

Preventing Employee Theft

One of the biggest threats to a company's profit is employee theft, which is defined as the stealing, use or misuse of an employer's assets without permission. In fact, employee theft is costing Canadian businesses an estimated \$1.4 billion each year, according to the Retail Council of Canada.

Employee theft can take many forms, such as larceny, skimming, fraudulent disbursements, embezzlement, and stealing business opportunities or trade secrets. It's important for organizations to implement practices that prevent employee theft and protect their assets.

Consider the following tactics to prevent theft by employees:



Screen candidates thoroughly. Organizations should diligently vet all candidates by checking references, performing background checks and conducting online research.



Monitor retail transactions. Managers should know who has access to cash drawers, cash registers and point-of-sale systems.



Hire a third-party auditing firm. Bringing in an auditing firm to review business financial records may make a dishonest employee think twice before stealing. Plus, it will provide a second set of eyes to help catch and correct errors.



Install security measures. Surveillance cameras, access cards or codes, and unique computer login credentials for all employees can deter employee theft.



Provide a way for employees to report theft or fraud. There should be a process for employees to report any co-worker's misconduct without fear of punishment or retaliation. Additionally, all employees should be trained and periodically reminded of this process.

Employee theft is underreported and likely underestimated by many organizations. However, this threat should be taken seriously, and business owners can take preventive action to limit the risks. For more information, contact us today.

If you have questions specific to your business, or would like additional information on preventing employee theft, please reach out to your local advisor.

LET US HELP YOU MANAGE YOUR RISK

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