



## Protecting Yourself Against Fraud

Is your business safe from fraud? Most business owners would like to believe that their businesses are relatively safe from fraud, but research indicates that the average loss for small organizations often exceeds the average loss of the larger ones. The reason? Internal fraud. Most businesses lose more from employee dishonesty than is ever stolen by criminals from outside their walls. There are some basic fraud prevention rules that should apply in every business regardless of size.



### 1. Every employees background should be thoroughly checked before they are hired.

This includes personal references as well as previous employers. You can't judge a book by its cover nor a person by his or her outward appearance. Some of the nicest people at interviews turn out to be the corporate crooks every employer dreads. Employers can also screen new hires by obtaining a CPIC, which is the only means of accessing a national database of criminal records.

### 2. Ensure that accounting work is never the responsibility of just one person.

It's usual for one person to manage the accounts of a business with little or no separation of duties. Having just one person to open the mail, maintain the books, do the banking, count the cash and manage payrolls creates great potential for fraud. Yet this is just what happens in the majority of businesses with fewer than twenty employees.

Have someone conduct periodic counts of inventory and cash and ensure that bank accounts are reconciled. Follow-up anything suspicious immediately and don't accept excuses. As a business owner it's your responsibility to take the time to look at bank reconciliations as well as internal financial statements.



### 3. Look for warning signs that something is not right.

These include changes in cash flow patterns, inventory shrinkage, variations in accounting ratios and customer complaints. For people handling money make sure they follow established procedures and are scrupulously accurate. Let them earn your trust by being honest.

### 4. Watch for employees living beyond their means, avoiding holidays and never delegating any of their work.

They could have something to hide and it could be costing you money.

- *If you are concerned about fraud in your business, contact DWCA to review your operations, assess your vulnerability and identify changes that can be made.*
- *If you do suspect that somebody in your business is a thief don't try to deal with the matter yourself. Consult legal counsel immediately.*
- *Finally, if you do catch someone stealing from your business and have sufficient evidence to prove it, you owe it to yourself to proceed with a prosecution of the guilty person. Review your findings with the police and let them do their job. If you just accept their resignation they'll only do it all over again to their next employer.*



*Looking for more information?*  
If you have questions after reading our newsletter articles, please contact our office at 613-389-8177.  
We're here to help!





## Tax Tips for Students

### ⇒ Get on the Bus

For students who depend on transit to get to campus, keep your passes to claim the Transit Tax Credit. The program also includes some electronic tickets and weekly passes purchased for four consecutive weeks. You need the receipts and transit passes to back up your claim. Also check your student account for university/college issued transit receipts.

### ⇒ Get the GST Credit

Students turning 19 before April 1, 2012 should file a tax return even if they had no income. This will allow them to collect the GST/HST credit for the first payment period following their birthday.

### ⇒ Tuition Credits Add Up

No matter who paid the tuition, the student will receive a T2202A for the amount of tuition paid for 2011. T2202A's are available by download from your student account. The form allows you to claim tuition and education amounts as well as the Textbook Tax Credit.

### ⇒ Sharing Education Credits

A student must use their tuition and education amounts on their tax return first to reduce their tax payable to zero before deciding whether to transfer up to \$5,000 in one year to a parent, spouse or grandparent. Any amount remaining is carried forward to use in future years. Once the credits are carried forward, they cannot be transferred.

### ⇒ Moving Credits

If you move more than 40 km to take a summer job you may be able to claim moving expenses against your employment income at the new location. Deductible expenses include travel, transportation, storage and the cost of meals and temporary accommodation for up to 15 days.



## How long should you keep your income tax records?

Generally, you should keep your supporting documents for six full years. Have the receipts and documentation to support your claims ready in case you are selected for review.

## DWCA Summer Hours

We are open Monday through Thursday 8:30 am to 4:30 pm

Our office will be closed on Fridays during July & August



## Updates from the team

Congratulations to Lisa & Rob Menard, and big sister Alexis, on the safe arrival of *Chloe Patricia Menard* born May 26, 2011 weighing 6 lbs 5 oz.

At the end of April we said goodbye to Tamara Isaak who has return to Abbotsford, BC after spending two years at our firm as a staff accounting technician. We wish Tamara all the best as she settles into family life back in her home province.