

Loss prevention policies course work

[Business](#), [Management](#)



LOSS PREVENTION POLICIES

Internal fraud is expensive running into hundreds of thousands of dollars in loss annually. It is mostly perpetrated mostly by the upper level management employees who have access to the company's assets. Just to show how expensive fraud is, according to the Association of Certified Fraud Examiners, it is estimated that \$660 billion is stolen annually by employees in the United States (Wells, 2011, p. 48). With these huge figures it is important for companies to invest in a comprehensive fraud prevention plan. A good comprehensive fraud prevention plan should encompass three main areas which are education (anti-fraud training to employees), investigation, and proactive prevention.

The creation of a culture of honesty, openness, and assistance in organizations can be realized through hiring honest employees and facilitating training on fraud awareness. According to the U. S. Justice Department, internal theft costs U. S. businesses over \$60 billion annually. The following should be considered: Scrutinizing of the applicant's résumé and application, asking for references, train interviewers to carry out objective interviews.

The culture of honesty can also be achieved by creating a good work environment. This is done by encouraging good working relationships of employees both among themselves and the management. Management should lead by example. Other recommendations are: developing a code of conduct, having easy access or open door policies and also maintaining a positive work force and procedures. Providing the workers with an employee

assistance programs that assist them in dealing with personal issues is also another way of promoting a culture of honesty and openness in an organization. To achieve this culture I would also recommend that Mary Moore implements an Open Door or Easy Access Policies that helps prevent fraud by allowing employees share their feelings and letting management to know of employees' challenges and problems.

Many successful organizations have a culture of honesty, openness and assistance making it possible for this culture to exist within an organization. An organization has to look at its culture and make an organizational culture change that fosters honesty openness and assistance. Management should lead by example, punish fraudulent offenders and reward honesty.

Organizations such as the Maynestay Consulting Group in British-Columbia and RAR Associates in California are among many organizations that have embraced the culture of honesty, openness and assistance and their work is to provide consultation and training services to organizations that want to undergo a culture change (Bartow & Biegelman, 2006, p. 14).

References

Bartow, J. & Biegelman, M. (2006). Executive Roadmap to Fraud Prevention and Internal

Controls. New Jersey: Wiley

Wells, J. (2011). Corporate Fraud Handbook. New Jersey: Wiley