

Auditing for PSUBS

March 17, 2016



Works Reports



Account Reports

➤ Card Declines

- Trying to use blocked MCC codes

➤ Card Status

- Frequent card replacement



Works Reports

Transaction Reports

➤ 13 Month Card Spend Analysis

- Set appropriate monthly and single transaction limits

➤ Level 3 data

- Amazon
- Best Buy
- Target





Works Reports

Dashboard

➤ Audit

- Split transactions



Real life scenarios to look for:

- Receipts- Statement manipulation
- PayPal- Payment to vendor with a personal name instead of business name
- Square- Payment to vendor with a personal name instead of business name



Suspicious Trends



- **What are some suspicious trends you see???**
- Multiple Transactions to the same vendor
- Multiple Credits received from the same vendor
- Increased number of Over-the-Counter purchases
- Frequent card replacements
- Embezzlement of raw materials or inventory



Third Party Payments...What's the Risk?

- Examples – PayPal, Square, & Stripe
- Allowable, but not the preferred method of payment
- Can pay through a third party system as long as card information is NOT stored

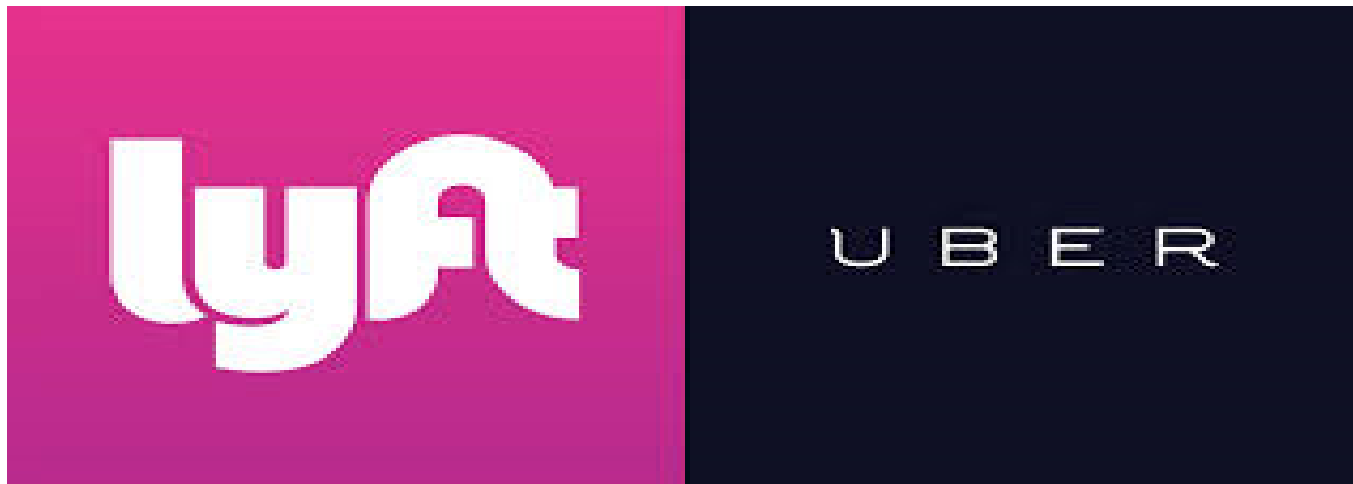
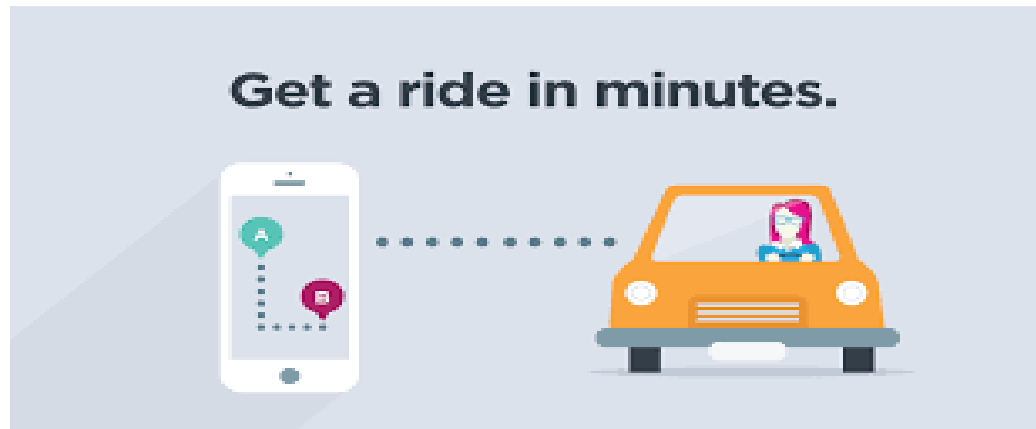
PayPalTM




Square

Bank of America
Merrill Lynch 

Questionable Vendors ?



Types of Fraud

- Fraud trends
 - external
 - internal





If it is MISUSE....

ALERT

What's Next???????

- Immediately Contact Cardholder's Supervisor
- Alert DOA
- Suspend Card Immediately



Ways to deter Fraud

- Set appropriate monthly and single transaction limits
- Restrict by Merchant Classification Codes (MCC)
- Frequent reviews and approval of purchases by immediate supervisor
- Purchase reviews by a second person, the p-card coordinator
- Software monitoring to identify potential questionable transactions



Implementing industry best practices has a positive impact on fraud deterrence

- ✓ Set company policies
- ✓ Review transactions and report suspicious transaction activity to bank immediately
- ✓ Segregate duties
- ✓ Differentiate user names and passwords across platforms
- ✓ Phishing & Masquerading – provide fraud education & training
- ✓ Client level fraud review – stats/trends/specific client experiences related to fraud

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