

# COMPLIANCE AUDIT CASE STUDIES

## 2008

### A TRUE INTEREST FREE LOAN

An auditor when completing his cash checks found only £100 on site instead of the expected £3,000. The Manager, on being questioned admitted she was keeping the money safe and sound in her own bank account – and reaping the benefits that an interest free loan gives.

### SAVE AS YOU EARN

An auditor arrived on site at a large managed pub and discovered that the bankings had been understated by £5,000. The Manager had increased the cash held at site by the £5,000 in all of his paperwork to balance his cash reconciliation but the extra cash was nowhere to be found. It transpired that the Manager had not received a pay increase and, believing he was entitled to one, under-declared the bankings and paid the £5,000 into his own account. It made it quite easy to explain why he didn't deserve the increase in the first place.

### SELF SERVING MACHINES

At a large food operation the Venners Auditor found that the 16 vending machines on site were filled with stock and emptied of cash by a junior member of staff - a not uncommon occurrence. There was no control in place to correlate sales to revenue and once these controls were put into place, as recommended by us, the revenue reaching the company coffers increased by 20%.

### CHARITY BEGINS AT HOME

On a recent visit a £300 'piece of paper' was found in the safe. This was to cover the shortfall when a very helpful member of staff had graciously allowed the unit to deposit £300 of charity money into his bank account prior to sending a cheque to the charity. Unfortunately charity began at his home and the cheque was never sent and the member of staff left work the following day. This had been hidden by the unit for 6 months but at least they had paid the charity.