



thieves at **+work**

Employee theft - stealing, thievery, embezzlement, larceny, smuggling, pilfering, swiping – are all considered fraud. However it is defined, the bottom line always remains the same. Your business suffers a loss.

As a business owner the general feeling is that you can trust your staff. Statistics show that this trust is often misplaced. Sad but true. The Australian Federal Police indicate that 70% of all business fraud losses are from staff or former staff, amounting to over \$1.5 billion annually. Many experts believe this figure is actually higher as staff theft usually goes undetected. "10-80-10" : 10% of people will never steal no matter what, 10% of people will steal at any opportunity, and the remaining 80% of people will go either way depending on the environment, opportunities, temptations and their rationalisation. It is up to you as the business owner to sway those 80%.

There are different reasons for why employees steal from their place of work including gambling and other addictions, economic pressure, feeling of being mistreated and that they are owed and of course because they can – no other reason than the presented opportunity and temptation.

Much of the money lost by employee theft could have been saved if businesses did more to prevent employee theft. Generally, most people will not steal if they think that they will be "caught". Being accountable and having processes in place rather than electronic surveillance techniques are a better deterrent for employee theft.

■ **Respect**

Value your employees and pay above the award wage. The quality of your employees is up to you. A positive workplace is shown to deter employee theft.

■ **'No Bags at the Counter'**

Is there any reason for personal belongings at the counter? If not, set up a "No Bags at the Counter" policy and designate an area for employee belongings away from the counter.

■ **Mix it Up**

Change the roster regularly. Mix up the staff times

on the register. As the owner spend sometime at the counter at unexpected times. No set long term routine is more likely to deter employee theft.

■ **Balancing Act**

Balance your accounts every night and quickly find out reasons for why you aren't balancing

■ **Open Up**

Be vigilant and open to the idea that employee theft could happen to you. Be aware.

Whilst you cannot prevent employee theft completely there are options to help your business recover should theft occur. Many business owners think to insure their assets against theft resulting from a break in by an outside third party, but do not consider insuring the risk of theft from their employees.

Many insurance policies can provide you with the option to insure "Employee Dishonesty" / "Fidelity" as a part of your business package. If you consider arranging cover for Employee Dishonesty you need to ensure that you understand the sum insured that applies and that you are aware of the claim discovery periods in your policy.

Generally the Employee Dishonesty covers offered by the majority of business pack policies are limited in the level of cover they can provide and as such you may want to explore the option of a stand alone cover or a specialised Management Liability policy which not only covers your Employee Dishonesty exposure but could also potentially include cover against employee unfair dismissal claims, failure to employ or promote claims, wrongful termination claims and non compliance with Equal Opportunity legislation.

As insurance policies vary significantly across insurers it is essential to check with a qualified insurance advisor that your current covers meets your needs.

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