TAKING RESPONSIBILITY AND TAKING INVENTORY

PAYMENT SECURITY WEBINAR SERIES

CRAIG JEFFERY

Managing Partner, Strategic Treasurer

WHAT

Examining treasurers' general responsibilities for payment security, as well as their particular responsibility to inventory all payment flows.

WHEN

Friday, April 14, 2023
12:00 – 12:30 PM EDT

WHERE

Live online presentation
Replays at StrategicTreasurer.com

Certified Treasury Professional®

STRATEGIC TREASURER

This presentation is provided by Strategic Treasurer.

ABOUT THE SPEAKER

GET TO KNOW TODAY'S SUBJECT MATTER EXPERT

CRAIG JEFFERY

Craig Jeffery formed Strategic Treasurer in 2004 to provide corporate, educational and government entities direct access to comprehensive and current assistance with their treasury and financial process needs.

His 30+ years of financial and treasury experience as a practitioner and as a consultant have uniquely qualified him to help organizations craft realistic goals and achieve significant benefits quickly.

ADVISE

- Global & Domestic Treasury
- Connectivity & Onboarding
- Working Capital Optimization

RESEARCH

- Industry Surveys
- Benchmarking
- Data Subscription

ASSIST

- Treasury & Risk Technology
- Bank Fee Management
- Temporary Treasury Staffing

INFORM

- Webinars
- Podcasts
- Analyst Reports, eBooks & Executive Summaries

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TOPICS OF DISCUSSION

KEY AREAS OF FOCUS & ANALYSIS

FRAUD SITUATION

CRIMINAL PLAYBOOK AND FRAUD TRENDS

TREASURY'S RESPONSIBILITY

THE SUPERINTENDENT OF PAYMENT SECURITY

TAKING INVENTORY

POINTS TO CONSIDER

PRACTICAL IMPLICATIONS

HOW TO MOVE FORWARD

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THE CRIMINAL PLAYBOOK

FOUR KEY LEVELS

How a Criminal Takes Money Directly

- System level fraud
  - Gains access to and takes your money

Efforts Used to Convince You to Send Money

- Social engineering
  - Business email compromise (BEC)

They Can Steal Your Data and Sell It

- Cyber theft
  - Accessing, stealing and selling your data
  - Data breaching

Locking up Your Data for Ransom

- Ransomware
  - Locks up your information until you pay

POLL QUESTION

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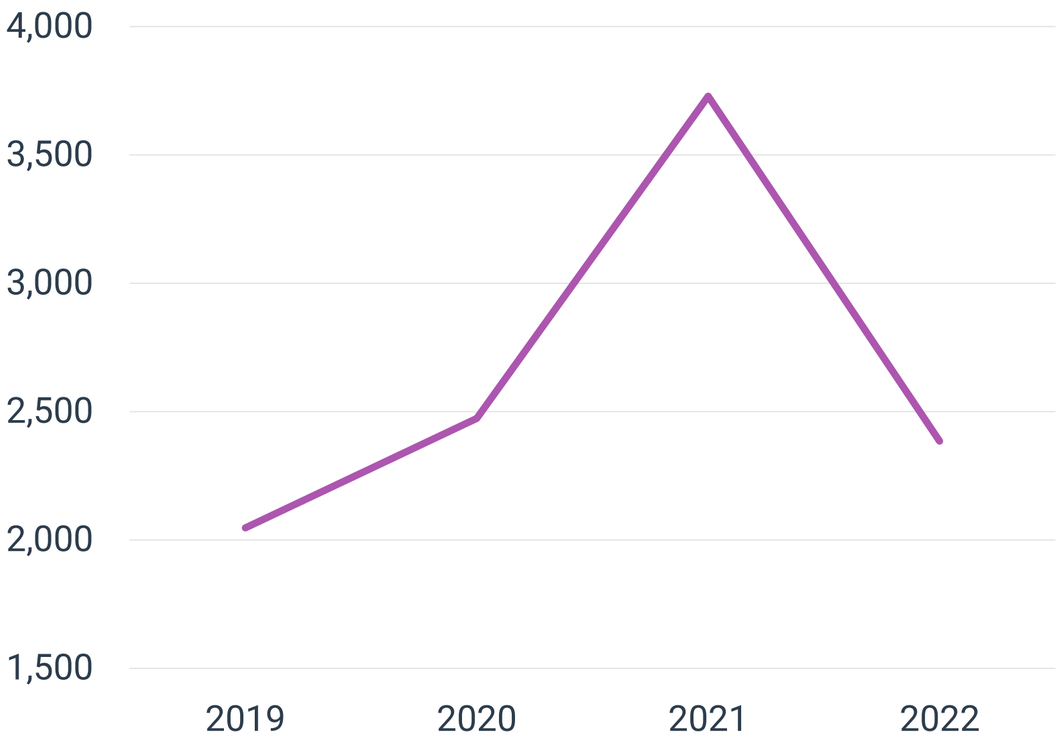
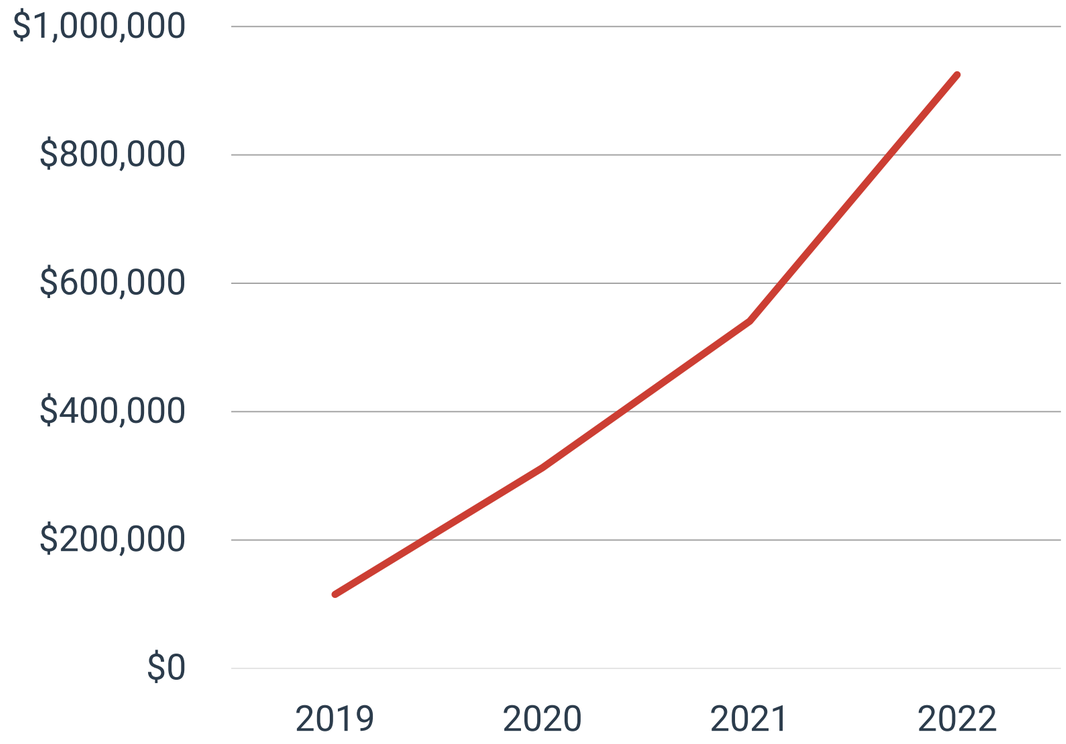
RANSOMWARE OVER THE YEARS

WHILE OCCURANCES HAVE DECREASED, PAYOUT AMOUNTS CONTINUE TO INCREASE

Number of ransomware complaints to FBI



Average ransomware payment



Companies need to remain vigilant and avoid becoming complacent.

Source: Complaints, average payment

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TREASURY'S RESPONSIBILITIES

PARTICULARLY AS SUPERINTENDENT OF PAYMENT SECURITY

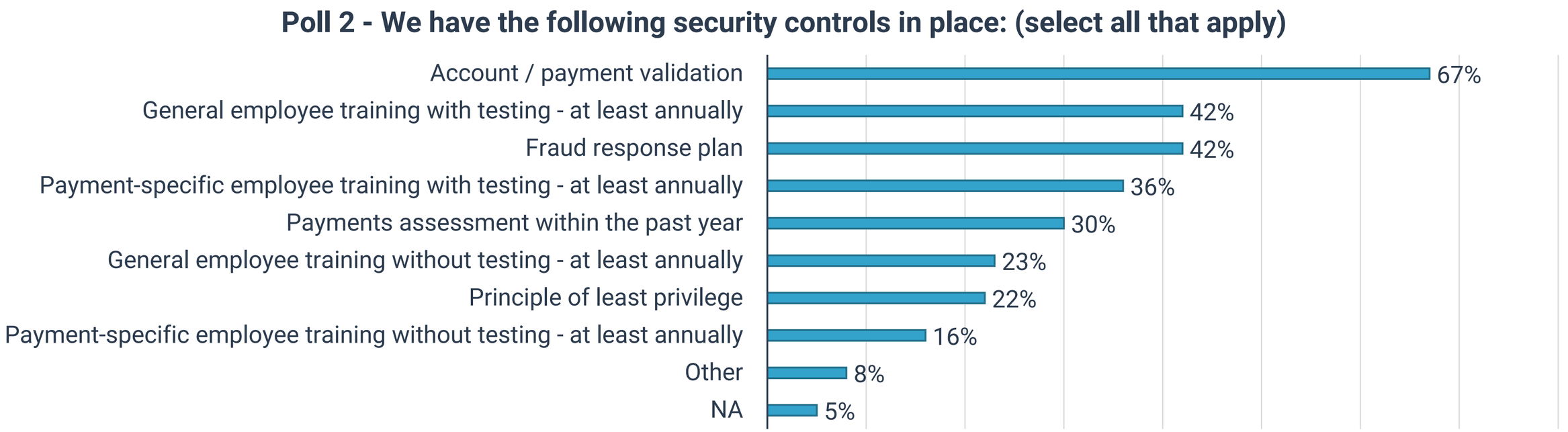
Treasury

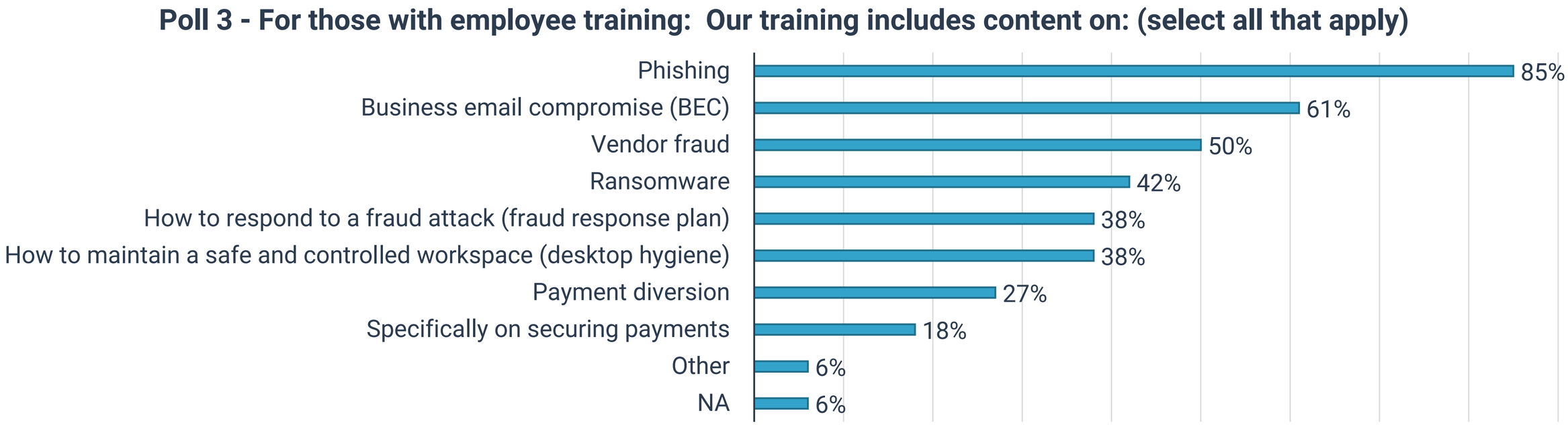
Superintendent of payments	Liquidity management	Financial risk management	Relationship management

Superintendent of payment security in these areas:

- Treasury
- AP 1
- AP 2
- AR
- Admin 1
- Admin 2

POLL QUESTION





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TAKING INVENTORY

MAXIMS AND QUESTIONS TO CONSIDER

Every bank account is a point of exposure and a point of cost

Every payment flow is a point of exposure and a point of cost

Criminals will exploit the weakest link and any area they can access

I can't protect what I don't know exists

Do you have a full inventory of payment flows?

Start to finish?

Formally documented so there's institutional knowledge?

Typical assessments find 50-100% more payment flows than companies previously thought they had.

Source: Strategic Treasurer practice leaders

AREAS OF ATTENTION

FOUR OF THE MAIN ITEMS

1 Inventory all payment flows (the full list)

- Capture system, bank, payment types
- Review bank statements
- Review account analysis statements
- Talk with all payment areas
- Examine cash general ledger activity
- Discuss with treasury team and controllers
- Internal audit list/documentation

2 Assess the payment flow

- Payment system
  - Set up, access, management
- Payment instructional file
  - Generation, movement, storage location, access, audit trail
- Manual process
  - Capture review, controls, validation
- Transport, validation, and confirmation
  - With network, bank portal, bank
- Reconciliation process
  - Timing, automation level, etc.

3 Payments in context: banking structure

- Document finding method
- Capture limits
- Identify standardized bank controls
  - Account level
  - Transaction level

4 People problem

- Level of understanding
- Training content
- Training testing
- Training frequency
- Responsibility for security

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TAKEAWAYS

IDEAS AND POINTS TO BRING BACK TO THE OFFICE

PROCESS

- Understand and review the flows from start to finish
- Criminals look for the weakest link (people, data, access)

OWN SECURITY

- Treasury is the superintendent of payments
- Treasury is the superintendent of payment security

STANDARDS

- Security Standards change over time
- Commercially reasonable and SGCC

INVENTORY

- A full inventory of your payment processes and flows is a start
- Calibrated list of security requirements

LET’S CONNECT

DON’T LET THE LEARNING END HERE…
CONTACT US WITH ANY FUTURE QUESTIONS.

Thank you for your interest in this presentation and for allowing us to support you in your professional development. Strategic Treasurer and our partners believe in the value of continued education and are committed to providing quality resources that keep you well informed.

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