

'LEVERAGING EXISTING DATA TO DETECT FRAUD & CORRUPTION'

FOR THE



CORRUPTION PREVENTION
NETWORK QUEENSLAND

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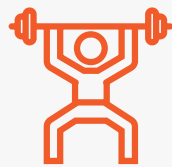
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FRAUD AND ABUSE IS MORE PREVALENT THAN EVER BEFORE!

WHY?



WORKING ENVIRONMENT



CONTROLS ARE WEAKENED



TRUST IS NOT A CONTROL



POLICY & PROCEDURE

WHAT WE DETECT AND WHAT WE PREVENT



Errors and Mistakes



Policy and Control
Breaches



Non-Compliance



Fraud / Abuse /
Corruption



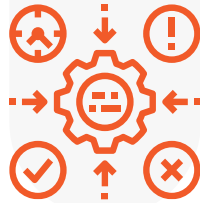
Monitoring Risk Metrics

PRINCIPLES



TIMELY

When they happen



FULLY AUTOMATED

Predictable and reliable



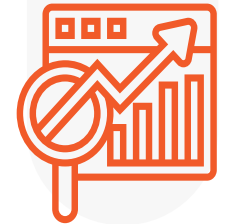
ACTION TAKEN

What did you do about it



TRUE EXCEPTIONS

Focus on what matters



CONTINUOUS IMPROVEMENT

Learn from mistakes

AREAS OF FOCUS



PROCURE-TO-PAY



ORDER-TO-CASH



HIRE-TO-RETIRE
CONFLICT OF INTEREST



TRAVEL & EXPENSES
CREDIT CARDS



VENDOR RISK
MANAGEMENT
AML / KYC

Australian Standard AS 8001:2021 Fraud and Corruption Control

MAPPING to AS 8001

Section 2 Foundations for fraud and corruption control

- 2.1 General
- 2.2 Governing body
- 2.3 Top management
- 2.4 Specialist fraud and corruption control resourcing
- 2.5 Line management
- 2.6 Business unit accountability for fraud and corruption control
- 2.7 Awareness raising of fraud and corruption risk
- 2.8 Fraud and corruption risk management
- 2.9 External environment scan
- 2.10 Developing and implementing a fraud and corruption control system (FCCS)
- 2.11 Leveraging the internal audit function in fraud and corruption control
- 2.12 Leveraging the external audit function in fraud and corruption control
- 2.13 Information Security Management system (ISMS)
- 2.14 Record keeping and confidentiality of information

Section 3 Preventing fraud and corruption

- 3.1 General
- 3.2 Promoting a sound integrity framework
- 3.3 Managing conflicts of interest
- 3.4 Managing risks connected to gifts, hospitality, donations and similar benefits
- 3.5 Internal controls and the internal control environment
- 3.6 Managing performance-based targets
- 3.7 Workforce screening
- 3.8 Screening and ongoing management of business associates
- 3.9 Preventing technology-enabled fraud
- 3.10 Physical security and asset management

Section 4 Detecting fraud and corruption

- 4.1 General
- 4.2 Post-transactional review
- 4.3 Analysis of management accounting report
- 4.4 Identification of early learning signs
- 4.5 Data analytics
- 4.6 Fraud and corruption reporting channels
- 4.7 Whistleblower management system
- 4.8 Leveraging relationships with business associates and other external parties
- 4.9 Complaint management
- 4.10 Exit interviews

Section 5 Responding to fraud and corruption events

- 5.1 General
- 5.2 Immediate action on discovery of a fraud or corruption event
- 5.3 Investigation of a detected fraud or corruption event
- 5.4 Disciplinary procedures
- 5.5 Crisis management following discovery of a fraud or corruption event
- 5.6 Internal reporting and escalation
- 5.7 External reporting
- 5.8 Recovery of stolen funds or property
- 5.9 Responding to fraud and corruption events involving business associates
- 5.10 Insuring against fraud events
- 5.11 Assessing internal controls, systems and processes post-detection of a fraud or corruption event.
- 5.12 Third parties
- 5.13 Disruption of fraud and corruption



- ✓ EXTERNAL INFORMATION

- ✓ ONGOING MONITORING

- ✓ CONNECTING THE DOTS



THIRD PARTY RISK MONITORING





RISKS

- Administration
- Sanctions/PEPs
- Adverse Media
- Change of Directorship



EXTERNAL DATA

- Credit Risk
- ABN/GST Status
- Directors
- Sanctions/PEPs
- Adverse Media

INTERNAL DATA

- Invoices
- POs
- Returns
- Disputes/Complaints
- Contracts
- Spend



WHAT WOULD HAPPEN
AT YOUR COMPANY IF A
SUPPLIER WENT INTO
ADMINISTRATION ON THE
EVE OF CHRISTMAS?



Vendor Details

Quite Frills PTY LTD
Vendor Number: 1928
 1 Madeup Rd, Mascot
 NSW, 2020
 0212846876
 main@qfrills.com.au

ABN: 38782456553
ACN: 782456553
Bank Account Name: Quite Frills PTY LTD
BSB: 123456
Bank Account Number: 987456
Payment Method: EFT
Payment Terms: 30

Exception Details

Risk Issue: Recent ASIC Document Lodged Relating to Administration

Open Invoice Amount: \$601.50 **Open Invoice Count:** 3 **Open PO Amount:** \$3,140.68 **Open PO Count:** 2

Open AP Invoices

Invoice Number	Invoice Date	Currency	Amount	Description	Document Number
INV-0001	Tuesday, January 18, 2022	AUD	\$200.50	Weekly Payments	9875472
INV-0002	Tuesday, January 25, 2022	AUD	\$200.50	Weekly Payments	9887789
INV-0003	Tuesday, February 1, 2022	AUD	\$200.50	Weekly Payments	9927418

Open Purchase Orders

PO Number	PO Date	PO Amount	GST Amount	Item Description	Item Code	Item Quantity
I-87845	Sunday, January 16, 2022	\$1,689.90	\$168.99	5000pk Large 27/01/2022	998573891	1
I-87934	Sunday, January 30, 2022	\$1,450.78	\$145.08	5000pk Large 30/01/2022	998573891	1

ARE YOU SURE
YOUR SUPPLIERS &
CUSTOMERS ARE
STILL WHO YOU
THINK THEY ARE?

CHANGE OF DIRECTOR



Vendor Details	Exception Details				
<p>Yellow Banana PTY LTD Vendor Number: 4321 16 Madeup Rd, Mascot NSW, 2020 0212349654 main@ybottle.com.au</p>	Current Director: Kate Grass		Previous Director: Stacey Pond		Effective From: Thursday, February 3, 2022
<p>ABN: 22333444555 ACN: 333444555 Bank Account Name: Yellow Banana PTY LTD BSB: 123456 Bank Account Number: 345678 Payment Method: EFT Payment Terms: 30</p>	Open Invoice Amount: \$909.29	Open Invoice Count: 2	Owed Invoice Amount: \$230.00	Owed Invoice Count: 1	
Open AP Invoices					
Invoice Number	Invoice Date	Currency	Amount	Description	Document Number
INV3951	Tuesday, February 1, 2022	AUD	\$450.10	Banana Leaves	9927420
INV3963	Saturday, February 26, 2022	AUD	\$459.19	Banana Leaves	9887794

COMPREHENSIVE MONITORING



Monitoring Details ▼

Questionnaire	✓	Bank Validation	Followed up	Sanction	✓
Politically Exposed Persons	X	Adverse Media	X	Director Check	✓
ASIC Check	✓	Address Check	✓	Creditor Watch Alerts	✓
Risk Score	C	Risk Rating	56		

? Questionnaire ▼

Bank Validation ▼

ABN	Bank Name	BSB	Bank Account Number	Bank Account Name	Status	Status Date
65010582680	NAB	082-052	26483992	Mineralogy Pty Ltd	Follow up verification sent	3/28/2022 12:00:00 AM
65010582680	NAB	082-052	26483992	Mineralogy Pty Ltd	Verification sent	3/21/2022 12:00:00 AM

PEP Details ▼

Sanction Details ▼

Adverse Media ▼

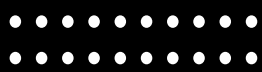
Director Check ▼

ASIC Check ▼



CONFLICT OF INTEREST





RISKS

- Undeclared Conflict of Interest
- Collusion
- Abuse of position



EXTERNAL DATA

- Directors

INTERNAL DATA

- Vendor Master
- AP transactions
- Employee Master
- Payroll transactions
- Credit card transactions



SPOT LIGHTING A SCANDAL


- Matching Names
- Matching Addresses
- Matching Bank Accounts etc.

MATCHED

- Vendor Master File & HR Master File
- Mobile Number
- Next of Kin!

CONFLICT OF INTEREST

Employee Details



Mei Peng
Employee ID: 6651
 90 Chuter Avenue, Ramsgate Bridge
 NSW, 2217
 mpeng@satoriassured.com

TFN: 123 789 789
BSB: 064-410
Bank Account Number: 32346789

Exception Details

Employee Name: Mei Peng **Employee Type:** Casual

Telephone 1: 0454 233 951 **Telephone 2:**

BSB: 064-410 **Account No.:** 32346789

Total Pay (\$): \$6,588.00 **Pay Count:** 6


Hire Date: 25/08/2021 **Termination Date:**

Last Pay: 24/02/2022

Next of Kin: Amy Peng **Next of Kin Relationship:** Mother

Address: 90 Chuter Avenue, Ramsgate Bridge NSW 2217, Australia

Vendor Details



Corner A Convenience Store
Vendor ID: 1235
 90 Chuter Avenue, Ramsgate Bridge
 NSW, 2217

ABN: 11 333 555 777
BSB: 064-410
Bank Account Number: 32346787

Tel 2: 0454 233 951
Tel 3:
Email 2:

Exception Details

Vendor Name: Corner A Convenience Store **Vendor Type:** Goods

Telephone 1: 97551356 **Telephone 2:** 0454 233 951

BSB: 064-410 **Account No.:** 32346787

Total Invoice (\$): \$59.90 **Invoice Count:** 10

Total GST (\$): \$5.45 **Last Invoice:** 4/03/2022

Invoice History

Voucher ID	Paid	Cleared	Vendor Status	Vendor Type	Vendor ID	Vendor Name	Invoice Number	Invoice Date
567583	Y	Y	A	Vendor	1235	Corner A Convenience Store	11397	1/11/2021
567636	Y	Y	A	Vendor	1235	Corner A Convenience Store	11439	1/12/2021
567689	Y	Y	A	Vendor	1235	Corner A Convenience Store	11481	1/01/2021
567742	Y	Y	A	Vendor	1235	Corner A Convenience Store	11523	1/02/2022
567796	Y	Y	A	Vendor	1235	Corner A Convenience Store	11565	1/03/2022



CREDIT CARD & EXPENSE MONITORING





RISKS

- Personal spend
- Double dipping





INTERNAL DATA

- Credit card transactions
- Employee Master
- Payroll transactions
- Leave data
- AP transactions
- Refunds



SPENDING WHEN ON LEAVE

Cardholder details			
Credit card #	*****4534	Cardholder Name	Soo Rugdee
Credit Card Status	A	Email	artwelln@satorigroup.com.au
Credit Card Account #	4534	Employee Status	A
		Leave From	15/02/2018
		Leave to	07/03/2018

Transaction details			
Transaction date	19/02/2018	Questionnaire Status	New
Transaction #	TRX623011080965992	5812 - Meals- Breakfast/Morning tea/Coffee/Light meal	Invoice Amount AUD 660.00



ACCOUNTS PAYABLE MONITORING





RISKS

- Fraudulent invoices
- Fraudulent bank accounts





EXTERNAL

- Bank accounts

INTERNAL

- Vendor Master
- AP transactions

FRADUALENT BANK ACCOUNT

Vendor Details			
Vendor #:	0000090554	Vendor Name:	Smith John
Vendor Status:	A		
# transactions at risk:	1		
Vendor last invoice date:	21/08/2018		

Bank account details as of 21/08/2018 06:11:37			
	Bank account was		Bank account changed to
BSB:	030045		014555
Bank account:	03 0045 8948113 030		01 4555 7478491 003
Bank country:	NZ		



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SHINE A LIGHT ON YOUR ORGANISATION

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