

MPS 10 – Sales Controls, Ethics, and Fraud Prevention

Category: Process Integrity

Tags: sales controls, ethics, fraud prevention, commercial integrity, revenue protection, anti-corruption, compliance

Description: Minimum Performance Standard for Sales Controls, Ethics, and Fraud Prevention. Defines the intent, required actions, and guidance to ensure sales activities are conducted ethically, transparently, and securely. Supports implementation of structured controls, clear ethical guidelines, and monitoring mechanisms to prevent fraud, unauthorized deal structures, unapproved discounts, and collusion with external parties. Recognises that while sales processes differ by industry, consistent ethical and control principles must be applied to reduce risks of loss, fraud, corruption, and reputational damage.

Assessment Criteria (Structured)

1. 1.

Requirement: An approved Sales Policy or Code of Conduct must define ethical expectations, discounting rules, and anti-corruption standards.

Evidence: Signed policy or code document communicated to sales personnel.

2. 2.

Requirement: Authority levels and segregation of duties must be defined for discount approvals, deal structuring, and contract finalisation.

Evidence: Governance matrices and workflow approvals.

3. 3.

Requirement: Standard sales processes must be documented including steps, approvals, and compliance obligations.

Evidence: Process maps, SOPs, and approval checklists.

4. 4.

Requirement: Pricing and discount policies must restrict unauthorized reductions and prevent off-book incentives.

Evidence: Pricing policy documents and exception reports.

5. 5.

****Requirement:**** Sales contracts must go through designated review and approval processes.

****Evidence:**** Signed contracts, compliance checks, and approval logs.

6. 6.

****Requirement:**** Customer due diligence procedures must be followed to prevent fraud and regulatory violations.

****Evidence:**** Customer onboarding forms, KYC records, and verification logs.

7. 7.

****Requirement:**** Sales teams must complete ethics training covering conflicts of interest and anti-bribery policies.

****Evidence:**** Training attendance logs and course materials.

8. 8.

****Requirement:**** Regular sales audits or reviews must be conducted to identify anomalies and policy breaches.

****Evidence:**** Audit reports and internal review records.

9. 9.

****Requirement:**** Sales monitoring systems must track transactions, commissions, returns, and rebates.

****Evidence:**** System-generated reports and monitoring dashboards.

10. 10.

****Requirement:**** Controls must be in place to detect and prevent collusion between internal and external parties.

****Evidence:**** Internal controls documentation, audit trails, and exception flags.

11. 11.

****Requirement:**** Whistleblower mechanisms must allow confidential reporting of unethical or fraudulent sales activity.

****Evidence:**** Hotline details, usage records, and protection policies.

12. 12.

****Requirement:**** Management must periodically review sales performance, analyzing patterns and identifying risk indicators.

****Evidence:**** Review meeting minutes and analytical summaries.

13. 13.

****Requirement:**** Corrective actions and disciplinary procedures must be defined and enforced for ethical or policy breaches.

****Evidence:**** Documented disciplinary records and CAPA tracking.