

Fraud Risk Assessment Tool

Module #10 – Expense Schemes

Expense Schemes include:

- Mischaracterized expense schemes, which occur when an employee requests reimbursement for a personal expense, claiming the expense to be business related
- Overstated expense schemes, which occur when an employee overstates the cost of actual expenses and seeks reimbursement
- Fictitious expense schemes, which occur when an employee invents a purchase and seeks reimbursement for it
- Multiple reimbursement schemes, which occur when an employee submits a single expense for reimbursement multiple times

Questionnaire Key

1. Are the expense accounts reviewed and analyzed periodically using historical comparisons or comparisons with budgeted amounts?

Companies should periodically review and analyze expense accounts using historical comparisons or comparisons with budgeted amounts.

2. Do employee expense reimbursement claims receive a detailed review before payment is made?

Employee expense reimbursement claims should receive a detailed review before payment is made.

3. Are employees required to submit detailed expense reports?

Employees should be required to submit detailed expense reports containing receipts, explanations, amounts, etc.

4. Is a limit placed on expenses such as hotels, meals, and entertainment?

Companies should place a spending limit on expenses such as hotels, meals, and entertainment.

5. Are receipts required for all expenses to be reimbursed?

Companies should require receipts for all expenses to be reimbursed.

6. Are supervisors required to review and approve all expense reimbursement requests?

All expense reimbursement requests should be reviewed and approved by supervisors.

7. Is there a random authentication of expense receipts and expenses claimed?

A policy requiring the periodic review of expense reports, coupled with examining the appropriate detail, can help deter employees from submitting personal expenses for reimbursement.

Fraud Risk Assessment Tool

Module 10- Expense Schemes			
	Yes	No	Not Applicable
<p>Are the expense accounts reviewed and analyzed periodically using historical comparisons or comparisons with budgeted amounts? Comments:</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Do employee expense reimbursement claims receive a detailed review before payment is made? Comments:</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Are employees required to submit detailed expense reports? Comments:</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Is a limit placed on expenses such as hotels, meals, and entertainment? Comments:</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Are receipts required for all expenses to be reimbursed? Comments:</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Are supervisors required to review and approve all expense reimbursement requests? Comments:</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Is there a random authentication of expense receipts and expenses claimed? Comments:</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>