

# Avoid the rotten apples

Lisa Martin, Managing Director of accounting firm GoFi8ure, is rapidly expanding her company and recruiting at a rate of knots. She's done some homework and shares her findings with **Wairarapa Business Magazine**.

**T**ake a quick look around your team – what do you see? Good, honest and loyal workers? Team mates all working hard for the common good of your business – with some probably more loyal than others? Now, would you be surprised to learn that 79% of employees steal from their employer?

Extensive studies over the last decade into employee theft in the workplace reveal that extreme employee loyalty may in fact be a guise to extreme employee dishonesty.

Survey results show that employees who appear to have the company's best interest at heart are often using this ploy to steal from the company. Employees readily admitted to stealing office supplies, falsifying expense reports, taking inventory and falsifying time sheets.

Horrifyingly for any business owner, some employees even believe they have a right to steal. More shocking news is that employees will steal if they see others do so without consequence.

It seems that employees steal for several reasons – greed, vindictiveness, a need to get even for poor treatment or because they need to. Yet, the overwhelming reason is simply because they can. So what does this say about you as the boss? Are you aware of everything that goes on in your office? Do you pay your staff enough? Treat them all with respect? Offer incentives and motivate your team?

Importantly, do you keep tabs on supply orders, expenses and, indeed, timesheets? Or, do you make it easy for light-fingered employees to lift your property? If an employer treats their employees with little respect an employee may go the extra step to perform



Lisa Martin says recruit with your eyes open

a crime as a payback for the humiliation they feel.

The good news is that around a quarter of employees will never steal from their employer. As a business owner you can't always prevent fraud but you can minimise the chances of it happening.

**Look for the signs:** Watch out for staff telling lies and detailed stories, getting defensive or aggressive, diverting paperwork and diverting attention to other people in the office, changing their behaviour and giving stupid excuses.

**Recruit with open eyes:** Don't invite the vampire in for a start. Follow vigilant protocol because 92% of potential staff would lie on their job applications if asked if they have ever stolen from a previous employer. Give extra consideration to those who qualified overseas and have any gaps in their employment history. Check, check and check again – fraudsters are not above falsifying references.

**Really see what's going on:** Procurement risk, supplier kick-backs, asset disposal, starting up a business within a business, using cash reserves for short-term loans or speculation on the exchange market – these all seem like extreme cases and surely you would notice if this kind of thing was happening in your business? Right?

**Know where your money goes:** Can you be sure clients are paying and suppliers are being paid? Can you be sure who is on the payroll and where the risks in your business are? Watch the cash controls and internal checks and balance system, vigilantly follow through on procedures, lead by example and when you feel that something is not quite right, trust your gut instincts and investigate immediately.

**Be proactive and implement controls:** Reduce risk and create processes to protect your investment. You can't think the worst of everyone but you can be clear about your expectations and guide your employees along the right path – especially if that path has a few 'no go' signs along the way.

**Use best practice book-keeping tools:** Conduct weekly checks and balances across your business finances. This will give you peace of mind that systems are in place, especially if these are reconciled by a third party professional organisation.

Find out how GoFi8ure can help you. Ring 0800 463 488.

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