F.07 Fraud and Corruption Control Management Plan

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CEO	Chief Executive Officer
DCCS	Director Corporate & Community Services
DES	Director Engineering Services
MFS	Manager Financial Services
GOV	Senior Administration Officer - Governance and Communications

1   EXECUTIVE SUMMARY

Quilpie Shire Council is committed to conducting its business with integrity, honesty and fairness, complying with all relevant laws, regulations, codes and corporate standards. Quilpie Shire Council maintains a zero-tolerance stance on fraud and corruption.

In addition to legislative requirements, the Code of Conduct for Employees and the Councillor Code of Conduct provide the expected standards of behaviour and incorporate fraud and corruption controls.

This Fraud and Corruption Control Plan provides a framework for the minimisation of the risks of fraud and corruption within Council.

2   SCOPE

This management plan applies to all Councillors, Council employees, contractors, consultants, vendors, community members and any other party engaged in undertaking business with Council. The internal reporting processes relate to Council employees and elected members. Members of the public wishing to make a formal report of alleged fraud or corruption should follow Council's Complaint Management processes.

This plan is informed by Council's Fraud and Corruption Control Policy.

3   BACKGROUND

3.1   THE NEED FOR EFFECTIVE FRAUD AND CORRUPTION CONTROL STRATEGIES

The Australian Institute of Criminology estimates that fraud costs the Australian economy $8.5 billion each year[1]. Councils may be exposed to high risks of fraud and corruption due to the large volume of goods and services they purchase and because of the high degree of devolved decision making vested in councils. In small communities, such as Quilpie Shire Council, the likelihood that elected members or council employees could be linked through their personal or professional relationships to developers, suppliers and other sectors of the public can also lead to an increased risk of fraud and corruption due to conflicts between the public interest and their private interests.

3.2   WHAT ARE FRAUD AND CORRUPTION?

Fraud and corruption can take many forms. Fraudulent and corrupt conduct by elected members or employees may fall within the category of 'corrupt conduct' under the *Crime and Corruption Act 2001*. In addition, many forms of fraud and corruption are offences under the *Criminal Code Act 1899*. These include false claims, stealing, misappropriation of property, false pretence, forgery and receipt or solicitation of secret commissions.

Refer to the 'definitions' section of this plan for further information.

3.3   COMMON EXAMPLES OF FRAUD AND CORRUPTION

Type of fraud or corrupt activity	Examples of related risks
Rate revenue The manipulation of rates to receive a self-benefit.	– Incorrectly claiming discounts (eg pensioner discount or allowing prompt payment discount after close of rates period) to benefit employees, friends, family and colleagues
Development applications Relating to development applications under the planning scheme.	– Misuse of commercially sensitive information – Providing kickbacks to councillors or staff for favourable decisions – Undeclared conflicts of interest involving councillors and / or staff
Service delivery	– Oversupplying goods or services to benefit third parties

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[1] Queensland Audit Office, Report 19: 2014-15, Fraud Management in Local Government June 2015

Relating to the use of council-provided services to which the citizen would not normally be entitled.	– Undersupplying to 'skim' goods or services – Undercharging to benefit third parties (in actual or time)
Compensation Relating to falsely claiming council responsibility for incidents and accidents and attempting to falsely claim compensation	– Falsely claiming work related injuries – Falsely claiming pedestrian accidents on footpaths or council premises
Grants Relating to grant funds not being used for the intended service delivery objective	– Redirecting grant funds to personal accounts – Using grant funds for purposes other than that intended – Poor record keeping, resulting in misstatement
Procurement Relating to the process of acquisition of goods, services and project delivery from third parties	– Unauthorised use of corporate credit or fuel cards – Paying invoices for goods or services that were not delivered – Tender collusion – Receiving kickbacks or being involved in bribery, corruption or coercion related to manipulation of the procurement process
Travel and allowances Relating to falsely claiming reimbursement of costs or allowances for which there is no entitlement	– Making claims for journeys not made or overstating the distance – Reimbursing expenses not related to council business
Payroll and salary Relating to claiming pay that doesn't match work performed or conditions of employment	– Falsely claiming overtime payments
Employment / Recruitment Relating to applicants falsely claiming qualifications and skills above their ability	– Misrepresenting skills, capabilities or qualifications to obtain employment or promotion – Forgery of reference documentation
Assets and Supplies Using council assets for other than official purposes or gaining other personal benefits	– Stealing assets or supplies – Using council assets or supplies without authorisation
Exploiting council information Using confidential or commercially sensitive information for personal gain	– Falsifying official records – Providing confidential and sensitive information to others for personal gain – Using confidential and sensitive information for personal benefit

4   FRAMEWORK

The Quilpie Shire Council *Fraud and Corruption Control Management Plan* is based on the Australian National Audit Office (ANAO) conditions that are essential for a sound fraud control environment, and the Crime and Corruption Commission's (CCC) recommended 10-element model.[2,3] Our approach also aligns with *Australian Standards 8001-2008 Fraud and Corruption Control*.

4.1   CONDITIONS FOR A SOUND CONTROL ENVIRONMENT

The ANAO's three (3) conditions for a sound control environment are:

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[2] Australian National Audit Office, Fraud Control in Australian Government Entities – Better Practice Guide March 2011
[3] Crime and Misconduct Commission (now Crime and Corruption Commission), Fraud and Corruption control – Guidelines for Best Practice 2005

- *Ethical leadership and culture* – strong ethical values and high standards of ethical behaviour;

- *Legislation and governance* – legislation and policies that promote accountability, are transparent, and incorporate robust governance structures; and

- *Control strategies* – actions to prevent, detect and respond to fraud and corruption, which are reviewed and improved continuously.

4.2 CRIME AND CORRUPTION COMMISSION INTEGRATED CONTROL MODEL

The CCC's recommended integrated control model comprises 10 key elements and is consistent with Australian and overseas best practices. The elements are interrelated, with each one playing an important role.

The elements are as follows:

- *Council-wide integrated policy* – demonstrates Council's resolve to combat fraud and corruption wherever it is found[4];

- *Risk assessment* – fraud and corruption risk analysis must consider not only current threats from internal and external sources but also potential and emerging threats;

- *Internal controls* – considered by many to be the first line of defence in the fight against fraud[5];

- *Internal reporting* – staff members play a crucial role in reporting and controlling fraud and corruption;

- *External reporting* – the Crime and Corruption Act 2001 requires that the CEO report any suspected official misconduct;

- *Public Interest disclosures* – the reporting of suspected misconduct and maladministration is fundamental to the ongoing integrity and health of Council[6];

- *Investigations* – allegations of fraud and corruption must be handled and investigated competently;

- *Codes of Conduct* – help develop the expectations and standards of ethical behaviour within Council. The Codes' provisions underpin many of the operational practices designed to minimise integrity risks;

- *Staff training and awareness* – creating an environment that resists fraud and corruption and rewards integrity requires a range of educational and awareness strategies; and

- *Client and community awareness* – to maintain public trust, the community must be confident that Council and its officers are behaving ethically.

5   ROLES AND RESPONSIBILITIES

5.1 GENERAL

All Council employees are responsible for fraud and corruption prevention and detection, as they are most likely to witness fraudulent activity.

5.2 POSITION SPECIFIC DUTIES

While all elected members and employees are responsible for preventing, detecting and reporting fraud and corruption, there are some specific roles and responsibilities dependent on an individual's position within the organisation:

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[4] Quilpie Shire Council Policy F.07 Fraud and Corruption Control Policy, IX 94353.

[5] AS 8001:2003, p28).

[6] Brown, AJ, Magendanz, D & Leary, C 2004, *Speaking up: creating positive reporting climates in the Queensland public sector*, Building Capacity Series, no. 6, CCC, Brisbane.

Position	Responsibilities
Chief Executive Officer	– Overall accountability for prevention, detection and reporting of fraud and corruption within QSC
	– Legislated responsibility to exercise authority, on behalf of QSC
	– Manage Council's operations ensuring service delivery is effective and economical, and in the process avoids waste and extravagance
	– Manage public resources of Council efficiently, responsibly and in a fully accountable manner
	– Define goals and objectives in accordance with Council's governance framework
	– Implement policies and priorities responsibly
	– Ensure impartiality and integrity in the performance of Council's functions
	– Ensure accountability and transparency in Council's operational performance
	– Maintain accurate records and accounts, and report on these as required
	– Promote continual evaluation and improvement of Council's management practices
	– Ensure all employees are made aware of and attend appropriate education, training and awareness sessions to allow for a skilled and knowledgeable workforce, including ethics awareness, internal controls and financial or procurement training
	– Ensure effective employee communication about the process for identifying and reporting on potential fraudulent and corrupt activities
Elected members	– Carry out responsibilities in accordance with the requirements of Section 4 (2) of the Local Government Act 2009
	– Approve, support and endorse policy or process that helps prevent fraud and corruption within Council
Internal Audit Committee	– Provide independent appraisals, examination and evaluation of Council's activities and assist management with the detection of suspected fraud and corrupt activities
Chief Executive Officer Manager Corporate & Community Services Manager Engineering Services Finance Manager	– Display ethical leadership and high personal standards of behaviour consistent with the Code of Conduct
	– Visibly adhere to Council's ethical framework and promote adherence by all employees
	– Contribute to effective risk management strategies in accordance with Council's enterprise risk management framework and ensure risk management practices are adhered to throughout area of control
	– Develop strong internal controls to assist with fraud and corruption prevention in area of responsibility
	– Ensure where a public interest disclosure is made, the internal procedure for making and managing a public interest disclosure is adhered to
	– Actively monitor and evaluate performance, timesheets, use of materials to minimise risk of fraud
Senior Administration Officer – Governance	– Responsible for coordination of fraud and corruption control

Position	Responsibilities
and Communications	management across organisation
	– Oversee implementation and management of the fraud and corruption control framework
	– Provide advice to the CEO and senior management team as necessary on fraud and corruption matters
	– Undertake and report on fraud and corruption auditing activities
	– Promote Council's position on fraud and corruption control through various communication channels
	– Actively increase awareness of policies, plans and procedures and employees obligations in relation to fraud and corruption control
	– Actively assist Departments in undertaking risk assessments of fraud and corruption in accordance with the enterprise risk management framework
	– Ensure where a public interest disclosure is made, the internal procedure for making and managing a public interest disclosure is adhered to
	– Review and evaluate the effectiveness of compliance with relevant legislation and best practice requirements for fraud and corruption control
Supervisors	– Display ethical leadership and high personal standards of behaviour consistent with the Code of Conduct
	– Visibly adhere to Council's ethical framework and promote adherence by all employees
	– Follow the mandatory internal reporting requirements for reporting suspected corrupt conduct, including fraud or corruption
	– Actively monitor and evaluate performance, timesheets, use of materials to minimise risk of fraud
Storepersons, Creditors Officers	– Actively monitor stores and purchasing requests to reduce likelihood of fraud
	– Actively monitor invoices to reduce likelihood of fraud
	– Actively check delivery items
	– Report suspect behaviour through the procurement process to Supervisor
Employees with procurement delegations	– Actively monitor invoices to reduce likelihood of fraud
	– Actively check delivery items
Staff receiving mail and / or handling cash	– Follow correct procedures for mail opening and cash handling
Credit Card holders	– Monitor use of credit card by other employees
	– Carefully check statement against purchases and report any discrepancies
Payroll Officers	– Monitor timesheets for hours worked and allowances claimed and report any suspected false claims to Supervisor
Human Resources Officer	– Ensure where a public interest disclosure is made, the internal procedure for making and managing a public interest disclosure is adhered to and the Senior Administration Officer – Governance and Communications is notified.
	– Provide induction training for new employees covering Code of

Position	Responsibilities
	Conduct and Fraud Prevention and Management
	– Ensure due process is followed during the pre-employment screening process
	– Liaise with SAO and senior management to assist in actively increasing awareness of policies, plans and procedures and employees obligations in relation to fraud and corruption control
All Employees	– Contribute to the development of improved systems, policies and procedures to enhance Council's resistance to fraud and corruption include:
	o Safeguarding assets and other resources under their control
	o Having a clear understanding of their obligations regarding any losses, deficiencies and shortages that may be identified while at work; and
	o Ensuring all personal claims are accurate with no deliberate omissions (recording accurate hours of work on timesheet or legitimate claims for reimbursement).
	– Fulfil their obligation to report wrongdoing, or suspected wrongdoing in accordance with Council's Code of Conduct and other legislation;
	– Fulfil their obligation to report and manage their own conflicts of interest as per Council policies and procedures;
	– Gain an understanding of the policies, procedures and guidelines that pertain to their role and work within the requirements of these; and
	– Follow the requirements for internal reporting of suspected fraud and corruption.

6   FRAUD AND CORRUPTION RISK ASSESSMENT

6.1   ENTERPRISE RISK MANAGEMENT

Quilpie Shire Council has established an Enterprise Risk Management (ERM) Framework which sets out the effective risk management strategies and practices across Council. The aims associated with embracing ERM in Council are as follows:

– To assist Council in identifying its highest risk exposures and take appropriate steps to properly manage these risks;

– To ensure that Council's corporate planning processes include a focus on areas where ERM is needed; and

– To maintain a process across Council which formally identifies risk and provides a platform for monitoring and managing risk.

6.2   FRAUD AND CORRUPTION RISK MANAGEMENT

Council will implement a program to systematically identify and assess fraud and corruption risks in line with its Risk Management Policy and Framework. These risks will be assessed at least once every two years and reported to the Risk Management Committee to ensure a treatment plan that specifically addresses the risks faced is implemented.

The Queensland Audit Office has identified a number of functions and processes considered to be areas of high vulnerability to fraudulent and corrupt activity. As a minimum, fraud and corruption risks are to be initially identified and assessed for the following areas:

- Payroll and timesheets

- Rate revenue

- Segregation of duties

- Compensation

- Recruitment

- Travel and allowances

- Accounts payable / receivable

- Use of Council assets and supplies

- Service delivery

- Procurement

- Contract management

- Exploiting Council information

7   INTERNAL CONTROLS

7.1   EXISTING CONTROLS

Controls are used to manage risks identified through the risk assessment process. The existing internal control system consists of policies, structure, procedures, processes, tasks and other formal and informal activities that record and manage risks.

To assist in creating a suitable internal control environment Council will:

- Place an emphasis on accountability – effective leadership and high standards of ethical and professional conduct by all staff;

- Regularly review and assess organisational structure and design to ensure staff have a clear understanding of the activities, processes and outputs for which they are responsible and accountable, and to whom they must report;

- Support and assist with, and consider any recommendations arising from, the internal audit, audit committee and external audit functions;

- Ensure goals, objectives, expectations and internal controls are reasonable and not unduly restrictive to avoid the risk of lower productivity and increased bureaucracy, thereby inviting noncompliance and shortcuts that increase risk; and

- Regularly assess current and emerging issues which are likely to affect Council;

In conjunction with the assessment of fraud and corruption risks, existing internal controls will be reviewed for effectiveness and, where appropriate, additional cost-effective controls will be implemented.

7.2   FRAUD CONTROL OFFICER

In addition to the review and monitoring of existing internal controls in place, the Senior Administration Officer (Governance and Communications) will assume responsibility for coordinating fraud and corruption control activities. Responsibilities include:

- Oversee implementation and management of the fraud and corruption control framework;

− Actively assist Departments in undertaking risk assessments of fraud and corruption in accordance with the enterprise risk management framework.

− Provide advice to the CEO and senior management team as necessary on fraud and corruption matters;

− Undertake and report on fraud and corruption auditing activities;

− Assist in ensuring Council maintains written records of alleged and proven losses arising from fraud.

− Promote Council's position on fraud and corruption control through various communication channels; and

− Actively increase awareness of policies, plans, procedures and employees obligations in relation to fraud and corruption control.

7.3 DATA ANALYTICS

Council has considered the use of data analytic tools in fraud and corruption prevention and detection. As a small rural local government entity, Council has limited resources for investing in sophisticated software. As a small Council, the executive management team and senior officers have a significant hands on involvement in the operations of the organisation and are well placed to detect and investigate potential discrepancies. With current controls and proposed initiatives outlined in this management plan, Council does not believe the employment of data analytic software tools would provide a significant benefit at this point in time.

8 REPORTING

8.1 INTERNAL REPORTING

Council encourages the reporting of any concerns or suspicions about fraudulent or corrupt activity. Elected members and members of the public may make a report to:

− The Chief Executive Officer; or

− The Mayor;

Where an employee is making a report, in addition to the above, a report may also be made to:

− An employee's Manager; or

− An employee's Supervisor; or

− The Human Resources Officer; or

− The Senior Administration Officer (Governance and Communications).

The Chief Executive Officer has a specific role in determining how the alleged conduct is to be investigated and ultimately addressed, particularly if further investigation is required through an external agency. If the alleged conduct is in relation to the Chief Executive Officer, the Mayor will assume responsibility for the process.

Council acknowledges the difficulties faced by some persons in reporting suspected fraud or corruption. As such, reports of fraud or corruption may be made anonymously.

Reports of alleged fraud or corruption should be made on the relevant form (*attachment A*). Council will further investigate options for online or other methods of making a report to ensure anonymity.

8.2 PUBLIC INTEREST DISCLOSURES

Quilpie Shire Council will provide protection from reprisal for a person making a public interest disclosure in accordance with the principles embodied in the *Public Interest Disclosure Act 2010*. Arrangements to ensure compliance with these principles shall be enforced at all times.

Complaints against Council officers under the Public Interest Disclosure Act 2010 will be pursued in accordance with Council's Public Interest Disclosure policy, procedure and management plan.

8.3 EXTERNAL REPORTING

Quilpie Shire Council is committed to transparency in meeting its statutory obligations and in discharging its accountability to all stakeholders. All incidents of suspected fraud and corruption will be subject to appropriate external reporting in a timely fashion.

Depending upon the nature of an allegation, the persons involved and the progress or outcome of the investigation, external reporting or referral may be made to the following agencies:

- Queensland Police Service;
- Crime and Corruption Commission for cases suspected to involve corrupt conduct; or
- Queensland Audit Office for fraud involving any asset losses;

Under the *Local Government Regulation 2012*, Council is required to report any loss as a result of fraud to the Auditor-General and to the Minister responsible for local government.

Section 38 of the *Crime and Corruption Act 2001* requires that if the Chief Executive Officer reasonably suspects that a complaint, or information or matter involves, or may involve, corrupt conduct he must notify the commission.

9   INVESTIGATIONS

When the Chief Executive Officer becomes aware of a matter that he reasonably suspects may involve corrupt conduct he must notify the Crime and Corruption Commission (CCC) at the earliest opportunity. Before notifying the CCC the Chief Executive Officer may consider any relevant information in his direct knowledge or the direct knowledge of a relevant officer, or contained in Council's records management system, in deciding whether an allegation raises a reasonable suspicion of corrupt conduct. No other action or investigation in relation to suspected corrupt conduct will take place prior to the notification.

Before receiving formal advice on action to be undertaken, the Chief Executive Officer will make the decision as to whether the allegation is serious enough to warrant the suspension of the employee whilst an investigation takes place. The CEO has the right to suspend an employee based on the evidence before them, should they believe that disciplinary action is likely to be taken against the employee concerned. During any period of suspension the employee in question is still entitled to receive their full remuneration, including any allowances and penalties.

10   STAFF TRAINING AND AWARENESS

Quilpie Shire Council will use a variety of education and awareness strategies to foster an ethical organisational culture and strengthen the Council's resistance to fraud and corruption. Education and awareness will be increased by:

- Specifically highlighting in position descriptions and during the employee induction phase;
- Including in general training and awareness sessions eg staff meetings, take 5 meetings, professional development courses;
- Embedding fraud and control management in the enterprise risk management framework;
- Publications promoting awareness eg wall posters, fact sheets, inclusion in staff newsletters; and
- Continual promotion of organisational values across the organisation including incorporation into performance reviews.

11   CLIENT AND COMMUNITY AWARENESS

Quilpie Shire Council will publish the Fraud and Corruption Control Management Plan and other relevant policies and procedures on its website to make them accessible for all community members.

Council's external communications will emphasise the integrity of the organisation and its commitment to the highest standard of ethics in all its dealings. This will instil community confidence and ensure that external providers such as contractors, suppliers and funding recipients are aware of our zero tolerance policy.

12   RELATED POLICIES | LEGISLATION | OTHER DOCUMENTS

Local Government Act 2009

Local Government Regulation 2012

Crime and Corruption Act 2001

Public Interest Disclosure Act 2010

Public Sector Ethics Act 1994

Criminal Code Act 1899

IX #	Details
94353	F.07 Fraud and Corruption Control Policy
189890	G.115 Employee Conflict of Interest Policy
189918	G.115-A Employee Conflict of Interest Procedure
91130	G.18 Public Interest Disclosure Policy
91137	G.18-A Public Interest Disclosure Management Plan
91131	G.18-B Public Interest Disclosure Procedure

13   APPENDICES

13.1   APPENDIX A – FORM FOR REPORTING AN ALLEGATION OF FRAUD OR CORRUPTION

Name of person reporting the allegation (optional):	
Address (optional):	
Phone Number (optional):	
Mobile Number (optional):	
Email address (optional):	
Person/s that are alleged to have committed the fraud or corruption:	
Their role within Council:	
Date/s of the alleged fraud:	
Details of the alleged fraud:	
Any witnesses to this allegation?	
If so, provide their details:	
Any other details you wish to provide?	
Date reported:	
Signature of person filling the form out: (not required if anonymous submitter is completing own form)	
Signature of officer receiving this report:	

This form may be submitted in the following ways:

- Email: ceo@quilpie.qld.gov.au or mayor@quilpie.qld.gov.au

- Hard copy to Council's Administration Office : Confidential for attention of CEO

  Quilpie Shire Council

  PO Box 57

  QUILPIE QLD 4480

- Fax: 07 4656 1441

- Tasked to the Chief Executive Officer via Magiq records management system

- Directly to your Supervisor, Manager, Chief Executive Officer, Senior Administration Officer or Human Resources Officer.

13.2   APPENDIX B – TYPICAL RED FLAG INDICATORS FOR FRAUD

Who / Where	Typical Indicators
Employees	Employee Lifestyle changes: Expensive cars, jewelry, homes, clothes
	Significant personal debt & credit problems
	Behavioral changes: these may be an indication of drugs, alcohol, gambling, or just fear of losing the job
	High employee turnover, especially those in areas which are more vulnerable to fraud
	Refusal to take vacation or sick leave
	Easily annoyed at reasonable questioning
	Unwillingness to share duties in the vulnerable area
	Refusal to implement internal controls
	Lack of segregation duties in the vulnerable area
	Replacement of existing supplies upon appointment to a position of power
	Unusually close association with a vendor or customer
	A lifestyle beyond apparent financial means e.g. the provisions of costly gifts to other staff
	Chronic shortage of cash or seeking salary advance
	Borrowing money from co-works
	Rewriting records under the guise of neatness in presentation
	Failure to keep records & provide receipts
Management	Reluctance to provide information to auditors
	Managers engage in frequent disputes with auditors
	Management decisions are dominated by an individual or small group
	Managers display significant disrespect for regulatory bodies
	There is a weak internal control environment
	Accounting personnel are lax or inexperienced in their duties
	Decentralization without adequate monitoring
	Excessive number of checking accounts
	Frequent changes in banking accounts
	Frequent changes in auditors
	Assets sold under market value
	Excessive number of year end transactions
	High employee turnover rate
	Unexpected overdrafts or declines in cash balances
	Refusal to use serial numbered documents (receipts)

Who / Where	Typical Indicators
	Compensation program that is out of proportion
	Service Contracts result in no product
	Photocopies or missing documents
	No supporting documentation for adjusting entries
	Incomplete or untimely bank reconciliations
	Increased customer complaints
	Write-offs of inventory or cash shortages with no attempt to determine the cause
	Unrealistic performance expectations
	Rumors of conflicts of interest
	Using duplicate invoices to pay vendors
	Frequent use of sole-source procurement contracts
	Complaints from customers, public & employees are not recorded, tracked & monitored
Cash/Accounts Receivable	Excessive number of voids, disjoints & Adjustments
	Unauthorised bank accounts
	Sudden activity in a dormant banking accounts
	Taxpayer complaints that they are receiving non-payments notices
	Discrepancies between bank deposits & posting
	Abnormal number of expense items in the petty cash for the employee in charge of petty cash
	Presence of employee checks in the petty cash for the employee in charge of petty cash
	Excessive or unjustified cash transactions
	Large number of write-offs of accounts
	Bank accounts that are not reconcile on a timely basis
Payroll	Inconsistent overtime hours for a cost centre
	Overtime charged during a slack period
	Overtime charged for employees who normally would not have overtime wages
	Budget variations for payroll by cost centre
	Employees with duplicate TFNs names, & address
	Employees with few or no payroll deductions
Procurement/Inventory	Increasing number of complaints about goods/services
	Increase in purchasing inventory with no apparent reason

Who / Where	Typical Indicators
	Abnormal inventory shrinkage
	Lack of physical security over assets/inventory
	Charges without shipping documents
	Payments to vendors who aren't on an approved vendor list
	High volume of purchases from new vendors
	Purchases that bypass the normal procedures
	Vendors without physical addresses
	Vendor addresses matching employee addresses
	Excess inventory and inventory that is slow to turn over
	Purchasing agents that pick up vendor payments rather than have it mailed