

Is your Dynamics application fraudproof? Check it yourself.

ERP solutions such as Microsoft Dynamics merge almost all business processes into one comprehensive system. That's the good news. However, a number of common weaknesses further facilitate fraud; such as general authorizations, no clear distinction of tasks, incorrect policies and procedures, non-professional design of the database and poor maintenance of this often sensitive data.

Reduce the risk of fraud to a minimum by taking the following essential points of attention within Microsoft Dynamics into account.

Check if the following points are present and if they are given sufficient attention.

Business processes and segregation of duties

- Are there any conflicting permissions? (SoD)
- Who has access to financial master data, e.g. customer/supplier bank account? Please take your policy into account;
 - i. the four eyes principle,
 - ii. not being allowed to change IBAN on a payment proposal;
 - iii. and not manually adding rules to payment proposals. Everything must come from an approved, booked document.
- Is more than one person authorized to make and book purchase documents?
- Is there a correct configuration for document approval in all companies where documents are created, booked and paid for?
- Which user has permissions to post lines in e.g. an item or financial journal?
 - i. Journals can be used to hide fraud.
 - ii. Parts of the permissions for journal may also be needed for other tasks (e.g. bank book or book documents). Is the segregation of duties still sufficient?
- Has the changelog been set up and is it updated periodically? Think for example of:
 - i. Monitoring changes to IBAN customer/supplier bank account.
 - ii. Match with a paper trail.
- Who has what permissions at company level and across companies?
 - i. Is the holding or administration company really needed?
- Are the authorizations periodically assessed?
- The above also applies to outgoing payments to customers - e.g. as sales credit notes.

(Technical) application management

- Who has direct access to the SQL database?
- Who has permissions to creditor/debtor administration?
- Who has permissions both in test and development environment?
 - i. Filling test with fake data.
- Who has super rights?

- i. Who has the right to assign authorizations? (right to change both own and other accounts)
 - 1. Traceable: tickets, authorization requests, paper form.
- ii. SUPER rights give the possibility to change everything in Dynamics NAV.
- iii. SUPER right can bypass all set restrictions (change log, document approval)

Policies

- Does the company comply with the information security policy? Issues with impact on Dynamics are for example:
 - i. Not locking the computer during a toilet visit/coffee break/meeting.
 - ii. Not complying with the password policy.
- How are permissions granted temporarily? Think of (maternity)leave, migration system, problem solving, project basis, etc. Possible pitfalls:
 - i. Double function in case of change of function.
 - ii. Combination of permissions results in a mix of functions.
 - iii. Combination with document approval permissions.
 - iv. Temporary permissions are no longer removed and become permanent.
- Know your business processes: where are the critical aspects? Think for example of:
 - i. Irregularities, e.g. when using packaging, complaints procedure.
 - ii. Input of unrealistic values.
 - iii. If you wanted to commit fraud, how would you do it?
- Is negative testing part of your policy?
 - i. E.g. trying to change an approved document when that shouldn't be possible, or separation of management of master data.
- Is there sufficient knowledge of duties and responsibilities of functions and the people who are in that position? Social control is an often underestimated resource!

Are the above points present and are they given sufficient attention? Then your Dynamics environment is to a large extent "fraudproof".

Are there any questions or challenges concerning the control and security of Microsoft Dynamics that you would like to discuss? We will be happy to help you.

[Ask your question directly to one of our specialists.](#)