

## REVIEW

**Reviewer: Assoc. Prof. Silviya Kostova, PhD**

scientific specialty "Accounting, control and analysis of business activity" (control),  
 professional field 3.8 "Economics".

**Subject: dissertation for the award of the educational and scientific degree  
 "Doctor" in the doctoral program "Accounting, Control and Analysis of Business  
 Activities" (Control and Analysis)**

Reason for submitting the review: participation in the scientific jury for the defense of  
 the dissertation work according to Order No. 343/24.04.2025 of the Rector of the Academic  
 University "D. A. Tsenov" - Svishtov.

**Author of the dissertation: TODOR GEORGIEV GOGOV**

**Topic of the dissertation: INTERNAL AUDIT IN PREVENTING AND  
 DETECTING FRAUD IN ORGANIZATIONS (based on the example of public  
 enterprises in the Republic of Bulgaria)**

### **I. General presentation of the dissertation:**

The dissertation examines the organizational and functional aspects of internal audit in  
 preventing and detecting fraud in organizations, with a focus on public enterprises in Bulgaria.  
 The research covers an important aspect of control activity, which is of key importance for the  
 good management of public resources.

The subject of the dissertation is the application of the responsibilities of internal  
 auditors for preventing and detecting fraud in Bulgarian public enterprises. The research is  
 aimed at identifying weaknesses and suggestions for improvement in this activity.

The dissertation is 205 standard pages long and consists of an introduction, an exposition  
 in three chapters, a conclusion, cited sources, a declaration of originality and reliability, and  
 appendices. The dissertation is logically structured and includes an introduction with a  
 definition of the problem, goal, objectives, and methodology; a main part, divided into three  
 chapters, and a conclusion with summarized results. 35 tables, 8 diagrams, and 5 schemes are  
 used, which facilitates the perception of the content. 91 sources are included - books, articles,  
 regulatory documents, reports, and international standards, which demonstrates a broad  
 theoretical and practical basis. 4 appendices are presented, including the author's questionnaire,  
 through which empirical data were collected from internal auditors in public enterprises.  
 The dissertation is a contribution with practically oriented proposals based on in-depth analysis  
 and current empirical data.

### **II. Assessment of the form and content of the dissertation.**

The presented dissertation examines the role of internal audit in preventing and detecting  
 fraud in organizations, with a focus on public enterprises in Bulgaria. The topic is particularly  
 relevant, as fraud is a serious problem in both the private and public sectors. It leads not only  
 to direct financial losses, but also to loss of trust, deterioration of management and weakening  
 of the reputation of institutions. In this sense, the study of the capabilities of internal audit to  
 counteract fraud contributes not only to the scientific field of control and management, but also  
 has practical value for improving management processes in public organizations.

The object of the study is internal audit practices in public enterprises in Bulgaria. The  
 subject is more specific – the implementation of the responsibilities of internal auditors in



relation to the prevention and detection of fraud is analyzed. The formulated doctoral thesis is logically justified.

According to the doctoral student, there are specific limitations in the practice of internal audit that prevent the full fulfillment of the duties of auditors, and overcoming these limitations could significantly increase the effectiveness of internal audit in the fight against fraud. The goal of the study is clearly set - to identify problems in current practice and to propose solutions for its improvement. The tasks that arise from the set goal are realistically formulated and implemented in the course of the presentation. The methodology is presented clearly - it includes both theoretical-analytical and empirical methods, among which the author's survey among internal auditors stands out.

Comparative and logical analysis, graphical and tabular methods of data presentation were also used. Statistical processing was performed using the Spearman coefficient, which seeks confirmation of relationships between variables in the survey results. This speaks of a thorough and carefully selected approach to the empirical part of the study.

The author is well acquainted with the available scientific literature and regulatory framework. The sources used, including books, scientific articles, laws, reports and international standards, demonstrate a serious analytical approach to existing research on the topic. It is important to note that the author does not limit himself to compiling other people's opinions, but expresses his own attitude and makes a critical reading of the researched issues. The paper highlights specific proposals for improving practice, which shows independence in analysis and interpretation.

The volume of the dissertation is fully adequate for the topic, the structure is logically consistent and includes an introduction, three main chapters and a conclusion. The chapters follow the formulated tasks and each of them contributes to achieving the overall goal. No disproportionalities or unnecessarily extended chapters or points are observed. The content is easily perceived, as a result of the 35 tables, 8 diagrams and 5 schemes used, which visualize important data and interrelationships. The illustrative material not only complements the presentation, but also makes it more accessible and understandable for the reader.

In terms of scientific and linguistic editing, the text is correctly formatted, the style used is clear and consistent. The terminology is carefully selected and complies with the standards in the field of internal audit and control. There are no serious deviations in the language, repetitions or logical contradictions. The parts of the dissertation are balanced, which is important for the overall perception of the work.

The statistical processing of the empirical data is justified and necessary in view of the objectives of the study. The Spearman coefficient is an appropriate choice for the analysis of rank data and allows for reliable conclusions to be drawn about the relationships between various factors related to internal audit and fraud risk management. The author has used the correct calculation procedures and presents the results in a transparent and understandable manner.

There is no evidence of violation of scientific ethics. All sources used are cited appropriately. In the abstract, as well as in the main text, there is no incorrect borrowing or copying of foreign texts without reference. There are no indications of attempts to republish the same results without noting. The declaration of originality and reliability included in the work further guarantees compliance with good scientific practices.

The abstract accurately and completely reflects the content of the dissertation. It presents all the key elements – subject and object, goals and objectives, methodology, main results, conclusions and proposals. This facilitates familiarization with the work and gives a true idea of its structure and contribution.

In conclusion, Todor Gogov's dissertation is an in-depth study of an important problem in contemporary auditing practice. It combines theoretical analysis with an empirical basis and offers concrete and applicable solutions for improving internal auditing in public enterprises.



The development meets all the requirements for a doctoral degree and contributes to the scientific field of control and management.

Todor Gogov's publications demonstrate an in-depth study of the role of internal audit in managing fraud risk in public enterprises. The first article analyzes the scope of internal audit through assurance and consulting engagements, emphasizing the importance of internal audit in building an effective fraud control system (Gogov, 2024a). The second article develops a logically structured approach that internal auditors can use to assess fraud risk and management's actions to manage it (Gogov, 2024b). The third article emphasizes the importance of internal audit as an effective management tool for fraud prevention, examining both its functions and responsibilities according to international standards (Gogov, 2024c). All three publications are characterized by a clear structure, good justification and use of current international frameworks, which reinforces the author's contribution to the scientific field.

### **III. Scientific and scientific-applied contributions of the dissertation work.**

The dissertation work of Todor Georgiev Gogov undoubtedly contains original scientific and applied scientific contributions that enrich the existing knowledge in the field of internal audit, risk management and the fight against fraud in the public sector. The author develops new ideas, analyzes previously unexplored aspects of the activities of internal auditors and offers practically oriented solutions based on empirical research and critical analysis of contemporary audit practice in Bulgaria.

First of all, the contributions of the work are expressed in the further development of existing scientific concepts and the formulation of new ideas related to the assessment of fraud risk and the role of internal audit in its management. The author offers a systematized and practically applicable approach to identifying, assessing and controlling fraud risk, based on a logical sequence of actions that the internal auditor should take. This approach is original and contributes both to the theoretical enrichment of the discipline and to the improvement of practical audit activities in public enterprises.

A significant scientific contribution is also the established methodology for a survey, through which the perceptions, experiences and approaches of internal auditors in public enterprises in Bulgaria were investigated. The use of the Spearman coefficient to assess correlations between variables allows for justified conclusions to be drawn regarding possible limitations in the implementation of auditors' responsibilities. This represents a valuable contribution to the empirical base of the Bulgarian scientific literature on the topic and demonstrates mastery of quantitative methods of analysis in the context of audit practice. The author develops and deepens the understanding of the role of internal audit as the "third line of defense" in the management of organizations. By applying the International Professional Standards for Internal Auditing (IPPF), as well as by including examples from international and national practice, he demonstrates the ability to transform the normative-theoretical framework into practically applicable proposals. In this sense, the contribution of the work is not limited to theoretical statements, but moves on to specific recommendations for improving internal audit functions.

An important scientific and applied result is the author's proposal for formalizing the actions of internal auditors through a clearly outlined model, including five main steps - from defining responsibilities in the statute of the internal audit unit to reporting and monitoring results. Such a structured model has not been systematically studied in the Bulgarian literature to date and can be used as a basis for developing internal organizational policies and procedures.

With regard to the recognition and acknowledgement of contributions in the scientific literature, it should be noted that some of the main concepts advocated in the dissertation have already been reflected in published scientific articles by the author. In the three publications — "The Importance of Internal Audit in the Fight against Fraud in Organizations", "Research into the Scope of Internal Audit Activities for the Prevention and Detection of Fraud in Organizations" and "Responsibilities of Internal Auditors for Fraud Risk Assessment and



Management in Public Enterprises”, the main hypotheses, methods and conclusions that constitute the core of the dissertation are clearly outlined. This provides grounds for their scientific validation, as well as for the author’s aspiration for scientific discussion and professional recognition.

In conclusion, Todor Gogov's dissertation has undeniable value both in scientific and applied terms. It enriches contemporary ideas about internal audit in the context of fraud management, offers working solutions based on international standards and local practice, and has already received initial scientific recognition through publication in specialized publications.

#### **IV. Critical notes, questions and recommendations on the dissertation.**

The dissertation represents an in-depth study of an important management and control issue, and is distinguished by a high degree of theoretical validity and practical focus. In this sense, no critical remarks are made regarding the content and structure of the work, but guidelines for its further development in future scientific and practical efforts can be proposed.

##### **Recommendations for future work:**

1. It would be useful in the future for the author to expand the research beyond public enterprises and include private sector organizations or non-governmental structures, where there are also serious challenges related to fraud and internal control.
2. Based on the proposed model and the steps for assessing fraud risk, the author could develop a methodological manual for internal auditors that would serve as a practical guide in their real work.
3. As a follow-up to this research, it could be explored how modern information technologies, including artificial intelligence and automation, could be integrated into internal audit for even more effective fraud risk management.

##### **Questions to the doctoral student:**

1. How would you rate the effectiveness of your proposed five steps for managing fraud risk if implemented in a larger organization with a decentralized structure?
2. Do you think that legislative development of the internal audit framework in Bulgaria is necessary to facilitate the fulfillment of auditors' responsibilities in relation to fraud, and if so, in what direction?

#### **V. Summary conclusion and opinion.**

Based on the quantitative and qualitative assessment of the dissertation work, I express a positive opinion and propose to the members of the scientific jury to vote positively for awarding TODOR GEORGIEV GOGOV the educational and scientific degree "Doctor" in professional field 3.8 "Economics" in the scientific specialty "Accounting, Control and Analysis of Business Activity" (control and analysis) for the dissertation work on the topic "INTERNAL AUDIT IN PREVENTING AND DISCLOSING FRAUD IN ORGANIZATIONS (on the example of public enterprises in the Republic of Bulgaria)".

23.05.2025

Reviewer: .....

(Assoc. Prof. Silviya Kostova PhD)