



## PROCUREMENT FRAUD

Procurement and disbursement frauds occur when individuals manipulate purchasing and payment processes for personal benefit. Examples of these schemes include submitting inflated or fictitious invoices for payment, purchasing items for personal use, and misusing purchasing cards. Procurement and disbursement schemes are some of the most common types of frauds that individuals use to misappropriate funds from an organization.

Implementing the controls described below can help to prevent procurement fraud.

👉 Is management approval required for purchase requests?

- Management should approve purchase requests, reviewing supporting documentation before approval.

👉 Do purchase requests detail the items approved for purchase?

- Purchase requests should list the description, quantity, and price of goods and services approved for purchase.

👉 Are duties over the purchasing process properly separated?

- The responsibilities for purchase requests, approvals, receipt, and payment should not be controlled by a single individual.

👉 Is the issuance of purchasing cards and their limits controlled?

- Purchasing cards should have spending limits and only be issued to employees with a genuine business need.

👉 Are purchasing cards adequately monitored?

- Organizations should reconcile purchasing card transactions and monitor for suspicious purchases.

👉 Is documentation retained to support the receipt of purchases?

- Receiving documents, such as packing slips, should be retained to evidence receipt of purchases.

### **Where can I find more information?**

👉 [USF Regulation 5.001](#): Fraud Prevention and Detection

👉 USF Office of Internal Audit website: <https://www.usf.edu/audit/>

### **How can I report potential fraud or abuse?**

👉 Notify your supervisor

👉 Contact the USF Office of Internal Audit at (813) 974-2705

👉 Report activities anonymously through the [EthicsPoint](#) hotline at (866) 974-8411