

## keep it in check

Your guide to help prevent cheque fraud.

# every year, cheque fraud costs the Australian public millions of dollars

### Identifying fraudulent cheques.

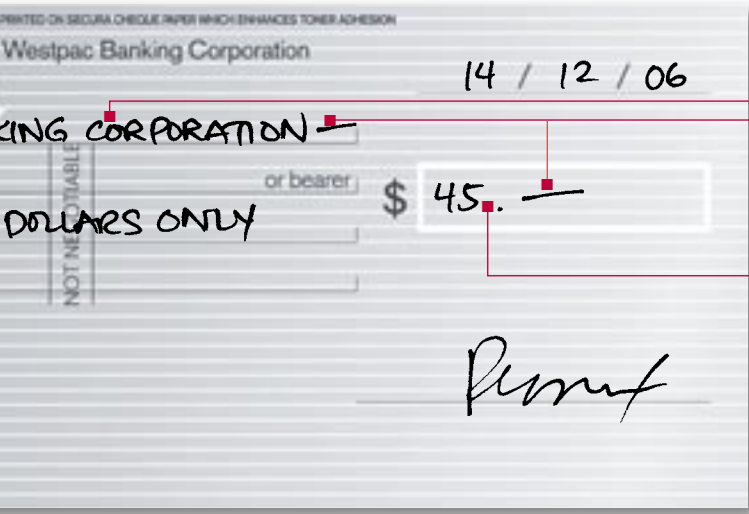
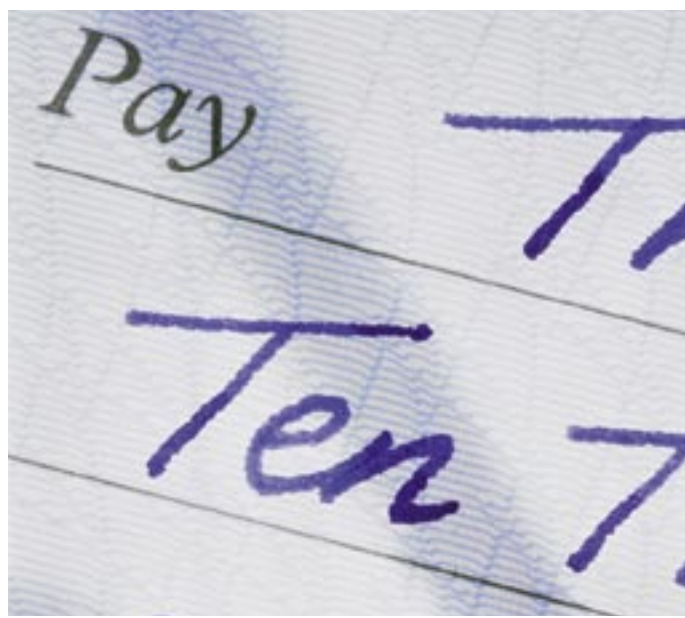
In many cases, you can detect a fraudulent cheque simply by its appearance.

Here's what to look out for:

- Inconsistencies within cheques – font type and size, straight lines and consistent gaps.
- Spelling or grammar mistakes.
- Smudging of the print, or removal of ink.
- Uneven spacing.
- Poor quality cheque paper.
- Poor quality colour design of a cheque.

Lastly, be cautious accepting cheques from people you don't know well.

Westpac continues to invest significant time and money in the latest anti-fraud security systems and techniques. There are also some simple steps you can take to protect your money. This brochure outlines some of the precautions you can take to safeguard your personal and business cheque accounts from possible fraud.



### The cheque writing checklist.

- Always write names in full. For example, 'Westpac Banking Corporation', not 'Westpac' or 'W.B.C.'.
- A fraudster may open an account using false identity documents, as if their real name was linked to the initials.
- Always draw a horizontal line after the amount and PAYEE details to prevent anyone from manipulating any of the information.
- Never leave spaces between any written figures – this encourages fraudsters to add their own amounts.
- Only write in pen or ink (not pencil).
- Encourage your customers to do the same.

### Minimising risk of mail theft.

Mail theft is a major problem and accounts for a substantial number of cheque fraud cases in Australia.

To lower the chance of this happening to you, follow these steps:

- Use Secure or Registered mail for large value cheques.
- Operate your mail through a Post Office box, not a street address.
- Use direct credit instead of cheques and encourage your customers to do the same.
- Reconcile all your cheques as soon as possible.
- Cancel the cheques you issued if not processed within a reasonable time.

### Cheque signatory controls in your business.

To minimise the risk of cheque fraud within your organisation, minimise the number of staff that have access to the cheque account. Some other things to consider are:

- Maintain strict control over digital or stamped signatures used on printed cheques.
- Ensure cheques are printed or written out diligently.
- Use Westpac Secura Cheque paper.
- Do not make digital signatures or stamped signatures of your cheque signatories publicly available, for example in an annual report on the internet.
- Never sign blank cheques.
- Do not leave cheques partially completed.

### Safeguards for receiving orders.

Faxes are easy to manipulate. When responding to faxed instructions, especially from overseas, always ring the customer to confirm. Have a good security procedure around changes to payment procedures for your customers and suppliers.

If they fax you instructions to change payment procedures, ensure you contact them on the old contact details you have for them to verify it was their changes.

### Accounts receivable and payable.

By putting a few internal systems into place, you could save your company time and money and prevent fraud both internally and externally.

- Separate your accounts receivable and payable and reconcile frequently – use role segregation so that one staff member cannot manipulate or fabricate accounts.

### Fraud prevention and your employees.

Unfortunately, many cases of cheque fraud occur from within a business. You can curb such behaviour without placing unwarranted scrutiny on your employees.

Here are a few tips:

- Ensure everyone understands their responsibility to prevent fraudulent activity in your business.
- Publicly reward those at work who report on or act on a suspicion to prevent fraud.
- Have an anonymous phone line for people to report internal fraud (to someone other than their boss).
- Check the identity of new employees and do a criminal history check before hiring.

- Segregate controls, duties, reporting and checking functions.
- Maintain strict controls and exception reporting over your supplies of cheque paper (lock up supplies and enforce inventory control).



- Get someone else to review and monitor the effectiveness of your internal controls.
- Put in place an exception reporting system whereby any discrepancies or possible cases of fraud are actioned and reported to a more senior level.
- Maintain strict review and control over the number and type of refund cheques your business issues. Overpaying a bill to receive a refund can be used to launder money or to obtain a company cheque for use in subsequent cheque fraud.

## need to know more?

Call **1300 333 222**

or visit **westpac.com.au**