

**THE TOPEKA SCHOOL DISTRICT
CHECK FRAUD EXPERIENCE:
WAYS OF PREVENTING AND DETECTING
CHECK FRAUD AND LESSONS LEARNED**

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FINANCIAL PRACTICES

RECOMMENDED PRACTICE	DESIGNED TO
USE SECURITY FEATURES IN PRINTING THE CHECKS	MAKE IT MORE DIFFICULT TO COUNTERFEIT A CHECK
KEEP UNUSED CHECKS SECURE	PREVENT UNAUTHORIZED ACCESS TO BLANK CHECKS
KEEP SIGNATURE PLATES OR OTHER SIGNATURE APPARATUS SECURE	PREVENT UNAUTHORIZED ISSUANCE OF APPARENTLY LEGITIMATE CHECKS
RECONCILE BANK ACCOUNT EACH MONTH ON A TIMELY BASIS, AND INVESTIGATE DIFFERENCES	DETECT CHECK FRAUD AFTER THE FACT BUT IN TIME TO HAVE IT CORRECTED
HAVE BANK RECONCILIATIONS DONE BY EMPLOYEES WHO DON'T HANDLE CASH, WRITE CHECKS, INITIATE THE CHECK-WRITING PROCESS, OR RECORD CASH TRANSACTIONS	PREVENT THE POSSIBILITY OF ONE PERSON WRITING A FRAUDULENT CHECK AND COVERING IT UP BY FALSIFYING BANK RECONCILIATIONS AND ACCOUNTING RECORDS
USE THE BANK'S POSITIVE PAY SERVICE IF AVAILABLE AND COST-EFFECTIVE	DETECT A FRAUDULENT CHECK BEFORE THE BANK PAYS IT
KEEP SIGNATURE CARDS CURRENT	DEMONSTRATE THAT AN UNAUTHORIZED PERSON HAS SIGNED A CHECK

MANAGEMENT PRACTICES

RECOMMENDED PRACTICE	DESIGNED TO
HIRE AND ASSIGN QUALIFIED STAFF	INCREASE THE LIKELIHOOD THAT FINANCIAL PRACTICES ARE FOLLOWED AND ARE EFFECTIVE IN PREVENTING AND DETECTING CHECK FRAUD
HAVE ENOUGH STAFF TO ACCOMPLISH THE ASSIGNED RESPONSIBILITIES	
PROVIDE ADEQUATE GUIDANCE	
HAVE MANAGEMENT STAFF PERIODICALLY REVIEW BANK RECONCILIATIONS AND INVESTIGATE UNUSUAL RECONCILING ITEMS	
CONDUCT PERIODIC INDEPENDENT AUDITS OR REVIEWS OF PROCEDURES	