



RISK IQ.

Internal Questionnaire

Employee Fraud. Embezzlement. Workplace harassment or injury.

These unfortunate events are costly for financial institutions – both reputationally and financially. Internal fraud can cost a financial institution thousands or millions of dollars, along with damaged brand reputation. Claims and lawsuits are damaging to the bottom line, tainting culture and diverting morale.

Financial institutions that maintain proper controls can go a long way to reduce claims and losses, while maintaining a positive work culture and reducing vulnerability to misuse of organizational data and funds.

Answer the following questions to help you better understand any areas of vulnerability related to internal fraud.



POLICY & COMPLIANCE OVERSIGHT

Focus: Legal guidance, regulatory adherence, and organizational policy setting

Does your financial institution...

Consult with legal counsel for strategic but compliant surveillance camera placement?	Yes	No	Unsure
Regularly meet with internal and external auditors to review controls and anti-fraud measures?	Yes	No	Unsure
Know your states' stances on cannabis-related products and clearly define employee usage policies?	Yes	No	Unsure
Work with legal advisors to provide a comprehensive definition of discrimination?	Yes	No	Unsure
Ensure your harassment policies identify all groups protected under applicable state and local laws?	Yes	No	Unsure
Require that legal advisors review any policy addressing harassment and discrimination before distribution?	Yes	No	Unsure
Use a third party to perform:			
• Criminal background checks	Yes	No	Unsure
• Credit checks	Yes	No	Unsure
• Work and education verification	Yes	No	Unsure
• Drug testing for all new hires	Yes	No	Unsure



PEOPLE & WORKPLACE SAFETY

Focus: Harassment prevention, workplace injury, and cultural reinforcement

Does your financial institution...

Proactively encourage safe work habits to reduce workers' compensation claims?	Yes	No	Unsure
Establish a plan to provide prompt medical attention in case of injury?	Yes	No	Unsure
Identify patterns in workers' compensation claims to target high-risk areas?	Yes	No	Unsure
Work with injured employees to facilitate a timely return-to-work (e.g., transitional duties)?	Yes	No	Unsure
Frequently remind employees to report harassment they observe or experience?	Yes	No	Unsure
Provide clear, easy-to-understand instructions for harassment reporting, free of retaliation?	Yes	No	Unsure
Offer regular training on harassment and discrimination policies for:			
• Employees?	Yes	No	Unsure
• Volunteers?	Yes	No	Unsure
• Committee members?	Yes	No	Unsure
• Board of directors?	Yes	No	Unsure

FRAUD PREVENTION CONTROLS

Focus: Operational practices to deter, detect, and respond to internal fraud and embezzlement

Does your financial institution...

Conduct surprise cash counts for teller drawers?	Yes	No	Unsure
Practice dual control for currency shipments and vault cash access?	Yes	No	Unsure
Apply FIFO (First-In, First-Out) practices for vault inventory?	Yes	No	Unsure
Prohibit drawer keys from being left in the building overnight?	Yes	No	Unsure
Replenish teller drawers and ATMs under dual control?	Yes	No	Unsure
Segregate duties such as:			
• Balancing and replenishing?	Yes	No	Unsure
• Loan approval and disbursement?	Yes	No	Unsure
Frequently inventory blank card stock?	Yes	No	Unsure
Audit and maintain oversight of:			
• Dormant accounts?	Yes	No	Unsure
• Blank card stock (credit, debit, ATM, prepaid)?	Yes	No	Unsure
Rotate duties to prevent cover-ups of fraudulent activity?	Yes	No	Unsure



FRAUD PREVENTION CONTROLS *continued*

Focus: Operational practices to deter, detect, and respond to internal fraud and embezzlement

Does your financial institution...

Maintain clear policies for:

- | | | | |
|--|-----|----|--------|
| • Use of corporate credit cards? | Yes | No | Unsure |
| • Reimbursement of out-of-pocket expenses? | Yes | No | Unsure |

Reconcile the corporate check account monthly?

Yes No Unsure

Verify new vendors monthly and retain supporting invoices to deter fraudulent payments?

Yes No Unsure

Provide employees with resources to report fraud or theft?

Yes No Unsure

Investigate accountholder complaints about suspicious employee behavior promptly?

Yes No Unsure

Provide annual fraud training for:

- | | | | |
|------------------|-----|----|--------|
| • Employees? | Yes | No | Unsure |
| • Management? | Yes | No | Unsure |
| • Board members? | Yes | No | Unsure |

TECHNOLOGY & ACCESS SECURITY

Focus: System-level controls and digital safeguards to prevent unauthorized access and manipulation

Does your financial institution...

Require complex passwords and multi-factor authentication (MFA) for system access?

Yes No Unsure

Combine dual control key systems with biometric access for teller drawers?

Yes No Unsure

Audit system logs regularly for unauthorized access attempts?

Yes No Unsure

Patch and update systems on a regular schedule?

Yes No Unsure

Monitor employee access to sensitive systems and data?

Yes No Unsure

Review your responses to identify areas of confidence and those needing further investigation.

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