisations for fraud prevention and detection.

From the research and analysis in this chapter of the dissertation, the following *conclusions* and *inferences* can be drawn:

- **First.** Fraud can be defined as a *highly negative phenomenon* which may affect all spheres of social and economic life. Fraud means illegal, unlawful, immoral and dishonest actions which are committed with a predetermined (intentional) purpose (personal benefit or advantage for the perpetrator), a clear motive and by seizing an opportunity. 'Error' and 'fraud' are similar and different at the same time. The similarity lies in the fact that both result in discrepancies, deviations, loss, damage, etc., for the affected organisation; the difference, on the other hand, lies in the premeditation (intention) of the action and the presence of a motive in the case of fraud;
- **Second.** In international and Bulgarian practices, different types of professional fraud occur with the highest frequency. Internationally, fraud related to misappropriation/misuse of assets, corruption, financial reporting fraud, etc., can be identified as most common. In the activity of Bulgarian organisations, the most frequent fraud is related to public procurements, misappropriation/misuse of assets, corruption, financial reporting fraud, fraud concerning EU funds and programmes, taxes (VAT, corporate tax, local taxes and fees), import/export of goods and/or services. Knowing the key features of fraud in general and those concerning the particular types, it might be useful for the organisational management to correctly identify fraud risks, determine and apply appropriate and effective measures for fraud prevention and detection.
- **Third.** The most common fraud in the Bulgarian organisations' operation (public procurement fraud, misappropriation/misuse of assets and corruption) and the most harmful fraud (public procurement fraud, corruption and fraud concerning EU funds and programs) determine the most common measures applied by the management of organisations to

combat it – internal controls, unannounced (unexpected) internal audits and relevant training for the management. The management of organisations in the public sector, incl. public enterprises as part of the public sector, have the ***comprehensive management responsibility*** to design, implement and develop appropriate risk management systems (incl. fraud) and are obliged to take all necessary measures for reducing risks to an acceptably low level;

- ***Fourth.*** Internal audit can be defined as a ***common control***, part of the internal controls' system in organisations and ***its role*** in terms of fraud prevention and detection also determines ***its significance*** as an ***important and highly useful activity*** for improving risk management processes and internal control in organisations as means of fraud prevention and detection.

CHAPTER TWO. PROFESSIONAL PRACTICES OF INTERNAL AUDIT AS MEANS OF FRAUD PREVENTION AND DETECTION

Chapter Two is of both scientific and theoretical and applied nature. It extends on 57 pages and is structured in three Sections to fulfil the third objective set to the aim defined in the Introduction.

Section 2.1. Internal auditors' duties for fraud prevention and detection

The duties of internal auditors in carrying out internal audit in organisations are explicitly defined in the International Professional Practices Framework for Internal Audit (IPPF) of the Global Institute of Internal Auditors (The IIA/Global). This Section defines ***the scope of*** internal auditors' ***duties*** for fraud prevention and detection in organisations. In the course of the research and based on data from the author's survey among internal auditors of Bulgarian public enterprises, an ***analysis*** of the actual state of fulfilling their duties for fraud

prevention and detection in such enterprises, has been carried out. The purpose of such analysis is rather to highlight *the potential issues* which might emerge upon exercising the internal auditors' duties in public enterprises.

Respondents to the survey have been asked sets of relevant questions in order to analyse how internal auditors fulfil the duties assigned to them by the Standards (IPPF) and the Bulgarian legislation. The questionnaire for internal auditors encompasses questions addressing the following *sections*:

1. Identification of the Audit Universe units;
2. Annual planning of audit work;
3. Fulfilling assurance and counselling engagements;
4. Reporting results and monitoring the progress in the implementation of the recommendations.

As a result of the matters discussed in this Section of the thesis, the following *conclusions and implications* can be drawn:

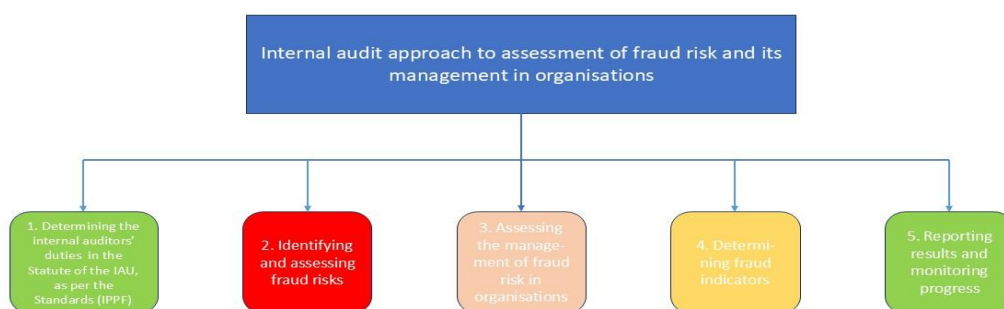
- In carrying out their practical internal audit work, internal auditors *have specific duties* assigned to them by the Standards (IPPF) and related to their level of competence; the planning of the audit work, incl. the identification of the Audit Universe units and annual planning; risk management processes; assessment of the appropriateness and effectiveness of internal control; reporting of results and monitoring the progress in the implementation of the recommendations of audit engagements.
- Based on the analysis and results' assessment of the author's survey among internal auditors of Bulgarian public enterprises, it can be concluded that there are *specific issues* which limit the fulfilment of the duties assigned to them by the Standards (IPPF) for fraud prevention and detection.

Section 2.2. Internal audit approach to fraud risk assessment and its management in organisations

As a result of the analysis of the internal auditors' duties for fraud prevention and detection carried out in Section 2.1, in accordance with the requirements of the Standards (IPPF), it has been found that they are charged with *two key duties* relating to the fraud risk management process, i.e.: (1) to *identify and assess fraud risk* and (2) to assess *the management of such risk in the organisation*. Internal auditors fulfil the relevant duties by performing the activities of assurance engagements, following *a specific logic and sequence of actions*.

In performing their duties for identifying and assessing fraud risks and the management of such risk in organisations, internal auditors carry out a series of sequential actions that can be presented as steps in a *sample approach* for them to use for this purpose. The articulation of this approach is based on the author's personal observations concerning the practical implementation of internal auditors' activities for fraud prevention and detection in organisations.

When internal auditors perform their assurance engagements, they apply the following *steps* of the sample approach to identify and assess fraud risk and how it is managed by the organisation, as graphically presented in the sketch below:



Steps of the approach to fraud risk assessment and its management in organisations

➤ *Step 1. Determining the internal auditors' duties in the Statute of the Internal Audit Unit, as per the Standards (IPPF)*

At this stage of the approach, the duties of internal auditors for fraud prevention and detection *are clearly and precisely defined in details*, in compliance with the positions and requirements of the Standards (IPPF). Such duties should be explained in details in the Statute of the Internal Audit Unit (IAU) of the enterprise.

The key duties of internal auditors for fraud prevention and detection are discussed further in Section 2.1 of this Chapter of the thesis.

➤ *Step 2. Identifying and assessing fraud risks*

In this step of the approach, in the process of planning the assurance engagement, internal auditors should take *specific actions* related to *identifying and assessing fraud risks, comparing the risks identified and assessed by the auditors with the risks identified and assessed by the management of the organisation, and, therefore, to choose audit approaches and techniques for performing the assurance engagement in accordance with the assessed risks*.

In relation to identifying potential issues with fulfilling the internal auditors' duties in fraud risk identification and assessment in public enterprises, respondents in the survey have been asked *three main questions*:

- *The first question* focuses on determining the *extent to which specific factors would help internal auditors identify fraud risk in the enterprise's operations*;
- *The second question* should determine *what impact certain factors would have on the level of fraud risk in the enterprise's operations*;

- ***The third question*** should clarify *the extent to which information from specific sources would influence the assessment of fraud risk in the activities of public enterprises.*

The analysis also highlights some significant weaknesses in the fulfilment of internal auditors' duties for identifying and assessing fraud risks in public enterprises.

➤ ***Step 3. Assessing the management of fraud risk in organisations***

At this step of the sample approach, internal auditors ***assess the measures (internal controls) put in place by the organisation management to manage fraud risk*** from its initial occurrence to the point of limiting it to an optimally low level of residual risk. In assurance engagements, internal auditors are charged with the duty to assess not only the fraud risk but also ***the management of such risk in organisations***. Therefore, they need to assess the very mechanisms that management has designed, put in place and develops, in order to bring the fraud risk to an optimally low level of residual risk.

In this regard, respondents in the author's survey were asked ***two main questions***:

- ***The first question*** should determine *which measures are most frequently applied by management to reduce the fraud risk in Bulgarian public enterprises;*
- ***The second question*** should identify *the weaknesses in the implementation of the measures outlined above, as introduced by management, which would have the strongest negative impact on the fraud risk management process.*

The analysis also highlights some of the significant weaknesses in the fulfilment of the internal auditors' duties in relation to the measures (internal controls) put in place by management to manage fraud risk.

➤ ***Step 4. Determining fraud indicators***

At this step of the approach, internal auditors, as part of performing their assurance engagements, apply audit procedures and techniques planned on the basis of the identified and assessed fraud risks at the audited unit, in order to ***identify possible fraud indicators***. This is the first indication that errors and defects, as a premise for fraud, may be present in the audited unit.

As required by the Standards (IPPF), internal auditors are not expected to investigate fraud, they have to assess the activities and processes audited *with a heightened level of caution* for indicators of fraud, instead. Fraud prevention consists in taking action to stop fraud from occurring.

Two questions have been posed to internal auditors in Bulgarian public enterprises.

- ***The first question*** should identify *the fraud indicators which provide information on significant fraud risks in the activities of public enterprises;*
- ***The second question*** should clarify *the sources of information which can be used to check for fraud indicators in these enterprises.*

The analysis also highlights some significant weaknesses in the fulfilment of the internal auditors' duties in terms of identifying fraud indicators in the audited unit.

➤ ***Step 5. Reporting results and monitoring progress***

This step of the approach includes the duties of internal auditors for fraud prevention and detection in organisations, as related to ***reporting results and monitoring the progress on recommendations*** for improving the overall risk management process (incl. fraud) and the organisation's internal controls.

As a result of the findings of an assurance engagement accomplished at a specific audited unit, internal auditors ***report to the management on weaknesses and defects*** related to: *fraud risk identification and assessment processes; emerging and/or lapsed risks that management has not included or has removed*

from its risk register; and the appropriateness and effectiveness of internal controls in place against fraud risks. In the event that the monitoring of these processes and activities results in findings of such weaknesses and defects, the internal auditors ***include improvement recommendations*** in their reports. Another essential element of their work at this step is to monitor the ***progress*** in implementing such recommendations in terms of addressing weaknesses and defects.

The following ***conclusions*** and ***inferences*** can be drawn from the issues discussed in this Section of the paper relating to the application of the sample approach to fraud risk assessment and its management in organisations by the directors:

1. ***The steps of the sample approach*** thus described provide a particular view of the activities and actions performed by internal auditors in relation to the fulfilment of the duties assigned to them by the Standards (IPPF) for fraud risk identification and assessment, and for the risk management in organisations by the directors. Indicators of potential fraud in organisations when performing assurance engagements have also been identified.
2. As a result of the author's study of internal audit practices in public enterprises to identify and assess the fraud risk and its management by the directors, ***specific problems*** have been highlighted which might limit the performance of internal auditors' duties in this regard, and may reduce the quality of their work.

Section 2.3. Toolkit used by internal audit in assurance engagements where fraud is suspected

Assurance engagements in internal audit practice vary in nature, purpose and scope, while the purpose and scope of each individual audit assurance

engagement is determined by the internal auditors (see the sketch below). Through the fulfilment of the assurance engagements, internal auditors, as partners of the management, undertake to support it and **add value** by protecting the organisation against:

- existing and emerging risks, including fraud risks;
- to provide assurance and advice to management on the vulnerability of the organisation to potential fraud;
- to make valuable recommendations how to strengthen the risk management, control and governance processes.



Types of audit assurance engagements

Source: Internal Audit Manual, Ministry of Finance, 2020 – p. 12.

In the part of the study dedicated to the identification and assessment of potential issues in relation to the provision of this type of services by internal audit in Bulgarian public enterprises, the following **questions** were posed to the respondents in the author's survey:

- ***The first question*** focuses on *which audit assurance engagements are most likely to identify indicators of fraud in public enterprises;*
- ***The second question*** clarifies *the audit approaches applied predominantly by internal auditors in assurance engagements when fraud is suspected or indicators of fraud are present in the systems, processes and activities audited;*
- ***The third question*** shows *which audit techniques are prioritised by internal auditors when fraud is suspected or indicators of fraud are present in the systems, processes and activities audited.*
- ***The fourth question*** identifies *the audit techniques which internal auditors consider most appropriate in identifying fraud risk in assurance engagements where fraud is suspected;*
- ***The fifth question*** provides information *on what specialised audit software and/or digital applications internal auditors use in assurance engagements in public enterprises (see diagrams below).*

The analysis also highlights some of the material weaknesses in the performance of duties in assurance engagements where fraud is suspected in the audited unit.

The following ***conclusions*** and ***inferences*** can be drawn from the issues discussed in this Section of the thesis:

1. In compliance with the ***duties*** assigned to internal auditors under the Standards (IPPF) and the national legislation, they shall carry out ***assurance engagements*** as a priority, aiming at improving the risk management and internal controls to combat fraud, thereby adding value to the achievement of the organisations' objectives.
2. In the process of providing assurance engagement services where fraud is suspected, in relation to the toolkit they apply, the survey among Bulgarian

public enterprises found out that internal auditors face *specific issues* which can reduce the audit quality and the performance of their duties.

As a result of the matters examined and the analyses, evaluations, findings, conclusions and inferences obtained in this chapter of the paper, and in accordance with the stated aim and thesis, the following *conclusions* and *inferences* can be drawn, which allow to determine that the *objective* stated at the beginning of this chapter *has been fulfilled*:

- **First.** The IIA's review of the International Professional Practices Framework for Internal Audit (IPPF) addresses *the key duties* assigned to internal auditors for fraud prevention and detection in organisations. Such duties, if implemented effectively and not limited, would improve fraud risk management processes and the effectiveness of internal controls for fraud prevention and detection. As an outcome of the analysis and considering the results of the author's research, it can be concluded that there are *particular issues* related to the fulfilment of the duties assigned to internal auditors for fraud prevention and detection in Bulgarian public enterprises.
- **Second.** From the perspective of the duties of internal auditors as assigned by the Standards (IPPF) to identify and assess fraud risk and its management by organisations, *a sample approach* has been articulated for the purpose of this study to provide a concrete view of the sequence and logic of auditing activities and actions in fulfilling such duties. The sample approach has been tested in the case study in Bulgarian public enterprises in order to highlight *potential issues* with its implementation that would limit the performance of auditors' duties and reduce the quality of the results of their work.
- **Third.** In fulfilling assurance engagements where fraud is suspected, internal auditors use a set of tools designed to prevent and detect fraud in organisations. In doing so, they add value to the achievement of

organisational objectives by seeking to improve fraud risk management processes and its management by the directors. Following an analysis and evaluation of the results of the survey carried out in Bulgarian public enterprises, it has been identified that there are *particular issues* related to the toolkit used for the fulfilment of assurance engagements regarding fraud prevention and detection which reduce the audit quality and the performance of the audit duties.

CHAPTER THREE. OPPORTUNITIES FOR IMPROVING INTERNAL AUDIT PRACTICE OF FRAUD PREVENTION AND DETECTION

The Third Chapter is of both scientific and applied nature. It consists of 56 pages and is structured in three Sections within which the fourth objective, as set to the aim defined in the Introduction Chapter of the study, is fulfilled.

The logic of the internal audit practice in organisations, incl. fraud prevention and detection, as discussed so far in the Standards (IPPF), *is based* on the opportunity for internal auditors to perform their duties – independently, with due competence and professional care – and express objective opinions in accordance with the objectives set for each specific audit engagement. In the preceding part of the dissertation, after analysing the results of a survey conducted among internal auditors of public enterprises in Bulgaria, *specific issues* have been identified which (to different extents) have a negative impact on the performance of the duties for fraud prevention and detection in such enterprises, namely:

- fulfilling the duties for fraud prevention and detection in the enterprises;
- application of the internal auditors' approach to identifying and assessing fraud risk and its management;
- the toolkit used in audit assurance engagements when fraud is suspected.

In order to fulfil this objective, *statistical methods* are used in the following parts of the paper *to analyse the relations and interrelations* between the different variables resulting from the responses to the survey questions of the public enterprises' internal auditors, conducted to identify the problematic issues in the above three areas.

Spearman's rank correlation coefficient has been used for the statistical analysis of the survey data. The coefficient measures the increase or decrease ratio in the relation between two variables. When applying it to measure the increase or decrease in the relation between two variables, *statistical hypotheses, research question* and *research hypothesis* are suggested.

The statistical hypotheses to be tested are, as follows:

H0: There is no interconnection (relation) between the studied variables.

H1: There is an interconnection (relation) between the studied variables.

The research question is formulated, as follows: "*Is there a statistically significant relation between the variables measured by the author's survey among internal auditors in Bulgarian public enterprises?*".

The scientific (experimental) hypothesis H1 is: "*It is assumed that there is a relation (positive or negative) between the studied variables*".

In line with the aims set for the thesis, this part thereof considers and proposes measures for improvement regarding only the application of those duties of internal auditors for fraud prevention and detection in public enterprises where *a high risk* is identified.

Section 3.1. Opportunities to improve the implementation of the internal auditors' core duties for fraud prevention and detection

As a result of the analysis and assessment of the survey data in the previous chapter of the paper, in terms of the performance of the internal auditors' core duties for fraud prevention and detection in public enterprises, assigned to them

by the Standards (IPPF) and the national legislation, the following *issues*, assessed as *significant*, have been identified:

- *First*. An issue related to the *approaches* adopted by internal auditors in defining the Audit Universe units, which represents the baseline for designing an appropriate annual plan for the audit activity in the enterprise;
- *Second*. Issues related to mitigating the impact of the *circumstances* of higher risk for the fulfilment of the duties for fraud prevention and detection in public enterprises.

Regarding the approach used by internal auditors to define the Audit Universe units

The analysis of the survey data has demonstrated that the internal auditors of Bulgarian public enterprises prefer *the structural approach* for defining the Audit Universe units, and a significant part of them *do not apply the functional approach* for such purpose, at all. This is extremely worrying due to the fact that the internal audit methodology has been modified with the 2020 updates to the Internal Audit Manual of the Ministry of Finance, and the changes also affect the approaches for determining the Audit Universe units in planning. In practice, these modifications *advise against the use of a structural approach*, and promote the *functional* and *combined approaches* in defining the units, instead. The following *advantages* might result from adopting the functional approach for determining such units:

- *First*. Better *identification of risk factors and areas in organisations vulnerable to fraud*. The functional approach allows more precise detection of areas prone to fraud, highlighting risks in specific functions.
- *Second*. Improved opportunity for internal auditors to *prevent fraud in enterprises by analysing functional relations*. The analysis of the interrelations between different functional areas enables the identification

of potential weaknesses in the controls put in place against fraud risk; detection of unusual patterns of behaviour (e.g. related parties involved in procurement through different departments), fraud indicators, etc.;

- **Third.** Improved opportunity for internal auditors *to deploy and use internal audit resources more efficiently*. Traditional approaches (the structural, in particular) often lack a clear mechanism for prioritising high-risk functional areas - the audit might be applied more than once on certain units, while others remain uncovered.
- **Fourth.** The application of the functional approach *facilitates the use of analytical methods to identify and assess fraud risk*. Current internal audit increasingly relies on automated data analysis methods and analytical tools which require integration with the functional processes.

Regarding the circumstances of higher risk for fulfilling the internal auditors' duties for fraud prevention and detection in public enterprises

In relation to *identifying opportunities for improving* the implementation of internal auditors' duties for fraud prevention and detection in public enterprises, regarding the circumstances of higher risk for fulfilling them, the study has focused on assessing relations in *two main areas of analysis*:

- **The first area** – relations between *the circumstances* of higher risk for fulfilling the internal auditors' duties for fraud prevention and detection in public enterprises, and the *factors* influencing the identification of fraud risk.

As a **conclusion** from the analysis, it may be pointed out that a stronger negative impact of *the circumstances* of higher risk for fulfilling the internal auditors' duties for fraud prevention and detection leads to a stronger negative impact of the *factors* concerning the identification of fraud risk. On the contrary, if auditors seek to improve the impact of the *circumstances* of higher risk for

fulfilling their duties, they shall also reduce the negative impact of the *factors* influencing the identification of fraud risk.

- ***The second area*** – relation between *the circumstances* of higher risk for fulfilling the internal auditors' duties for fraud prevention and detection in public enterprises and the *factors* impacting the level of fraud risk in such enterprises.

As a ***conclusion*** from the analysis, it can be pointed out that the stronger negative impact of *the circumstances* of higher risk for fulfilling the internal auditors' duties for fraud prevention and detection leads to stronger negative impact of *the factors* influencing the level of fraud. On the contrary, if auditors seek to improve the impact of the *circumstances* of higher risk for fulfilling their duties, they shall also reduce the negative impact of the *factors* influencing the level of fraud risk in public enterprises.

Suggestions for ***improvement*** are mainly related to internal auditors taking action on issues related to the circumstances of higher risk for fulfilling their duties in the following ***areas***:

- Implementation of the Standards (IPPF) and the relevant legislation to ***prioritise the use of the functional approach*** in defining the Audit Universe units in public enterprises in the strategic and annual planning of audit activity.
- Enhancing the collaboration with management for ***developing the competences of employees and staff***, by *organising training*, or *sharing good practices* in combating fraud, seeking to increase their involvement in the fraud indicators' identification; reporting errors, omissions and defects that represent an opportunity for fraud; limiting external pressure and interference in the activities of the enterprise and/or specific individuals from it.
- Enhancing the communication and collaboration with management seeking to ***improve the appropriateness and effectiveness of fraud risk***

management processes in the enterprise, by establishing appropriate procedures and involving all parties responsible; introducing contemporary approaches, mechanisms and techniques to identify and assess fraud risks, incl. specialised software and digital applications, as well as early warning systems for potential fraud risks.

- Enhancing the communication and collaboration with management seeking to *implement measures for improving the appropriateness and effectiveness of internal controls*, thus widening the scope of the controlled environment in order to reduce and eliminate weaknesses, omissions and defects in the scope and operation of the other elements of the internal control system.
- Enhancing the communication and collaboration with management seeking to *improve the operation of the financial accounting system*, thus ensuring that accurate, complete and reliable financial information is adequately used to prevent and detect fraud in the enterprises, and to limit possibilities for unusual transactions by clarifying responsibilities for authorisation and approval of payments.

Section 3.2. Opportunities for improving the application of the fraud risk assessment approach and its management in the organisation

The study has only considered the opportunities for improving the fulfilment of internal auditors' duties falling under *steps 2, 3 and 4 of the approach* to identify and assess fraud risk and its management in organisations. Such decision is due to the fact that *step 1* has been discussed in detail in the previous Section 3.1, and *step 5* has no identified weaknesses, defects or problems.

Regarding the opportunities of improving the application of the approach for identifying and assessing fraud risks (step 2 of the approach)

Regarding the opportunities for improving the work of internal auditors related to the *identification and assessment of fraud risk*, the study focuses on assessing relations in *two main areas of analysis*:

- ***First area*** – relation between the *sources of* information which identify the presence of fraud indicators in public enterprises and the *factors* impacting the fraud risk identification. This aspect of the analysis allows to determine to what extent *the specific sources* used by internal auditors for gathering information on fraud indicators would enable them *to correctly assess the factors* impacting the fraud risk identification.

As a *conclusion* from the analysis, it can be pointed out that if auditors evaluate properly the information from all available sources which indicate the presence of fraud indicators, they could carry out proper analysis of the influence that different factors have on identifying the indicators. Thus, internal auditors would secure reasonably their ability to correctly identify all possible fraud indicators in the entity's area of operation. This shall enable them to subsequently compare such indicators with the indicators identified by management in the risk management process (incl. fraud).

- ***Second area*** – relation between the *sources* of information which impact the assessment of fraud risk in the activities of public enterprises and the *factors* impacting the level of fraud risk. This aspect of the analysis allows to determine to what extent the information from the *specific sources*, used by internal auditors in public enterprises and influencing the fraud risk assessment, would help them *to correctly assess the factors* impacting the fraud risk level.

As a *conclusion* from the analysis, it can be pointed out that a proper assessment of the information influencing the fraud risk assessment facilitates a

more adequate analysis of the impact that such factors would have on the risk level. Thus, internal auditors would secure reasonably their ability to correctly assess the identified risks. This shall enable them to subsequently compare such risks with those that management has assessed in the applied risk management process (incl. fraud).

The suggestions for *improvement* are mostly related to actions which internal auditors may take to address weaknesses and defects related to the correct assessment of the different sources of information – regarding both fraud indicators and indicators impacting the fraud risk assessment, namely:

- To create *registers* for the different sources of information – both for fraud indicators and indicators impacting the fraud risk assessment. This would allow them to periodically assess the quality of the relevant sources in order to ensure that no significant information which might be useful to the identification of fraud indicators and fraud risk assessment, is omitted;
- To apply *contemporary technology* in collecting and processing information from different sources, to analyse it faster and use it for identifying of fraud indicators and assess fraud risk, according to the specificities of the particular enterprise, and to use it in carrying out assurance engagements where fraud is suspected.

Regarding the opportunities to improve the application of the approach in assessing fraud risk management in organisations (step 3)

In relation to the opportunities for improving the work of internal auditors related to *assessing the fraud risk management in organisations*, the study has focused on assessing interrelations in *two main areas of analysis*:

- *First area* - the most commonly *applied measures* by management to reduce the risk of fraud to an accepted reasonably low level of residual risk

in public enterprises, and *the factors* impacting the level of fraud risk in public enterprises.

As a *conclusion* from the analysis, it can be pointed out that if the management applies a certain fraud risk reduction (to the accepted reasonable level of residual risk) measure less frequently (or does not apply it), the likeliness of an appropriate assessment of the level of fraud risk in organisations decreases. Similarly, more appropriate measures, implemented by the management to reduce fraud risk, would lead to higher effectiveness in minimising the impact of factors impacting the level of fraud risk. In practice, this would influence the correct assessment of fraud risk and its categorisation as *low, medium or high*.

- *Second area* – relation between the *sources of information* impacting the assessment of fraud risk in the operations of public enterprises and the *measures* most commonly *applied* by the management to reduce fraud risk to an acceptably low level of residual risk.

As a *conclusion* from the analysis, it can be pointed out that the proper analysis and assessment of the information gathered from various sources and impacting the fraud risk assessment leads to more appropriate and effective management measures for reducing the fraud risk to an acceptably low level of residual risk. The information from such sources enables the management to address errors, weaknesses and defects related to the risk management processes and internal controls for fraud prevention and detection.

Suggestions for *improvement* in these aspects of the analysis are mostly related to actions of the internal auditors in the following *areas*:

- Enhancing the *communication and collaboration with management* to prioritise the implementation of fraud risk reduction measures, until achieving the accepted for reasonably low level of residual risk, which have a significant impact on the assessment of the level of fraud risk and its management in organisations.

- Enhancing the *communication and collaboration with management* to ensure a proper assessment of the information from specific sources which might impact the fraud risk assessment, thereby improving the appropriateness and effectiveness of measures for fraud risk reduction to an accepted reasonable level of residual risk, considered in relation to the specific features of the particular enterprise in fulfilling assurance engagements where fraud indicators are suspected or present.

Regarding the opportunities to improve the application of the approach for identification of fraud indicators (step 4)

Regarding the opportunities to improve the work of internal auditors to *identify fraud indicators*, the study has focused on assessing the relations in the *following area*:

- *Analysis and assessment of* the relation between appropriate *audit techniques* assessing the presence of fraud indicators in assurance engagements where fraud is suspected in the systems, processes, activities, procedures and operations audited, and the *sources of* information on the presence of fraud indicators in public enterprises.

As a *conclusion* from the analysis, it can be pointed out that if audit techniques for the assessment of the presence of fraud indicators in assurance engagements are properly selected and effectively applied when fraud is suspected in the systems, processes, activities, procedures and operations audited, information from specific sources on the presence of fraud indicators shall be more precisely assessed. This would subsequently facilitate the process of taking measures against errors, weaknesses and defects that represent opportunities for fraud to occur or be detected.

The following improvement guideline can be pointed out for the phase of the approach related to the fraud indicators identification:

- Taking action to *prioritise the use of audit techniques assessed as appropriate* for assessing the presence of fraud indicators in assurance engagements where fraud is suspected in the systems, processes, activities, procedures and operations audited, affecting the sources of information on the presence of fraud indicators in the entity, according to its own specificity.

Section 3.3. Opportunities for improving the application of the toolkit used by internal auditors in assurance engagements where fraud is suspected.

The toolkit used by internal auditors in performing assurance engagements where fraud is suspected is not materially different from the approaches, procedures and techniques used for all other engagements. In compliance with the Standards (IPPF) when providing assurance engagements, internal auditors are required to provide both evident and objective conclusions or assessment about the audited unit. Defining proposals for improvement, in terms of the toolkit used by internal auditors when performing audit assurance engagements where fraud is suspected, has been done in several *aspects*.

Regarding the audit approaches used in assurance engagements where fraud is suspected

As a *conclusion* from the analysis, it can be pointed out that, if the application of appropriate audit approaches is limited, internal auditors' assessment of the level of fraud risk in the entity's operations would be hindered, in accordance with the stated factors. In other words, in case the internal auditors underestimate the application of any approach in planning engagements, they lower the possibilities of appropriate assessment of the level of fraud risk in the systems, processes, activities and operations audited.

The following can be pointed out as *suggestion for improving* the performance of internal auditors' duties in selecting and applying specific auditing approaches in assurance engagements where fraud is suspected:

- Prioritising the most effective auditing approaches in accordance with the Standards (IPPF) and the guidelines of the Internal Audit Manual of the Ministry of Finance, according to the specificities of the enterprise concerned, by implementing assurance engagements where fraud is suspected or there are indicators thereof.

Regarding the audit techniques used when performing assurance engagements where fraud is suspected

As a *conclusion* from the analysis, it can be pointed out that if inappropriate audit techniques are used, regardless of the auditing approach chosen, internal auditors' ability to gather the information (evidence) they need for an appropriate assessment of the fraud risk level in the enterprise, shall be hindered. In other words, if the issue of selecting inappropriate audit techniques deteriorates, the internal auditors' ability to gather the information they need for an appropriate assessment of the level of fraud risk shall be hindered, regardless of the auditing approach selected.

The following guideline for improvement aimed at fulfilling the responsibilities for the selection and application of specific auditing techniques in assurance engagements where fraud is suspected or indicators of fraud are present, can be pointed out:

- Conduct training of internal auditors, taking advantage of the specialised programs of the Institute of Internal Auditors in Bulgaria, aimed at applying the most effective auditing techniques, as well as the availability of digital applications for data analysis, performance monitoring, reperformance, etc. in the fulfilment of assurance

engagements where suspicions or indicators of fraud in enterprises exist, aimed at increasing their effectiveness.

Regarding the specialised audit software or digital applications used in assurance engagements where fraud is suspected

In relation to the opportunities for improving the *toolkit* used by internal auditors in fulfilling their duties for fraud prevention and detection in public enterprises, the research has focused on assessing relations in ***two main areas of analysis***:

- ***First area*** - analysis of the relation between ***the extent of use*** of ***specialised audit software*** and the ***likelihood*** of identifying fraud in the performance of assurance engagements in public enterprises.
- ***Second area*** –analysis of the relation between ***the extent of use of digital applications*** and the ***factors*** affecting the level of fraud risk in the practice of public enterprises.

As a ***conclusion*** from the two areas of analysis, it can be pointed out that the low use of specialised audit software and digital applications by internal auditors ***is alarming***. The ***conclusion*** drawn is that, if current IT instruments are underapplied (or not applied at all), the identification of fraud indicators and fraud risk in audit assurance engagements shall be hindered.

These findings suggest considering options to ***promote*** the use of contemporary IT instruments in audit engagements where fraud is suspected among internal auditors, in the following ***areas***:

- Specialised training for internal auditors, within the training programs of the Institute of Internal Auditors in Bulgaria, focused on the use of contemporary IT instruments, and on the benefits and opportunities they open for modern audit practice. The use of such technologies shall provide opportunities for data analysis applicable to the identification

of fraudulent schemes; implementation of automated controls and risk indicators, real-time alerting of suspicious payments/transactions; development of reporting systems and data visualisation dashboards contributing to more effective analysis and decision making;

- Increase management commitment in public enterprises to implement applications and electronic systems for audit activity management, and to reliably store audit documentation that can be used in creating digital trails and tracking every action.

As a result of the matters examined and the analyses, assessments, conclusions and inferences made in Chapter Three of the paper, as well as in accordance with the stated aims and thesis of the work, the following *conclusions* and *inferences* can be drawn, allowing to state that *the objectives* set at the beginning of this chapter *have been fulfilled*:

- *First*. The impact of the *circumstances* of higher risk for fulfilling the internal auditors' duties for fraud prevention and detection in public enterprises can be mitigated by taking action to *enhance the communication and collaboration with the management* on issues related to existing limitations they face and boost their organisational and functional independence in carrying out their work.
- *Second*. Overcoming the various *obstacles, issues and constraints in the internal auditors' actions* in achieving the aims of the individual engagements related to the identification and assessment of fraud risks and their management by the directors of public enterprises, would enhance the quality of audit activity. This would help fulfilling the internal audit mission of adding value to the business by improving risk management processes, internal controls and management of fraud prevention and detection.

- **Third. The digitisation of** internal audit practice, *does not guarantee a reduction in fraud risk* intrinsically. It should be effectively implemented and used; the application of audit software and digital applications is linked to the availability of well-trained and sufficiently competent internal auditors to carry out the necessary fraud prevention and detection activities by exploiting the IT opportunities. Such technologies could help identifying factors that have the most significant impact on the level of fraud risk, contribute to a better risk management and improve internal controls.

CONCLUSION

This paper aims at articulating the role and significance of internal audit as a valuable assistance tool for the management in preventing and detecting fraud in organisations. For an appropriate and effective implementation of internal audit practice, the International Professional Practices Framework for Internal Audit (IPPF) have introduced specific requirements for the duties of internal auditors in fraud prevention and detection in organisations.

The object of the dissertation is the positioning of internal audit regarding fraud prevention and detection in Bulgarian public enterprises, and its subject is the current state of internal audit practice in Bulgarian public enterprises regarding fraud prevention and detection. The research aim is to assess the potential limitations in the fulfilment of internal auditors' duties in public enterprises regarding fraud prevention and detection, and to seek for opportunities to improve the practice in this regard.

On the basis of the defined aim, the following **objectives** have been achieved:

1. *The key premises and characteristics of occupational fraud* have been defined and *the role and responsibilities of management* in organisations in the combat against it have been determined.
2. *The nature of internal audit has been defined* and its *significance* in the system of general internal organisational controls for fraud prevention and detection has been *articulated* on this basis.
3. *The key duties* of internal auditors for fraud prevention and detection *have been identified* and, therefore, *a relevant approach* has been identified for the assessment of fraud risk and its management in organisations; and the *toolkit used* for assurance engagements where fraud is suspected *has been assessed*.
4. *Opportunities* for improving the internal audit practice regarding fraud prevention and detection in Bulgarian public enterprises *are articulated*, for mitigating the impact of existing weaknesses and limitations in the fulfilment of internal auditors' duties.

In order to confirm *the thesis*, according to which *in the practice of internal audit in Bulgarian public enterprises, in the performance of the duties of internal auditors regarding fraud prevention and detection, specific limitations exist, and that may hinder its appropriateness and effectiveness, and finding solutions to overcome them would improve its role and significance for combating fraud in organisations*. Specific, valid and sufficient *evidence* is provided regarding *the identified weaknesses, defects and issues* comprised in the fulfilment of the duties for fraud prevention and detection; and *particular suggestions for improving the internal audit practice* in this regard have been proposed.

Based on the statistical analysis of the relations between the individual variables resulting from the responses of the internal auditors who participated in the author's survey, *suggestions* for improving the internal audit practice in public enterprises in relation to fraud prevention and detection *are formulated* in the following *areas*:

- fulfilling the internal auditors' core duties for fraud prevention and detection;
- identifying and assessing fraud risk and its management in organisations;
- the toolkit used by internal auditors by performing assurance engagements where fraud is suspected.

IV. REPORTING THE SCIENTIFIC CONTRIBUTIONS OF THE DISSERTATION WORK

The more significant contributions of *scientific and applied nature* which would be of interest to researchers, fraud risk management experts and internal auditors are, as follows:

1. The *author's theoretical definition of fraud* is derived from a scientific and comparative analysis of scientific literature and opinions of international professional bodies in the field of internal control, internal audit and fraud. It covers particular features of fraud and is used as basis for the analysis of fraud manifestation in Bulgarian public enterprises.
2. Making a review of the opinions of international professional bodies in the field of fraud and audit, and as a result of the analysis of internal audit practice in public enterprises, *the role and significance of internal audit* as a general control in the system of internal controls, is articulated.

The following relevant contributions of *practical and applied nature* may be of interest to internal auditors in organisations to improve the fulfilment of their duties for fraud prevention and detection:

1. Following an analysis of the International Professional Practices Framework for Internal Audit (IPPF) and the national legislation, as well as a study of internal audit practice in Bulgarian public enterprises, the *fulfilment of the core duties* of internal auditors for fraud prevention and detection *is analysed*.
2. Based on the different views of authors reviewed and the analysis of the internal audit practice in Bulgarian public enterprises, *an applied approach is proposed* for internal auditors for assessing the fraud risk, and its management by the directors of the organisations is analysed.
3. As a result of studying the internal audit practice in Bulgarian public enterprises, the *most significant weaknesses and limitations in fulfilling the duties* of internal auditors for fraud prevention and detection have been

identified and, on this basis, *specific measures* have been proposed to overcome them and improve the internal audit practice in this respect.

V. LIST OF PUBLICATIONS RELATED TO THE TOPIC OF THE PAPER

Articles (3)

1. Gogov, T. The importance of internal audit in combating fraud in organisations // *Scientific Research of Doctoral Students Annual Compilation of the D. A. Tsenov AE, Svishtov, Vol. XVI-2023, Book 19, pp. 504 - 521, ISSN: 1313-6542.*
2. Gogov, T. Research on the scope of internal audit activity for fraud prevention and detection in organisations // *E-journal of Chernorizets Hrabar Varna Free University, Varna: no. 22-2024, pp. 574 - 597, ISSN: 1313-7514.*
3. Gogov, T. Duties of internal auditors for fraud risk assessment and its management in public enterprises // *E-journal of Chernorizets Hrabar Varna Free University, Varna: no. 23-2025, pp. 392 - 415, ISSN: 1313-7514.*

VI.REPORT ON THE FULFILMENT OF THE MINIMUM NATIONAL REQUIREMENTS UNDER THE REGULATIONS FOR THE IMPLEMENTATION OF THE BULGARIAN ACADEMIC PERSONNEL DEVELOPMENT ACT

by Doctoral Student Todor Georgiev Gogov

for the fulfilment of the minimum national requirements for the award of the educational and qualification degree Doctor in the field of higher education 3.

"Social, Economic and Legal Sciences",

pursuant to Article 2b of the Bulgarian Academic Personnel Development Act

I. Articles published in non-refereed peer-reviewed journals or published in edited collective volumes

№	Publication	Number of points for the author
1.	Gogov, T. The importance of internal audit in combating fraud in organisations // <i>Scientific Research of Doctoral Students Annual Compilation of the D. A. Tsenov AE, Svishtov, Vol. XVI-2023, Book 19, pp. 504 - 521, ISSN: 1313-6542.</i>	10 pts
2.	Gogov, T. Research on the scope of internal audit activity for fraud prevention and detection in organisations // <i>E-journal of Chernorizets Hrabar Varna Free University, Varna: no. 22-2024, pp. 574 - 597, ISSN: 1313-7514.</i>	10 pts
3.	Gogov, T. Gogov, T. Duties of internal auditors for fraud risk assessment and its management in public enterprises // <i>E-journal of Chernorizets Hrabar Varna Free University, Varna: no. 23-2025, pp. 392 - 415, ISSN: 1313-7514.</i>	10 pts

VII. Statement of Authenticity and Reliability

In connection with the procedure for obtaining the educational and qualification degree Doctor in the scientific field of "Accounting, Control and Analysis of Economic Activities (Control)", **I hereby declare the following:**

1. The results and contributions of the dissertation on "**Internal Audit as Means of Fraud Prevention and Detection in Organisations (as of the Example of Bulgarian Public Enterprises)**" are authentic and have not been plagiarised from studies and publications in which the author has no participation.

2. The information presented by the author in the form of copies of documents and publications, personally compiled reports, etc., correspond to the objective truth.

Declarant:.....

22.04.2025

Svishtov

/Todor Gogov/