Assessing Fraud Risks in IT Security: The Fraud Diamond’s Perspective

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Abstract

Fraud examination has played an important role in the business environment. We examine the Fraud Diamond (FD) framework and apply it to the risk management of computer fraud. This FD framework implies but does not formalize interrelationships between four fraud risk categories called “Incentive, Capability, Opportunity, and Rationalization.” Prior research has shown that most frauds are perpetrated by people in positions of trust in the accounting, and Information Technology (IT) functions. We use accounting literature of fraud assessment and apply it to computer fraud within companies. This research seeks expand on human-centered information systems security. With the growing digitalization of accounting records, audit procedures, and important human resources information, we are interested in finding how to keep these electronic assets safe. We recognize the need for organizations to understand an employee’s propensity to commit fraud to properly safe-guard digital assets, put proper protocols in place, and improve current organization policies.

Keywords

Fraud Diamond, Fraud Risk Assessment, Information Security Fraud Risks, IT Compliance