

Twenty-Five Warning Signs of Asset Misappropriation

Asset Misappropriation encompasses the theft of assets (cash, inventory, etc.) but also includes the misuse of resources. Below is a listing of some of the possible warning signs commonly related to the misappropriation of organizational assets.

1. Unexplained budget overruns
2. Unexplained uptick in spending in a particular category
3. Records are disorganized, documents are missing, and/or transactions are lacking support
4. Unexplained changes in accounting records
5. An employee works unexplained overtime (late/weekends) and/or refuses to take vacations
6. An employee's standard of living appears to be beyond a level that could be afforded based on their known sources of income
7. An employee has a level of personal debt that cannot be covered by legitimate income sources
8. An employee has a gambling addiction or drug habit they need to finance
9. An employee is irritated by reasonable questioning
10. Bank deposits are delayed while cash or checks are held by an employee
11. Bank reconciliations are not preformed timely and/or have an unusual number of outstanding checks
12. Students or other bill payers are complaining about having already paid a bill
13. Unexplained increases in past due accounts receivable
14. Unusually large or numerous credits to a particular account
15. Rounded amount invoices
16. Accounts receivable or accounts payable do not balance with general ledger
17. Purchases just under approval thresholds
18. Check amounts are altered
19. Excess voids
20. Duplicate payments are made
21. Unusual amount of payments are being made to individuals with the same name or address
22. Vendors' addresses are the same as an employee's address
23. Unsupported changes in petty cash/change funds
24. Change funds replenished with personal checks
25. Inventory shortages