



## Fraud Audit Sample Data

### AI BIZ GURU - Fraud Audit

#### Company Overview

MediTech Solutions is a healthcare technology company founded in 2016 that specializes in electronic health record (EHR) systems, patient engagement platforms, and healthcare analytics solutions for medical facilities. The company has grown to 250 employees with an annual revenue of approximately \$12 million. This dataset contains financial and operational information for use in fraud detection and audit procedures.

#### 1. Financial Statement Data

##### Income Statement Summary (in USD)

Line Item	2022	2023	2024 (YTD Q3)	YoY Growth
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<b>Revenue</b>	\$7,650,000	\$9,700,000	\$8,750,000	26.8%
Cost of Revenue	\$3,430,000	\$4,370,000	\$3,850,000	27.4%
<b>Gross Profit</b>	\$4,220,000	\$5,330,000	\$4,900,000	26.3%
Operating Expenses	\$3,245,000	\$4,160,000	\$3,740,000	28.2%
<b>Operating Income</b>	\$975,000	\$1,170,000	\$1,160,000	20.0%
Interest & Other	\$(70,000)	\$(80,000)	\$(85,000)	14.3%
<b>Pre-tax Income</b>	\$905,000	\$1,090,000	\$1,075,000	20.4%
Tax Expense	\$226,250	\$272,500	\$268,750	20.4%
<b>Net Income</b>	\$678,750	\$817,500	\$806,250	20.4%

#### **Balance Sheet Summary (as of September 30, 2024)**

Line Item	Dec 31, 2022	Dec 31, 2023	Sep 30, 2024	YoY Change
Cash & Equivalents	\$1,250,000	\$1,580,000	\$1,850,000	26.4%
Accounts Receivable	\$1,450,000	\$1,620,000	\$1,780,000	11.7%
Inventory	\$120,000	\$140,000	\$165,000	16.7%
Other Current Assets	\$780,000	\$970,000	\$1,050,000	24.4%
<b>Total Current Assets</b>	<b>\$3,600,000</b>	<b>\$4,310,000</b>	<b>\$4,845,000</b>	<b>19.7%</b>
Property & Equipment	\$1,130,000	\$1,200,000	\$1,130,000	6.2%
Intangible Assets	\$1,250,000	\$1,450,000	\$1,550,000	16.0%
Other Non-Current Assets	\$1,170,000	\$1,230,000	\$1,270,000	5.1%

<b>Total Assets</b>	\$7,150,000	\$8,190,000	\$8,795,000	14.5%
			0	
<b>Current Liabilities</b>	\$2,200,000	\$2,510,000	\$2,770,000	14.1%
			0	
<b>Long-term Liabilities</b>	\$1,650,000	\$1,950,000	\$2,060,000	18.2%
			0	
<b>Total Liabilities</b>	\$3,850,000	\$4,460,000	\$4,830,000	15.8%
			0	
<b>Shareholders' Equity</b>	\$3,300,000	\$3,730,000	\$3,965,000	13.0%
			0	

**Quarterly Financial Trends (2023-2024)**

Quarter	Revenue	Gross Margin	Operating Expenses	Net Income	AR Growth	Inventory Growth
Q1 2023	\$2,150,000	54.2%	\$925,000	\$187,500	3.2%	2.5%
Q2 2023	\$2,380,000	54.8%	\$995,000	\$210,000	3.8%	3.1%

Q3 2023	\$2,450,000	55.0%	\$1,050,000	\$205,000	4.1%	2.8%
Q4 2023	\$2,720,000	55.5%	\$1,190,000	\$215,000	4.5%	4.2%
Q1 2024	\$2,750,000	55.8%	\$1,220,000	\$225,000	5.2%	5.8%
Q2 2024	\$2,950,000	56.2%	\$1,310,000	\$265,000	6.5%	7.1%
Q3 2024	\$3,050,000	56.7%	\$1,210,000	\$316,250	8.2%	9.5%

### Financial Ratio Analysis

Ratio	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Industry Avg
Gross Margin	54.2%	54.8%	55.0%	55.5%	55.8%	56.2%	56.7%	55.0%
Operating Margin	12.1%	12.6%	12.9%	13.2%	13.1%	13.6%	13.8%	12.0%

Net Profit Margin	8.7%	8.8%	8.4%	7.9%	8.2%	9.0%	10.4%	8.0%
Days Sales Outstanding	61.5	62.2	63.0	61.2	62.5	63.5	64.2	55.0
Inventory Turnover	7.8	7.5	7.4	7.2	7.1	6.9	6.7	8.0
SG&A as % of Revenue	29.8%	29.2%	29.7%	30.5%	31.2%	30.8%	27.5%	30.0%
Interest Coverage	9.6	9.7	9.8	9.7	9.5	9.4	9.2	8.5

## 2. Transaction-Level Data Analysis

### Monthly Transaction Volume

Month	# of Transactions	Total Value	Average Transaction Size	Manual Entries %
Jan 2024	1,852	\$2,750,000	\$1,484.88	8.5%
Feb 2024	1,735	\$2,625,000	\$1,512.97	9.2%



Travel & Entertainment	\$125,000	\$142,000	\$168,000	+28.5%	85%
Office Supplies	\$45,000	\$52,000	\$68,000	+42.1%	65%
Professional Services	\$285,000	\$305,000	\$295,000	+12.8%	95%
Software Subscriptions	\$180,000	\$192,000	\$205,000	+15.2%	90%
Marketing & Advertising	\$210,000	\$245,000	\$195,000	+7.2%	92%
Facilities	\$150,000	\$155,000	\$152,000	+2.5%	98%
Training & Development	\$75,000	\$85,000	\$92,000	+18.6%	88%
Miscellaneous	\$45,000	\$68,000	\$92,000	+75.2%	75%

### **Accounts Payable Analysis**



<b>Vendor Category</b>	<b># of Vendors</b>	<b>Total Spend Q3 2024</b>	<b>Avg Payment Terms</b>	<b>% Electronic Payments</b>	<b>% with PO</b>
Software & Technology	28	\$625,000	Net 45	92%	85%
Professional Services	42	\$295,000	Net 30	88%	78%
Marketing & Advertising	18	\$195,000	Net 30	85%	72%
Office & Facilities	25	\$220,000	Net 15	78%	68%
Travel & Entertainment	12	\$168,000	Net 15	65%	45%
Other Vendors	35	\$160,000	Net 30	72%	62%

### **Accounts Receivable Analysis**

<b>Customer Category</b>	<b># of Customers</b>	<b>Total AR</b>	<b>Current</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>&gt;90 Days</b>	<b>Write-offs (YTD)</b>
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Large Hospitals	18	\$712,000	72%	18%	6%	4%	\$15,000
Mid-sized Hospitals	32	\$427,200	68%	20%	8%	4%	\$22,000
Small Hospitals	45	\$356,000	65%	22%	9%	4%	\$18,000
Clinics & Practices	85	\$249,200	60%	25%	10%	5%	\$35,000
Other Healthcare	22	\$35,600	55%	28%	12%	5%	\$8,000

### 3. Internal Control Evaluation

#### Segregation of Duties Assessment

Function	# of Employees with Access	# of Conflicting Accesses	Risk Level	Control Effectiveness
Purchase Requisition	28	8	Medium	Partial
Purchase Order Approval	12	4	Medium	Adequate

Vendor Setup/Maintenance	5	3	High	Inadequate
Invoice Processing	8	3	Medium	Adequate
Payment Authorization	6	2	High	Partial
Payment Execution	4	2	Critical	Inadequate
Journal Entry Creation	10	5	High	Inadequate
Journal Entry Approval	6	3	High	Partial
Bank Reconciliation	3	2	Critical	Inadequate
Credit Memo Issuance	6	4	High	Inadequate

### **Access Control Review**

System	# of Users	# of Admin Users	Inactive Accounts	Shared Accounts	Last Access Review
ERP System	85	6	12	3	Apr 2024
Payroll System	12	3	2	1	Jun 2024
Expense Management	245	5	28	0	Mar 2024
Banking Portal	8	3	1	2	May 2024
CRM System	65	4	8	0	Jan 2024
Procurement System	35	4	5	2	Feb 2024

### Audit Trail Analysis

System	Audit Logging Enabled	Review Frequency	Last Review	Anomalies Detected	Resolved
ERP System	Yes	Quarterly	Jun 2024	8	5

Payroll System	Yes	Monthly	Sep 2024	3	3
Expense Management	Partial	Semi-annually	Apr 2024	15	10
Banking Portal	Yes	Monthly	Sep 2024	2	2
CRM System	Partial	Annually	Jan 2024	6	4
Procurement System	No	N/A	N/A	N/A	N/A

### Policy Compliance Assessment

Policy Area	Last Updated	Training Completion	Compliance Rate	Exceptions Granted	Last Audit
Procurement	Mar 2023	88%	82%	12	Aug 2024
T&E Expenses	Sep 2023	92%	78%	8	Jul 2024

Financial Reporting	Nov 2022	95%	90%	3	May 2024
System Access	Feb 2024	85%	85%	5	Jun 2024
Data Protection	Apr 2024	98%	92%	2	Sep 2024
Conflict of Interest	Dec 2022	75%	82%	7	Mar 2024

#### 4. Fraud Risk Indicators

##### Transaction Anomalies

Anomaly Type	Q1 2024	Q2 2024	Q3 2024	YoY Change	Investigated	Resolved
After-hours Transactions	28	42	65	+85%	52	42
Weekend Transactions	35	48	72	+92%	58	45
Round Number Transactions	42	58	75	+65%	62	48

Split Transactions	15	22	38	+120%	28	22
Duplicate Payments	8	12	18	+80%	16	14
Sequential Invoice Numbers	12	18	25	+85%	20	15
Vendors Matching Employee Info	2	3	5	+150%	5	3
Unusual Payment Patterns	22	35	52	+108%	35	28

### Behavioral Red Flags

Red Flag	Occurrences	Departments Affected	Investigated	Resolved
Excessive Overtime Claims	25	Finance, IT, Sales	18	12
Resistance to Process Changes	12	Finance, Procurement	8	5
Refusal to Take Vacation	8	Finance, IT	6	6

Lifestyle Changes	3	Sales, Executive	3	1
Unusual Working Hours	18	IT, Finance	12	8
Complaints About Compensation	32	Multiple	15	12
Circumventing Controls	15	Finance, Procurement, IT	15	9
Unusual Relationships with Vendors	5	Procurement, Marketing	5	3

### Benford's Law Analysis (First Digit Distribution)

First Digit	Expected %	Actual % (Expenses)	Deviation	Actual % (Revenue)	Deviation
1	30.1%	28.5%	-1.6%	31.2%	+1.1%
2	17.6%	16.8%	-0.8%	18.5%	+0.9%
3	12.5%	11.2%	-1.3%	12.8%	+0.3%
4	9.7%	8.5%	-1.2%	9.5%	-0.2%



5	7.9%	9.2%	+1.3%	7.8%	-0.1%
6	6.7%	7.5%	+0.8%	6.5%	-0.2%
7	5.8%	7.2%	+1.4%	5.5%	-0.3%
8	5.1%	6.5%	+1.4%	4.8%	-0.3%
9	4.6%	4.6%	0.0%	3.4%	-1.2%

**Journal Entry Analysis**

Journal Entry Characteristic	Q1 2024	Q2 2024	Q3 2024	YoY Change	Investigat ed
Manual Entries	285	320	385	+42%	65
Round Number Entries	105	125	145	+35%	42
Entries Near Period End	85	95	118	+32%	38
Entries on Weekends/Holidays	18	25	38	+72%	30
Entries Without Approvals	22	35	52	+85%	48

Unusual Account Combinations	32	38	45	+25%	35
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Description Anomalies	48	62	85	+65%	45
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## 5. Employee & Payroll Data

### Payroll Summary (YTD 2024)

Department	# of Employees	Total Payroll	Avg. Salary	Overtime	Bonuses	Expenses
Executive	8	\$1,350,000	\$168,750	\$0	\$320,000	\$125,000
Finance	18	\$1,260,000	\$70,000	\$45,000	\$125,000	\$68,000
Sales	42	\$2,650,000	\$63,095	\$85,000	\$385,000	\$285,000
IT/Engineering	85	\$6,800,000	\$80,000	\$250,000	\$420,000	\$95,000
Operations	52	\$2,860,000	\$55,000	\$180,000	\$165,000	\$72,000

Customer Service	35	\$1,575,000	\$45,000	\$125,000	\$85,000	\$35,000
Marketing	10	\$650,000	\$65,000	\$28,000	\$75,000	\$185,000

**Payroll Changes Analysis**

Change Type	Q1 2024	Q2 2024	Q3 2024	YoY Change	Reviewed	Exceptions
New Hires	12	15	18	+25%	100%	0
Terminations	8	10	12	+15%	100%	0
Salary Increases	35	42	52	+32%	85%	8
Bonus Payments	68	85	120	+45%	90%	12
Bank Account Changes	15	18	25	+52%	95%	3
Address Changes	22	28	35	+28%	80%	5
Tax Withholding Changes	18	22	28	+35%	75%	4

Employee Expense Analysis

Expense Category	Q1 2024	Q2 2024	Q3 2024	YoY Change	Exceptions	Rejections
Travel	\$185,000	\$220,000	\$250,000	+32%	42	18
Meals & Entertainment	\$95,000	\$120,000	\$145,000	+48%	55	22
Office Supplies	\$28,000	\$35,000	\$42,000	+38%	18	5
Training & Conferences	\$75,000	\$95,000	\$120,000	+52%	25	8
Software & Subscriptions	\$45,000	\$58,000	\$72,000	+45%	15	6
Client Meetings	\$65,000	\$85,000	\$105,000	+55%	38	15
Other Expenses	\$32,000	\$48,000	\$65,000	+85%	65	28

Overtime Analysis

Department	Q1 2024 (hrs)	Q2 2024 (hrs)	Q3 2024 (hrs)	YoY Change	Top 5 Employee %
Finance	480	520	650	+28%	62%
IT/Engineering	2,250	2,450	2,850	+35%	45%
Operations	1,850	2,050	2,350	+32%	48%
Customer Service	1,250	1,380	1,520	+22%	52%
Sales	780	920	1,050	+42%	68%

## 6. Vendor & Procurement Analysis

### Vendor Master Data Quality

Data Quality Metric	Result	Benchmark	Last Cleansed	Risk Level
Duplicate Vendors	28 (5.2%)	<3%	Apr 2024	Medium
Incomplete Tax Information	45 (8.5%)	<5%	Mar 2024	Medium

Missing Contact Information	62 (11.8%)	<8%	Feb 2024	High
Inactive Vendors (>12 months)	125 (23.6%)	<15%	Jan 2024	Medium
Address Validation Issues	38 (7.2%)	<5%	May 2024	Medium
Bank Account Validation Issues	15 (2.8%)	<2%	Jun 2024	Medium
PO Box Only Addresses	52 (9.8%)	<10%	Mar 2024	Low

### Procurement Process Analysis

Process Metric	Q1 2024	Q2 2024	Q3 2024	YoY Change	Risk Level
% Orders without PO	18.5%	22.5%	25.8%	+35%	High
% Invoices without Receipt	12.2%	15.5%	18.2%	+42%	Medium
% Sole Source Vendors	15.8%	16.2%	18.5%	+15%	Medium
PO After Invoice Date	8.5%	10.2%	12.5%	+38%	High

Contract Compliance Exceptions	12	18	25	+85%	High
Bidding Process Exceptions	8	12	15	+62%	Medium
Approved Vendor List Exceptions	15	22	28	+55%	Medium

### Vendor Spending Analysis

Vendor	Q1 2024	Q2 2024	Q3 2024	YoY Change	Contract Terms	Last Bidding
Tech Solutions Inc.	\$185,000	\$210,000	\$225,000	+22%	3-year fixed	Jan 2023
Global Marketing Group	\$120,000	\$155,000	\$95,000	-5%	Annual renewal	Mar 2024
Office Pro Supplies	\$35,000	\$42,000	\$58,000	+52%	No contract	None
Pro Consulting Services	\$95,000	\$110,000	\$105,000	+12%	2-year fixed	Sep 2022

DataCenter Hosting	\$150,000	\$150,000	\$155,000	+2%	5-year tiered	Apr 2021
CloudServe Solutions	\$85,000	\$92,000	\$98,000	+15%	Annual renewal	Dec 2023
Travel Services LLC	\$65,000	\$78,000	\$95,000	+42%	No contract	None
Training Excellence	\$45,000	\$55,000	\$65,000	+35%	Per engagement	Jul 2024

### Suspicious Vendor Indicators

Indicator	Count	% of Vendor Base	Investigated	Resolved
Similar Names to Legitimate Vendors	15	2.8%	12	8
PO Box Only with High Dollar Value	18	3.4%	15	12
Vendors Added Just Before Payments	5	0.9%	5	3



Irregular Invoice Numbering	28	5.3%	22	15
Multiple Vendors Same Address/Phone	12	2.3%	10	7
Vendors Matching Employee Information	3	0.6%	3	2
Vague Service Descriptions	35	6.6%	28	18
Invoices Just Below Approval Thresholds	42	7.9%	32	25

## 7. Cash & Banking Analysis

### Bank Reconciliation Metrics

Bank Account	# of Unreconciled Items	\$ Value Unreconciled	Avg Days Outstanding	Last Reconciliation
Operating Account	25	\$48,500	45	Sep 15, 2024
Payroll Account	8	\$12,800	22	Sep 22, 2024

Tax Account	5	\$8,500	15	Sep 25, 2024
Merchant Account	32	\$65,200	38	Sep 10, 2024
Reserve Account	0	\$0	0	Sep 30, 2024

Cash Transaction Analysis

Transaction Type	Q1 2024	Q2 2024	Q3 2024	YoY Change	Manual Approvals
Check Payments	185	165	150	-25%	100%
ACH Payments	850	920	980	+28%	25%
Wire Transfers	65	72	85	+32%	100%
Credit Card Payments	1,250	1,380	1,450	+22%	15%
Payroll Transactions	72	72	72	0%	15%

Tax Payments	15	15	15	0%	100%
Other Disbursements	45	58	72	+45%	85%

### Suspicious Cash Activities

Activity Type	Q1 2024	Q2 2024	Q3 2024	Investiga ted	Resolv ed
Off-cycle Payments	12	18	25	22	18
Rushed/Emergency Payments	8	15	22	20	15
Manual Check Requests	22	35	48	38	28
Payments to New Bank Accounts	15	22	32	30	25
Round Dollar Payments	35	48	58	45	35
Multiple Small Payments to Same Vendor	28	35	42	32	25
Bank Account Changes Without Approval	3	5	8	8	6

Payments Without Supporting Documentation	18	25	35	32	28
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## Petty Cash & Employee Reimbursements

Category	Q1 2024	Q2 2024	Q3 2024	YoY Change	Excepti ons	Reject ed
Petty Cash Disbursements	\$12,500	\$15,200	\$18,500	+38%	28	15
Employee Reimbursements	\$85,000	\$98,000	\$125,000	+42%	45	22
Missing Receipts	22	35	48	+85%	All	32
Personal Expense Claims	8	12	18	+82%	All	18
Split Reimbursements	12	18	25	+72%	All	15
Late Submissions (>60 days)	32	38	45	+35%	All	12
Expense Policy Violations	28	35	52	+62%	All	38

8. Revenue & Receivables Analysis

Revenue Recognition Patterns

Revenue Category	Q1 2024	Q2 2024	Q3 2024	Monthly Pattern	Quarter-End %	Policy Exceptions
Software Licenses	\$825,000	\$885,000	\$915,000	Increasing	38%	8
Implementation Services	\$550,000	\$590,000	\$610,000	Stable	45%	12
Support & Maintenance	\$825,000	\$885,000	\$945,000	Stable	28%	3
Professional Services	\$550,000	\$590,000	\$580,000	Variable	35%	15

Sales Analysis

Metric	Q1 2024	Q2 2024	Q3 2024	YoY Change	Investigated	Resolved
Discounts Offered	15.2%	18.5%	22.8%	+42%	12	8
Non-standard Payment Terms	8	15	22	+120%	18	12

Contract Modifications	12	18	25	+85%	20	15
Side Agreements Identified	0	2	3	N/A	5	3
Sales Returns/Credits	2.5%	3.2%	3.8%	+35%	15	12
Commission Exceptions	8	12	18	+82%	15	10
Channel Partner Anomalies	5	8	12	+108%	10	7

### Customer Credit Analysis

Metric	Q1 2024	Q2 2024	Q3 2024	YoY Change	Exceptions	Approved
New Customer Credit Reviews	18	22	28	+32%	8	6
Credit Limit Increases	12	18	25	+85%	10	8

Credit Holds Released	8	12	18	+65%	15	10
Bad Debt Write-offs	\$25,000	\$32,000	\$48,000	+62%	12	12
Collection Efforts Stopped	5	8	12	+108%	10	8
Payment Plan Exceptions	12	15	22	+58%	18	12
Unapproved Discounts	8	12	18	+95%	18	12

### Revenue Fraud Risk Indicators

Indicator	Q1 2024	Q2 2024	Q3 2024	Investigated	Resolved
Premature Revenue Recognition	2	5	8	8	5
Channel Stuffing Evidence	0	2	3	5	3
Bill & Hold Transactions	1	3	5	5	4

Fictitious Revenue	0	1	2	3	2
Round Number Transactions	15	22	28	20	15
Unusual Seasonality	2	3	5	5	3
Related Party Transactions	1	2	3	3	2
Post-dated Contracts	2	4	5	5	3

## 9. Financial Reporting & Accounting Analysis

### Account Reconciliation Status

Account Category	# of Accounts	Reconciled on Time	Aged Reconciling Items	\$ Value Unreconciled	Last Audit
Cash & Equivalents	8	5	42	\$85,000	Aug 2024
Accounts Receivable	5	3	65	\$125,000	Jul 2024
Inventory	3	2	12	\$35,000	Jun 2024



Fixed Assets	6	4	25	\$68,000	May 2024
Intangible Assets	4	3	8	\$150,000	Apr 2024
Accounts Payable	4	2	52	\$95,000	Aug 2024
Accrued Liabilities	12	8	35	\$72,000	Jul 2024
Taxes	5	5	5	\$28,000	Sep 2024

### Manual Journal Entry Analysis

Journal Entry Category	Q1 2024	Q2 2024	Q3 2024	YoY Change	# Without Support	# Without Approval
Period-End Adjustments	85	92	108	+22%	15	8
Accruals	65	72	80	+18%	12	5
Reclassifications	45	52	65	+32%	18	10

Corrections	28	35	48	+58%	22	15
Allocations	35	42	50	+35%	8	3
Intercompany	22	25	30	+25%	5	2
Manual Depreciation	12	15	18	+28%	0	0
Other	32	38	48	+42%	18	12

### Accounting Estimate Analysis

Estimate Type	Q1 2024	Q2 2024	Q3 2024	Methodology Changes	Documentation Quality	Last Review
Bad Debt Reserve	3.2%	3.5%	3.8%	None	Good	Aug 2024
Inventory Obsolescence	4.5%	4.8%	5.2%	Yes	Fair	Jul 2024
Warranty Reserve	2.8%	3.0%	3.2%	None	Good	Sep 2024

Sales Returns	2.2%	2.5%	2.8%	None	Good	Aug 2024
Bonus Accruals	\$350K	\$420K	\$485K	None	Good	Sep 2024
Legal Reserves	\$250K	\$280K	\$325K	Yes	Fair	Jun 2024
Revenue Recognition	Compl ex	Compl ex	Compl ex	Yes	Fair	Jul 2024

### Financial Reporting Timeline

Reporting Milestone	Q1 2024	Q2 2024	Q3 2024	Target	Exceptions	Approvals
Close Calendar Days	10	12	14	8	Yes	CEO/CFO
Financial Statement Draft	Day 12	Day 15	Day 18	Day 10	Yes	CEO/CFO
Management Review	Day 15	Day 18	Day 21	Day 12	Yes	CEO/CFO

Audit Committee Review	Day 20	Day 22	Day 25	Day 20	Yes	Committee
Board Presentation	Day 25	Day 28	Day 32	Day 25	Yes	Board
External Reporting	Day 30	Day 35	Day 40	Day 30	Yes	CEO/CFO

## 10. IT Systems & Cybersecurity Analysis

### System Access & Authentication

System	# of Users	Admin Users	Inactive Accounts	Failed Login Attempts	Password Resets
ERP System	85	6	12	825	75
CRM	65	4	8	580	62
HR/Payroll	12	3	2	125	28
Expense Management	245	5	28	950	120
Email/Collaboration	250	8	15	1,280	185

Development Environment	65	10	5	480	55
Production Environment	22	5	0	320	32

### System Audit Log Analysis

Log Category	Q1 2024	Q2 2024	Q3 2024	Investigated	Resolved
After-hours Access	285	350	425	85	65
Privilege Escalation Attempts	18	25	38	38	30
Mass Data Downloads	8	12	18	18	15
Configuration Changes	42	55	68	35	28
Failed Authentication	850	980	1,250	120	95
Unusual Access Patterns	35	48	65	45	32
Security Alert Triggers	22	32	45	45	38

Cybersecurity Incidents

Incident Type	Q1 2024	Q2 2024	Q3 2024	Impact	Resolution Time (avg)
Phishing Attempts	85	110	145	Low	2 hours
Malware Detected	12	18	25	Low	4 hours
Unauthorized Access	2	3	5	Medium	12 hours
Data Loss Prevention Alerts	28	35	48	Low	3 hours
Social Engineering	5	8	12	Low	8 hours
Insider Threat Indicators	2	3	5	Medium	24 hours
Ransomware	0	0	1	High	72 hours

Data Protection & Privacy

Category	Last Assessment	Compliance Status	Incidents	Data Subjects Affected	Reported to Authorities
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PHI/HIPAA	Jun 2024	Partial	2	85	2
PII	Jul 2024	Substantial	3	120	1
Payment Card Data	May 2024	Compliant	0	0	0
Employee Data	Aug 2024	Substantial	1	15	0
Intellectual Property	Apr 2024	Substantial	0	0	0
Customer Data	Sep 2024	Partial	2	65	1

## 11. Physical Security & Asset Management

### Physical Access Events

Location	Authorized Entries	Unauthorized Attempts	After-hours Access	Investigated	Resolved
Corporate HQ	28,500	85	2,250	65	52

Data Center	580	25	120	25	25
Remote Office 1	12,500	45	850	32	28
Remote Office 2	8,250	32	620	25	20
Storage Facility	420	15	85	15	12

## Asset Management

Asset Category	Total Count	New Acquisitions	Disposals	Missing/Unaccounted	Last Inventory
Laptops/Desktops	285	35	22	8	Jul 2024
Servers	48	5	3	0	Aug 2024
Mobile Devices	180	32	18	12	Jun 2024



Network Equipment	65	8	5	2	May 2024
Office Equipment	120	15	12	5	Apr 2024
Software Licenses	1,250	85	35	22	Sep 2024

## Inventory Shrinkage

Inventory Category	Q1 2024	Q2 2024	Q3 2024	YoY Change	Investigated	Resolved
IT Hardware	1.8%	2.2%	2.5%	+25%	85%	68%
Office Supplies	3.5%	4.2%	4.8%	+32%	75%	62%
Marketing Materials	2.2%	2.5%	2.8%	+18%	80%	72%
Software/Digital Assets	0.5%	0.8%	1.2%	+85%	95%	85%

## 12. Fraud Prevention & Detection Program

### Fraud Risk Assessment

<b>Risk Category</b>	<b>Inherent Risk</b>	<b>Control Effectiveness</b>	<b>Residual Risk</b>	<b>Last Assessment</b>	<b>Next Review</b>
Financial Statement Fraud	High	Moderate	Medium-High	Feb 2024	Feb 2025
Corruption/Bribery	Medium	Moderate	Medium	Apr 2024	Apr 2025
Asset Misappropriation	High	Moderate	Medium-High	Mar 2024	Mar 2025
Vendor/Procurement Fraud	High	Weak	High	May 2024	Nov 2024
Payroll Fraud	Medium	Strong	Low	Jun 2024	Jun 2025
Expense Reimbursement Fraud	High	Moderate	Medium	Jul 2024	Jan 2025
Cybersecurity/Data Fraud	Very High	Moderate	High	Aug 2024	Feb 2025

Intellectual Property Theft	Medium	Moderate	Medium	Sep 2024	Sep 2025
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**Whistleblower Reports**

Report Category	Q1 2024	Q2 2024	Q3 2024	Substantiated	Resolved	Open
Accounting/Financial	2	3	5	3	2	3
Conflict of Interest	3	4	6	4	3	3
Theft/Misappropriation	1	2	3	2	2	1
HR/Personnel Issues	8	10	12	5	4	8
Safety/Security	2	3	4	2	2	2
Other Ethics Violations	3	5	7	4	3	4

**Fraud Investigation Metrics**

Metric	Q1 2024	Q2 2024	Q3 2024	YoY Change	Target
New Investigations	12	18	25	+82%	N/A
Completed Investigations	10	15	20	+75%	100%
Substantiated Cases	6	9	12	+85%	N/A
Average Days to Close	28	32	35	+25%	25
Financial Impact Identified	\$85,000	\$120,000	\$165,000	+92%	N/A
Recovery Rate	45%	42%	38%	-12%	60%
Disciplinary Actions	5	8	11	+72%	N/A

### Anti-Fraud Controls

Control Category	Implementation Status	Last Tested	Test Results	Remediation Status
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Segregation of Duties	Partial	Jul 2024	Significant Gaps	In Progress
Approval Hierarchies	Implemented	Aug 2024	Minor Issues	Completed
System Access Controls	Substantial	Jun 2024	Moderate Issues	In Progress
Reconciliation Procedures	Implemented	Sep 2024	Minor Issues	Completed
Fraud Awareness Training	Substantial	May 2024	Effective	N/A
Vendor Verification	Partial	Apr 2024	Significant Gaps	In Progress
Whistleblower Program	Implemented	Mar 2024	Effective	N/A
Background Checks	Substantial	Feb 2024	Minor Issues	Completed

### 13. Management Override & Unusual Transactions

#### Management Activity Analysis

Activity	Q1 2024	Q2 2024	Q3 2024	Review ed	Exceptio ns
Management Journal Entries	18	22	28	100%	5
Policy Exceptions Approved	25	32	42	100%	12
Approval Limit Overrides	8	12	18	100%	4
System Access Changes	5	8	12	100%	3
Related Party Transactions	3	4	5	100%	2
Unusual Bonus Payments	2	3	5	100%	2
Non-standard Contracts	8	12	15	100%	6

### Unusual Transaction Analysis

Transaction Type	Q1 2024	Q2 2024	Q3 2024	\$ Value	Review ed	Excepti ons
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Year-end Adjustments	22	28	35	\$425,000	100%	8
One-time Charges	12	15	22	\$285,000	100%	5
Asset Write-offs	5	8	12	\$180,000	100%	3
Reserve Adjustments	8	10	15	\$225,000	100%	4
Intercompany Transactions	15	18	24	\$350,000	100%	6
Revenue Recognition Changes	3	5	8	\$280,000	100%	3
Restructuring Charges	0	2	3	\$150,000	100%	1

## Board & Audit Committee Oversight

Activity	Q1 2024	Q2 2024	Q3 2024	Documentation Quality	Exceptions
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Audit Committee Meetings	1	1	1	Good	0
Financial Statement Review	1	1	1	Good	0
Internal Control Review	1	0	1	Fair	0
Risk Management Review	1	0	1	Fair	0
Fraud Risk Assessment	0	1	0	Good	0
External Auditor Meetings	1	1	1	Good	0
Whistleblower Report Review	1	1	1	Good	0

#### 14. External Relationships & Conflicts of Interest

##### Related Party Transactions

Related Party	Relationship	Transaction Type	Value YTD	Approval Level	Disclosure Status
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TechVision LLC	Board Member Owned	Consulting Services	\$125,000	Board	Disclosed
DataSecure Inc.	Executive Family Member	Security Services	\$85,000	Audit Committee	Disclosed
CloudHost Partners	10% Ownership	Cloud Services	\$220,000	Board	Disclosed
Marketing Excellence	Former Executive	Marketing Services	\$95,000	CEO	Partial
Facilities Management Co.	Related to VP Operations	Office Maintenance	\$65,000	CFO	Not Disclosed

## Conflict of Interest Disclosures

Category	# of Employees	Potential Conflicts	Actual Conflicts	Management Plan	Last Review
Executive Team	8	5	3	3	Jan 2024

Director Level	22	12	5	5	Mar 2024
Procurement Staff	15	8	2	2	Feb 2024
Sales Team	42	18	4	4	Apr 2024
Finance Team	18	10	3	3	May 2024
All Other Staff	145	25	8	8	Jun 2024

**Gifts & Entertainment**

Category	Q1 2024	Q2 2024	Q3 2024	\$ Value	Policy Violations	Reported
Gifts Given	28	35	42	\$48,500	5	4
Gifts Received	35	42	55	\$32,000	8	5

Entertainment Given	45	58	72	\$85,000	12	8
Entertainment Received	32	38	45	\$28,000	6	3
Travel for Third Parties	5	8	12	\$45,000	3	2
Charitable Contributions	12	15	18	\$65,000	2	2

## 15. Industry-Specific Risk Factors

### Healthcare Industry Compliance

Compliance Area	Last Audit	Compliance Status	Findings	Remediation Status
HIPAA/HITECH	Aug 2024	Substantial	Minor	In Progress
FDA Regulations	Jul 2024	Not Applicable	N/A	N/A
Anti-Kickback	Jun 2024	Compliant	None	N/A
Stark Law	Jun 2024	Compliant	None	N/A

State Healthcare Laws	Sep 2024	Substantial	Minor	In Progress
Healthcare Fraud Statutes	May 2024	Compliant	None	N/A
Patient Privacy	Aug 2024	Substantial	Minor	In Progress

### Healthcare Fraud Risk Indicators

Risk Indicator	Presence	Severity	Controls	Incidents YTD	Last Review
Upcoding	Low	N/A	Strong	0	Jul 2024
Unbundling	Low	N/A	Strong	0	Jul 2024
Phantom Billing	Low	N/A	Strong	0	Jul 2024
Double Billing	Medium	Low	Moderate	2	Jul 2024
Kickbacks	Low	N/A	Strong	0	Jun 2024
Self-Referrals	Low	N/A	Strong	0	Jun 2024

Medical Identity Theft	Medium	Medium	Moderate	3	Aug 2024
False Certification	Low	N/A	Strong	0	May 2024