TO PREVENT EMPLOYEE DISHONESTY:

1. **Establish a pre-employment screening program.**
The program should include reference checks. You may also want to perform criminal and credit checks, depending on the position you’re hiring for.

2. **Create security guidelines.**
The guidelines should outline the company’s policy for employees who are caught stealing.

3. **Utilize human resource programs.**
Develop programs designed to build employee loyalty and align employee and company goals. For example, you could offer training and skill upgrade programs or a mentorship program.

4. **Ensure that company merchandise and/or property isn’t easy to steal.**
This could include a number of tactics ranging from locking up merchandise to installing a surveillance system.

5. **Establish controls.**
Controls should be in place for things including petty cash disbursements, bank deposits, withdrawals, issuance of cheques, payrolls, reconciliation of bank statements, and payment of invoices.

6. **Ensure no one employee has control over all parts of a financial transaction.**
Owners should separate responsibilities and functions so more than one employee deals with any given financial transaction. Workflows should also be organized in a way that ensures one employee verifies the work of another.

7. **Perform regularly scheduled and random inventory checks.**
A program should be implemented to manage these checks and ensure they are done properly and consistently.

8. **Monitor the premises with closed circuit television (CCTV) surveillance.**
Before installing this type of system, be sure to keep in mind any applicable privacy law requirements with respect to surveillance.

9. **Check merchandise records.**
All incoming merchandise should be checked against purchase invoices and all outgoing merchandise against shipping documents.

10. **Being firm is important. But so is being friendly and fair.**
If you treat your employees with respect, they’re far more likely to return the favour.