



INTERNAL CONTROLS FOR FRAUD



FULLY ACCOUNTABLE
Your Back Office Solution

INTERNAL CONTROLS FOR FRAUD

No System of Internal Controls Should be Built on Trust.
Reduce your risk of fraud by taking these steps:

1.

Open the Bank Statement Yourself

Every business owner should receive the unopened bank statement and reviews each while checking for an authorized payee, a signature and approved electronic payments, before giving it to the bookkeeper.

2.

Don't Let Your Bookkeeper Reconcile Bank Accounts

The person paying the bills should never be the person to reconcile the bank account; that is how they can cover their tracks.

3.

Close The Prior Periods

Through Quickbooks you can “Close the Prior Period”. Once you produce a financial statement that period should be “closed” and a password will be set to prevent anyone from modifying the closed period. This reduces the risk of hiding a fraudulent transaction in a prior period.

4.

Attach Scanned Images To Each Transaction

Most fraud occurs from tampering checks – the bookkeeper can change the payee to themselves. This fraud risk can be reduced by scanning and attaching bills to each transaction inside Quickbooks. It is harder to fake a bill this way.

5.

Set up Usernames For Each User

Quickbooks has an audit trail report which can never be turned off and is accessible at any time. It keeps track of the changes made and who made the changes. If your staff logs in as “Administrator” you will have no idea who made what entry.

6.

Restrict User Access

QuickBooks Enterprise Solutions has the ability to restrict access per user. Make sure you have separation of duties between who authorizes, who record-keeps and who has custodial responsibilities for each transaction.

FULLY ACCOUNTABLE

Our outsourced bookkeeping & controller services can reduce the risk of business fraud, detect the fraud sooner if it does occur, and deliver financial peace of mind so business owners are able to focus on what really matters –
Growing their business.