

# How to Reduce the Risk of Fraud



No system of internal control should be built on trust. Reduce your risk of fraud by taking these simple steps:

**1. Open the bank statement yourself**

Every small business owner should receive the unopened bank statement and review each check for authorized payee and signature, and approved electronic payments, before you give it to the bookkeeper.

**2. Don't let your bookkeeper reconcile the bank account**

The person who pays the bills should never reconcile the bank account. That's how they cover their tracks.

**3. Close the prior periods**

QuickBooks now has a way to lock down the prior periods. Once you produce a financial statement that period should be "closed". This reduces the risk of hiding a fraudulent transaction in a prior year.

**4. Attach scanned images to each transaction**

Most fraud occurs from check tampering – the bookkeeper changes the payee to themselves. Reduce the risk of fraud by scanning the bill and linking it to each transaction inside QuickBooks. This makes it harder to fake a bill.

**5. Set up separate user names for each user**

QuickBooks now has an audit trail report which can never be turned off. However if your staff log in as "Administrator" you have no idea who made what entry.

**6. Restrict user access**

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

For more information on how to reduce the risk of fraud by leveraging outsourcing services to separate duties, or setting up QuickBooks to provide proper controls... Call GrowthForce at 281-358-2007 or Email us at [info@growthforce.com](mailto:info@growthforce.com).

**"Employee theft is a widespread, often devastating crime that sapped nearly \$1 trillion from the nation's businesses in 2008, about 7 percent of all business revenue"**

The Association of Certified Fraud Examiners.

**GrowthForce is an outsourced bookkeeping and controller service that helps small businesses grow.**

**Get your business on sound financial footing and keep it there with GrowthForce.**

