



**PROTECT YOUR BUSINESS:**

**A GUIDE TO SPOTTING &  
PREVENTING FRAUD**

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**Fraud can happen in any business,  
big or small.**

**THE GOOD NEWS!**



**WITH THE RIGHT  
PRACTICES IN  
PLACE, YOU CAN  
GUARD YOUR  
ASSETS AND  
GREATLY REDUCE  
YOUR RISK!**

# Understanding Fraud in Business



**Fraud occurs when an individual intentionally misuses company resources for personal gain. Common forms include:**

Asset Misappropriation – Theft of cash, misuse of company credit cards, or unauthorized personal purchases.

Vendor Fraud – Fake or duplicate vendors, inflated invoices, or kickbacks from suppliers.

Payroll Fraud – Ghost employees, falsified hours, or inflated wages.

Financial Statement Fraud – Manipulating records to conceal losses or inflate performance.

# Common Signs of Fraud



## Watch for these red flags:

**Unexplained Transactions – Payments or withdrawals that don't match business activity.**

**Timing Issues – Bills paid too quickly or too slowly**

**Vendors You Don't Recognize – Fake or duplicate vendors can be set up to divert funds.**

**Deposits not matching sales**

**An employee suddenly living beyond their means.**

**Consistent Lost Receipts for Purchases made**

**Deleted or Missing Sales Documents**

**Customers Confirming Payments You Didn't Receive**

**Employees reluctant to share information or allow review of their work.**

# Fraud Prevention Best Practices

## Segregate Duties

**Don't let one person control all aspects of a financial process.**

**Separate responsibilities for authorization, recordkeeping, and custody of assets.**



## **Require Approvals**



All checks, wires, or large payments should need at least two sets of eyes.

Review Regularly

Reconcile bank and credit card statements monthly.

Run financial reports and compare them to actual results.

# Fraud Prevention Best Practices



## Control Access

**Limit who can use company credit cards, online banking, or accounting systems.**

**Remove access immediately when an employee leaves or proves untrustworthy.**

## Audit Periodically

Internal or external audits catch issues early.

Surprise checks are more effective than scheduled reviews.



# **Build a Company Culture of Transparency and Ethical Behavior**



**Set the Tone at the Top: Demonstrate integrity and accountability in all financial dealings.**

**Implement Clear Policies: Outline rules regarding expense reimbursements, use of company credit cards, and vendor relationships.**



**Encourage Reporting: Provide safe, confidential channels for employees to raise concerns without fear of retaliation.**

**Offer Training: Educate employees on ethical practices and the importance of internal controls.**



# Extra Steps

Secure blank checks, financial records, and sensitive information.

Limit the number of company credit cards and set transaction limits.

Use fraud monitoring tools offered by your bank, such as transaction alerts.

Regularly review vendor master files to ensure accuracy and legitimacy.





# Friendly Reminder

The red flags listed in this guide are simply signs that something may need a closer look. They don't prove that fraud is happening. Think of them as early warning signals that should prompt you to review your records, ask questions, or consult with a trusted advisor.



At Trilliam Accounting, we specialize in helping business owners strengthen financial controls, design fraud-resistant systems, and monitor accounts with precision.

By partnering with us, you gain the confidence of knowing your finances are protected and your business is secure.

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