

Business Best Practices

Protocols To Ensure a Fraud-Free Workplace

Each year over \$994 billion is lost to business fraud. And small businesses tend to suffer disproportionately large losses: 38% of all workplace fraud happens to small businesses with fewer than 100 employees, and the median loss is \$200,000, more than for any other group.

Implement these proven ways to safeguard your business and reduce the risk of fraud.

Establish Internal Controls: Follow “Best Practices”

- 🔒 Limit electronic access to financial information or sensitive documents.
- 🔒 Develop policies that control how financial transactions are made and implement review and authorization procedures.
- 🔒 Do not regularly login with an “Admin” account other than for required administration of other users.
- 🔒 Utilize Dual Control and Dual Approval for any functions that move money out of the account (for example, ACH or Wires).
- 🔒 Review and reconcile accounts daily.

Secure and maintain computer systems

- 🔒 Maintain appropriate network user access security if computers are networked
- 🔒 Ensure up to date firewalls, anti-virus software and spyware prevention software are in place for all computers.
- 🔒 Apply computer operating system patches and updates.
- 🔒 Maintain the physical security of computers and limit access to computers that are used for sensitive functions.
- 🔒 Do not download or install software from unknown third parties.
- 🔒 Do not open email or email attachments from an unknown source.
- 🔒 Limit Internet access on business computers to business requirements.

REPORT ANY SUSPECTED FRAUD TO US IMMEDIATELY

Restrict access

- 🔒 Rotate duties so that no one person is responsible for all financial tasks.
- 🔒 Personally review your bank statements and restrict access to financial documents, checks, credit cards, and cash.

Supervise and monitor financial transactions

- 🔒 Adequately supervise all employees who take part in business finances.
- 🔒 Continually review wires, transfers, payroll and business checks, or use an automated monitoring system.

Adequately screen employees

- 🔒 Conduct thorough background, credit and criminal checks.
- 🔒 Always check references and verify education and employment history.
- 🔒 Conduct regular performance reviews.

Utilize CPAs

Consider hiring an outside firm or CPA to conduct audits of your business finances. An independent audit can facilitate early detection of fraud and help identify weaknesses and areas for improvement.

Conduct regular and unscheduled internal audits

In addition to regular examinations of inventory and finances, unannounced audits can deter fraud.

Implement an anonymous reporting system

Make it easy for employees, customers and vendors to confidentially report suspected fraud. Create a written ethics code or fraud policy that states what actions are prohibited, how to report suspected fraud, and what the consequences are when it occurs.

Treat Employees well

A positive work environment can reduce the likelihood of internal fraud.

For your protection, you should always carefully monitor your business bank accounts for fraudulent activity. If you ever see anything unusual, immediately call your Community Bank of the Bay Relationship Manager.

Find out More - Download These Guides

FDIC: A Bank customer's guide to Security

2016 Cyber Insurance Buying Guide

National Cyber Security Alliance

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