

Key Ways to Prevent Employee Theft

Costs for employee theft can increase dramatically when left unchecked. In a two-year span, employee theft cost member counties almost \$800,000. The following tips may help your county avoid being a victim of employee theft.

Screen Job Applicants

Background checks should be performed and should include criminal history, civil history, driver license violations, verification of education, past employment (including reasons for leaving), and references. Consider a credit check on prospective employees with cash handling and financial duties; however, you need the applicant's written consent, and you need to comply with notification requirements if adverse information causes you to reject the applicant.

Create a Zero Tolerance Atmosphere

Have a clear zero tolerance policy for employee theft that outlines exactly what constitutes stealing. Contact the sheriff immediately if you do discover an incident of employee theft.

Separate Duties

Do not allow county finances to be handled and controlled by one person. Separation of duties is critical, and no employee should be responsible for both recording and processing a transaction. Do not let the person handling incoming mail with payments, record, and deposit those same payments.

Audit

Have a third party audit your books at least yearly. Perform internal audits on a sporadic basis.

Require Vacation Time

Many violations are discovered while the perpetrator is on vacation. Require any employee who has access

to monies to take a yearly vacation. Use that time to examine all of their records.

No Working Late/Taking Work Home

Do not allow those who handle finances to work late or take work home without close supervision.

Require Two or More Signatures

Require all checks above a nominal amount to have two or more signatures. Never sign a blank check. Sign every payroll check personally. Avoid using a signature stamp.

Check for Irregularities

Deposit daily and reconcile monthly. Reconciling the bank statement each month helps you catch irregularities sooner rather than later.

Investigate Customer Complaints

If someone complains that they have not received credit for a payment, investigate.

Set Up an Anonymous Reporting Method

Coworkers often reveal incidents of employee theft. Set up a method where employees may report employee theft anonymously.

Be Aware

Be aware of disgruntled employees or employees who have indicated that they are having financial difficulties. Look for excessive personal spending not in keeping with their salaries.

Maintain a Positive Work Environment

Good communication and strong county policies are essential to minimizing theft. For more information, contact CTSI at 303-861-0507. 