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The Owner's 5-Minute Fraud Gut Check

Find Where Money Could be Slipping Through the Cracks

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Take five minutes, answer honestly, and identify where your business may have too much trust and not enough visibility.

Most small business fraud does not begin with a mastermind. It usually begins with something much simpler:

- One person has too much access.
- One report is never reviewed.
- One bank statement is assumed to be fine.
- One trusted employee knows no one is looking closely.

I've spent decades as a forensic accountant following the money after something went wrong. Again and again, the warning signs were sitting in ordinary business records — bank statements, credit cards, payroll, vendors, refunds, and access permissions.

The problem was not that the owner was careless. The problem was that no one had built a simple habit of looking at the right things consistently.

> This Gut Check is not an audit or investigation. It's a quick self-assessment to help you spot where your business may have too much trust and not enough visibility.
>
> **Take five minutes. Answer honestly.** Then look at the areas where you are relying on assumptions instead of review.

HOW TO USE THIS GUT CHECK

For each question, choose one answer:

- **Yes** — We do this consistently.
- **No** — We do not do this.
- **Not Sure** — I do not know, or I assume someone else handles it.

When scoring, count every No and Not Sure as a concern. That does not mean fraud is happening. It means there may be an area where better review, clearer documentation, or stronger oversight would help protect the business.

THE 5-MINUTE FRAUD GUT CHECK

BANK AND CASH

01 Do you personally review the business bank statements or online bank activity each month?

☐ Yes ☐ No ☐ Not Sure

02 Do you compare bank deposits to sales, customer payments, or your accounting system?

☐ Yes ☐ No ☐ Not Sure

03 Are bank transfers, wires, ACH payments, and unusual withdrawals reviewed by someone other than the person who can initiate them?

☐ Yes ☐ No ☐ Not Sure

04 If your business receives cash, do you compare recorded cash sales to actual cash deposits?

☐ Yes ☐ No ☐ Not Sure

CREDIT CARDS AND SPENDING

05 Do you review company credit card statements each month, including receipts and explanations for unusual charges?

☐ Yes ☐ No ☐ Not Sure

06 Are personal expenses, duplicate charges, subscriptions, and unfamiliar vendors actively questioned?

☐ Yes ☐ No ☐ Not Sure

07 Does someone independent review charges made by employees who have company cards or spending authority?

☐ Yes ☐ No ☐ Not Sure

PAYROLL

08 Do you review payroll reports each pay period or month, including total payroll, pay rate changes, bonuses, reimbursements, and manual adjustments?

☐ Yes ☐ No ☐ Not Sure

09 Are terminated employees, new employees, and direct deposit changes reviewed by someone other than the payroll preparer?

☐ Yes ☐ No ☐ Not Sure

10 Can one person add employees, change pay, process payroll, and reconcile payroll without review?

☐ Yes ☐ No ☐ Not Sure

For this question, Yes is a concern. Answer No only if that level of access is not possible or is independently reviewed.

VENDORS AND PAYMENTS

11 Do you review new vendors added during the month?

☐ Yes ☐ No ☐ Not Sure

12 Are vendor payment changes independently verified using a known phone number or trusted contact method?

☐ Yes ☐ No ☐ Not Sure

13 Do you review unfamiliar vendors, duplicate payments, round-dollar invoices, or invoices just below approval limits?

☐ Yes ☐ No ☐ Not Sure

14 Can one person create vendors, approve invoices, issue payments, and reconcile the bank account?

☐ Yes ☐ No ☐ Not Sure

For this question, Yes is a concern. Answer No only if that level of access is not possible or is independently reviewed.

REFUNDS, VOIDS, ADJUSTMENTS, AND DISCOUNTS

15 Do you review refunds, voids, discounts, write-offs, and manual adjustments each month?

☐ Yes ☐ No ☐ Not Sure

16 Do you review refunds, voids, and adjustments for unusual patterns (same card, same employee, increasing over time)?

☐ Yes ☐ No ☐ Not Sure

17 Are refunds and voids approved or reviewed by someone other than the person entering them?

☐ Yes ☐ No ☐ Not Sure

RECORDS, ACCESS, AND OVERSIGHT

18 Do you know who has access to your bank accounts, accounting system, payroll system, credit cards, and vendor payment information?

☐ Yes ☐ No ☐ Not Sure

19 Do you remove access promptly when an employee leaves or changes roles?

☐ Yes ☐ No ☐ Not Sure

20 Do you keep a written list of unresolved financial questions, unusual items, or follow-up issues?

☐ Yes ☐ No ☐ Not Sure

YOUR SCORE

Important: Count every “No” and “Not Sure” as a concern.

Total concerns: ________

0–3 Strong Starting Point

You appear to have some review habits in place. Keep going. The key is consistency. Fraud and leakage are easier to spot when someone reviews the same core areas every month.

Your next step: keep the habit alive and document what you review.

4–7 Review Gaps Worth Tightening

Your business may have areas where access, trust, or assumptions are doing more work than actual review. This does not mean something is wrong, but it does mean you have places where a simple monthly review habit could make a meaningful difference.

Your next step: choose the two areas with the most “No” or “Not Sure” answers and start reviewing them monthly.

8+ Too Much Trust, Not Enough Visibility

Your business may have multiple areas where money can move without enough independent review. That creates risk. Not because employees are bad, but because access without review is how small problems become expensive ones.

Your next step: start with bank activity, credit cards, payroll, vendors, and refunds. Those are often the places where the money leaves a trail.

WHAT YOUR ANSWERS ARE REALLY TELLING YOU

A “No” is useful. A “Not Sure” may be even more useful. In small businesses, the riskiest phrase is often:

> ***“I think someone handles that.”***

Fraud, leakage, and costly mistakes often survive in the gap between what the owner assumes is happening and what the records actually show.

You do not need to review everything. **You do need to review the right things often enough that people know someone is paying attention.**

THE FOUR BIG RISK SIGNALS

As you look back at your answers, pay special attention to these patterns.

1. One Person Controls the Whole Process

If the same person can create, approve, record, and reconcile a transaction, the business is relying heavily on trust. Trust matters. But trust is not a control.

2. Reports Exist, But No One Reviews Them

Most businesses already have useful records. The problem is that no one opens them consistently. Bank statements, payroll reports, vendor lists, credit card statements, refund reports, and adjustment reports all tell stories.

3. The Owner Only Looks When Cash Gets Tight

Review should happen before there is a crisis. Once the money is missing, the work becomes harder, more expensive, and more emotional.

4. No One Writes Down Follow-Up Questions

If something looks odd and no one records it, the issue disappears until it becomes bigger. A simple issue log turns a passing concern into an actual review habit.

WHAT TO DO NEXT

Pick one area to improve this month. Do not try to rebuild your entire business at once. Start with one of these:

- Review your bank statement and unusual withdrawals.
- Review company credit card activity.
- Review payroll changes and manual adjustments.
- Review new vendors and payment changes.
- Review refunds, voids, and write-offs.
- Create a simple issue log for unresolved questions.

The goal is not perfection. The goal is visibility.

Ready to Turn the Gut Check into a Review System?

This Gut Check helps you spot where your business may be exposed.

The Small Business Money Defense Guide & Toolkit gives you the practical review system for doing something about it. It includes:

- The full owner's Guide (over 40 pages)
- Monthly Review Checklist
- Cash Handling Review Checklist
- Vendor Review Checklist
- Payroll Review Checklist
- Key Metrics Tracker
- Employee Access Review Matrix
- Insurance Review Checkup
- Issue Log

You do not need to become a forensic accountant. You need a simple habit for following the money before a problem becomes expensive.

Learn more at ForensicChad.com

Important Note

This Gut Check is provided for general educational and informational purposes only. It is not legal, accounting, tax, insurance, investigative, or financial advice. It is not an audit, fraud examination, or internal control assessment. No checklist or self-assessment can guarantee that fraud, theft, errors, or losses will be prevented or detected. For questions about your specific business, consult with your CPA, attorney, insurance agent, banker, payroll provider, bookkeeper, or other appropriate professional adviser.