

**Wire Transfers, Audit 99-17
Risk Analysis Work Sheet
March 1, 2000**

<u>Risk</u>	<u>Control</u>	<u>Control In Place</u>	<u>Assessment</u>
Fraudulent free form wire is sent.	Segregation of duties between: - person responsible for final authorization of non-repetitive wire transfers - Security Administrator for software system - wire initiator in software system	No	High Ron Ibarra has final authorization capabilities for non-repetitive wire transfers, is the Security Administrator, and has the capability to designate himself as an initiator.
Significant time elapses before fraudulent free form wire sent is detected.	Segregation of duties between: - person responsible for final authorization of non-repetitive wire transfers - Security Administrator for software system - wire initiator in software system -reconciliation of bank account -distribution of properly prepared COT form	Partially	Medium Ron Ibarra has final authorization capabilities for non-repetitive wire transfers, is the Security Administrator, and has the capability to designate himself as an initiator. The Accountant I responsible for COT verification does not receive a copy of the COT form because it is originated, approved and performed in the system by one person, who withholds the form from proper distribution Accountant I performs the monthly bank reconciliation and probably will question the transaction. But over a month could elapse from initiation to discovery. A person with secondary approval authorization must approve and send the wire transfer that is initiated by a different party.
Wires are sent without proper approval.	Distribution and follow-up of COT form. Segregation of initiator and approval functions.	Yes-excluding above scenarios	Low The COT distribution function and COT follow-up function are separate from all other functions.
Fraudulent repetitive wire is sent.	Bank of America prepares original template.	Yes	Very Low
Repetitive wire is sent to incorrect account.	Bank of America prepares template; initiator verifies accounts set up before initiating transaction.	Yes	Low
Wire amount is incorrect.	Account is reconciled independent of the wire transfer function.	Yes	Low