

Purchasing/Disbursement/Inventory

- Abnormal number of expenses, supplies or reimbursements
- Purchases that bypass normal procedures
- Handwritten or typed invoices vs. computer-generated invoices
- Increased complaints about products or service
- Increase in purchasing without increase in sales
- Acceptance of gratuities or significant “promotional” items
- Handwritten check endorsements vs. stamped endorsements
- Abnormal inventory shrinkage
- Prepayment of goods or services
- Frequent use of sole-source contracts
- Pressure to expedite payments
- Lack of physical security over assets/inventory
- Charges without shipping documents
- Payments to unapproved vendors
- High volume of purchases from new vendors
- Vendors without physical addresses
- Vendor addresses that match employee addresses
- Inventory that is slow to turn over
- Lack of defined duties
- “Consulting” contracts for which there is no end product
- Deviation from specifications on delivered goods or services
- Numerous duplicate payments, then pocketing the refund
- Prepayment of goods or services
- Purchasing agents who pick up vendor payments rather than having them mailed