



CNA HealthPro

FAQs – Employee Theft

Q. I've been as busy as ever lately, but my practice income is lower than in past years. I'm beginning to wonder if my longtime receptionist/bookkeeper has been stealing from me. What are the signs of employee theft and what can a dentist do to prevent it?

A. Decreased practice income may or may not indicate an employee theft problem. Income can fluctuate from month to month, and only a detailed review of the books can determine long-term trends. By the time the cause of a drop in revenue is discovered, a substantial loss may have already occurred. In the case of employee dishonesty, the lost money is typically never recovered in full, and the total amount missing often remains in doubt.

Signs of employee theft include

- lower monthly receipts or swings in income
- customer complaints about billing inaccuracies
- frequently inaccurate or unbalanced books and records
- employees making purchases that would appear to be beyond their means

It is never a good idea to accuse an employee directly. If you suspect something is amiss, hire a qualified accountant to review your books. If necessary, speak with the police or report the loss to your insurance company.

Employee dishonesty can continue for years, resulting in substantial losses, if proper controls are not implemented. A key preventive measure is separation of the various accounting duties. No single person should be fully and permanently responsible for the tasks of receiving, counting, entering and depositing cash or checks. These responsibilities should be divided and occasionally rotated among staff members.

Have your accountant review your cash-handling system with this risk in mind. Continue to have your system examined on a regular basis to ensure that the proper checks and balances are functioning as originally planned.

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