PROCUREMENT FRAUD DATA ANALYSIS

Entry	Typology	Description	Risk/Action
VENDOR ONBOARDNG			
1	Conflicts of Interest	Undisclosed shareholders or company executive position	Compare staff data with Company Formation data to assess for conflicts of interest or corruption risk
2	Bid Rigging	Duplicate data	Comparison of new vendor data against current supplier information for duplicate data
3	C of Interest Corruption	Consultant/sub-contractor/employee comparison	Check for matches in consultant, vendor and sub-contractor against employees for duplicate information
4	Bid Rigging Collusion	New vendor and supplier data duplicates	Compare new vendor and supplier data for duplicate information to assess for collusion and bid rigging risk
VENDOR BIDDING			
5	Cover bidding	Bids too high, ruling company out of selection	Pattern analysis of current and historical bids to assess if this is a common practice and pattern of same competing companies
6	Bid Rigging Manipulation	Manipulation of the bidding process	Annual analysis in which only one bid was received in the tender process
7	Bid Manipulation	Manipulation of the bidding process	Short response deadlines against number of vendors response. Are there common winning vendors
8	Corruption	Manipulation of the procurement route	Single source or direct award contract where values or other criteria would require introduction of tender process
ACCOUNTS PAYABLE			
9	Collusion corruption	Split orders	Analyse Purchase orders/Invoices and authorisation/approval levels for split orders that should have required a tender
10	Collusion Corruption	Financial threshold	Analyse for orders just below the financial threshold that would avoid additional scrutiny
11	Corruption Collusion	Payments diverted	Manipulation of bank account details. Audit of bank details input/update function
12	Fictitious works Corruption	Round sums	Check for round numbers i.e., $10,000 for goods, works or services from same supplier. Are they single source
PROCUREMENT DATA			
13	Asset Misappropriation	5 Way check	Verify requisition, purchase order, invoice, goods receipt, and asset register record to assess pattern in missing data
14	Procurement Fraud	Missing data	Missing data within eProcurement system may be used to hide the fraud
15	Corruption	Categories spend	Analysis of finance data to ensure that vendors are not being tasked for work and invoicing outside of the scope of contract.
16	Procurement Fraud	Non-catalogue spends	Does the cost-plus percentage remain high as the price for goods/materials increases
ASSET MANAGEMENT			
17	Asset Misappropriation	High value items	Monitor high value items missing or documented as lost
18	Asset Misappropriation	Attractive or high quantity items	Monitor of attractive items or high quantity of the same items missing or documented as lost
19	Asset Misappropriation	Write off, damaged or obsolete materials	Analysis of disposal process against high value, attractive or high quantity of items
20	Asset Misappropriation	Misuse of single source procurement	Compare new materials described as lost against single source procurement and associated companies
QUALITY & QUANTITY			
21	Product substitution	Equipment failure	Analysis of equipment failure against warranty dates and counterfeit risk
22	Procurement Fraud	Maintenance records / quality risk	Compare similar, the same and regular maintenance in the same area
23	Inferior product	High call out rate	Assess call rates in the same area to determine if an inferior or counterfeit product has been used

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24	Theft	Items purchases for personal or other private use	Comparison of purchases on projects to identify out of specification or unusual purchases
TIME			
25	False invoices	Increasing contractor daily hours	Compare number of staff, timesheets and onsite verification of hours worked
26	False invoices	Overbilling for number of days equipment rental	Comparison of days on site, days invoiced and rental information from equipment owner
27	False invoices	Misuse of urgent requirement to reduce monitoring on resources	Analyse the regular use of urgent requirement against increase in procurement, resources or assets
28	False invoices	Billing of higher rates for weekend working	Monitoring pattern of weekend working, higher rates charged against justifications and invoiced generic descriptions
PEOPLE & RESOURCES			
29	Overbilling	Invoice with inflated rates	Compare expertise against agreed rates, are individuals being charged at a higher rate
30	Overbilling	Scarce resources	Comparison of number of scarce resources (project managers) used against contract requirement and number invoiced
31	Double billing	Scarce resources being used on other projects	Analysis of scarce resources (project managers/civil engineers) information against timesheets
32	Double billing	Rental equipment used on other projects	Comparison of rental equipment to determine if being used on different projects and double billed

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