

CONTENTS:

Business Improvement:

- A disturbing trend
- Product Review

Updates:

- Catapult Wealth
- Latest blogs

Of interest:

- Team member profile
- Upcoming Events
- Movie review



A disturbing trend.

EMPLOYEE FRAUD IS AN AREA OF GREAT CONCERN TO US AT HATTAM MCCARTHY REEVES. IT IS APPARENT THAT CHANGES TO THE WAY BUSINESS IS NOW BEING OPERATED HAVE DRAMATICALLY INCREASED THE INCIDENCE OF THIS TYPE OF CRIME.

We are particularly concerned about misappropriation of funds by way of electronic banking transfers.

In cases where employees have authorised access, it is a relatively straightforward matter to divert funds to a personal account. Unfortunately this type of fraud is difficult to detect and research indicates that the fraud usually isn't committed by career criminals or repeat offenders. The study says long-time employees who are high on the company's organisational chart typically commit more fraud. Such employees have greater access to company funds and information, and tend to be more trusted.

The greater the authority and autonomy the greater the risk of fraud! It is common for a small business to have only one person attending to all the accounting functions. If someone wants to rip you off, they have a great opportunity!

Tips for Preventing Fraud.

Business owners need to be alert to protect themselves against fraud by making sure they have strong internal control procedures implemented.

You should:

- always conduct background and reference checks on new employees
- have two employees perform electronic banking functions together (i.e. one has the user name and the other the password).
- approve all payments at the highest possible level.
- require 2 signatures on cheques over (say) \$500.
- restrict bank account access.
- perform ad-hoc data matching and cross-matching of known employee accounts numbers to that of your suppliers
- regularly reconcile your bank statements.
- secure inventory and supplies.
- continually review your financial affairs and make sure your employees are aware this is happening.

If you suspect fraud!

If you suspect employee fraud, we recommend that in the first instance you contact us. You should not fire the employee immediately as you may want to interview that employee to find out as much as possible about the extent of the fraud and confirm whether anyone else is involved. You also need to avoid abusing employee privacy rights.

The Common Element

The common element in most cases of employee fraud is a lack of internal controls in relation to cash, cheque payments and electronic banking. It is important to ensure that you implement and regularly review your procedures to minimise the risk of fraud. Hattam McCarthy Reeves can undertake a review of your internal controls and alert you to potential weaknesses. Please contact us if you wish to discuss.

READ BY:

.....

.....

.....

.....





CatapultWealth

Catapult Wealth

WE ARE EXCITED TO ANNOUNCE THE LAUNCH OF OUR NEW BUSINESS VENTURE.

We have seen many changes in the finance industry over the last 20 years and together with leading Adelaide financial sector identity Tony Catt, we are excited to announce the launch of our new business venture, Catapult Wealth.

With over 20 years of experience in accounting, research, stockbroking and financial planning, Tony's vision for Catapult Wealth is to build a better service for his clients.

"We are a local team and passionate about helping people to make the most of their money" said Tony. Catapult Wealth uses a unique 'fee of service' approach, based on old values of how to make money. "We feel it is time to make things simpler and return to a simple approach to investing and a transparent way of paying fees."

With only a small percentage of Financial Planners in Adelaide operating with this model, Catapult Wealth is leading the way with their innovative approach aimed at making financial planning simpler.

Catapult Wealth does not accept commissions or other incentives resulting from recommendations. In fact, any commission received is rebated in full.

Tony explains: *"For example, our fee is not based on the amount of money you have to invest, or your income. It is not based on any premium you pay or any product you purchase. Any service or work Catapult Wealth provides is priced up front and represents the value of the services."*

"Catapult Wealth is a pathway back to a simpler style – and people are looking for simplicity these days."



Tony Catt -
Director Catapult Wealth

CatapultWealth

Catapult Wealth is located at:
63 Unley Road, Parkside.

For more information, go to
www.catapultwealth.com.au
or contact Tony Catt on telephone
8172 9111, mobile 0412 244 327 or
email: advice@catapultwealth.com.au



Upcoming events

We have booked the Capri Theatre on July 5th for our annual movie night.

This is a chance for us to once again say 'Thanks' to our clients and associates for their ongoing support, which is greatly appreciated and never taken for granted.

This year we are screening *"Water for Elephants"* which stars Reese Witherspoon and Robert Pattinson. Additionally, we are excited to draw the winner of the \$3,000 holiday for a client who has referred or been referred to Hattam McCarthy Reeves in the past 12 months.

PRODUCT | review

Introducing XERO

IN A MODERN WORLD WE HAVE BECOME MORE MOBILE. WE CAN'T ALWAYS WAIT TO GET BACK TO THE OFFICE/HOME TO FIND OUT WHAT'S HAPPENING.



The internet, iPhones, iPads and laptops have given us freedom and connectivity. Traditional small business software has not kept pace.

For the past 12 months we have been using Xero with a selection of our clients.

We believe it to be a genuine alternative to the commonly used MYOB and QuickBooks.

So what is Xero and what are its features and benefits?

Xero is an online accounting system designed for small business owners to work with their accountants, business partners and staff, all in real-time.

It's intuitive design and advanced features make accounting accessible for both experts (accountants) and non-experts (small business owners).

Xero is connected to a range of banks so your bank transactions automatically appear every day, saving you time and taking away the pain of manual data entry.

This banking integration absolutely improves the visibility of your finances.

Xero works over the internet. There is no software to install, and it's no hassle to set up.

It is constantly evolving with seamless improvements taking place behind the scenes. You are always using the 'latest version'.

Being accessible anywhere, anytime means it works to your schedule. It also saves you time and inconvenience sending large, out of date, data files back and forth.

So why are we excited by the potential for the 'on-line' or real time aspects of Xero?

Our client, Ben Hooper, apiarist and Nuffield Scholarship holder says Xero's automatic bank feeds are an innovative timesaver, essential for anyone in business.

"This is extremely helpful to me as I am constantly travelling as my business is expanding. With everything online, I always know where things stand."

"Paul just loves Xero. He hops online and everything is there waiting for him, all totally up-to-date."

"It means that now our accountant isn't just someone to crunch numbers but a strategic partner in our business."

For more information please contact us.

Team member profile

Elouise Barker - Accountant



My job at HMcR involves...

Preparing financial accounts, tax returns, business advice and assisting clients

My dream holiday destination is...

Europe

For my last meal...

Cold rolls

The TV show I can't live without is...

Gossip Girl

One thing that really annoys me is...

Computers going crazy

When I was growing up I wanted to be a...Teacher

If I could change one thing about myself: I would try new things more often, if I had the time!

My first job was as a....

Shelf stacker at Woolworths

Something you probably don't know about me is...

I play basketball and netball

I can't live without my...

Barbeques and dinners with friends

The people I admire most are...

My parents

I am scared of...

Mice and big spiders - if they are inside

I get mad when...

I don't get mad too often...

The thing I like best about working at HMcR...

The team and the clients



Latest blogs

HAVE YOU CHECKED OUT OUR BLOG LATELY?

We talk about issues that matter to our clients and our industry. Some of our recent posts include:

- Tax planning – Here's why
- 2011 Federal Budget summary
- A disturbing trend – Hattam McCarthy Reeves take a look at employee fraud and how you can reduce the risk of it happening to you
- Using social media to grow your business
- Save the Keith hospital

If you would like to sign up to our blog visit:

<http://www.hmcr.com.au/blog.htm>



Just a thought

"I've missed more than 9000 shots in my career. I've lost almost 300 games. 26 times, I've been trusted to take the game winning shot and missed. I've failed over and over and over again in my life. And that is why I succeed"

MICHAEL JORDAN

Movie review



FAST AND FURIOUS FIVE

A decade ago the remake of The Fast and the Furious became a monster hit. Loaded with tough guys, hot chicks and fast cars, it became the ultimate guilty pleasure. Five films on and the series continues the same formula which made it such a hit. Including many characters from the previous chapters, it sets out to be a pure adrenaline rush for rev-head fanatics. This it certainly succeeds doing with the old adage 'if it ain't broke don't fix it' looming large over this fun formulaic production.

On the run after their last adventure Brian (Paul Walker) and Dominic (Vin Diesel) find themselves in Rio de Janeiro. Scraping together a living via their souped up cars, they run afoul of a local drug kingpin who wants them dead. Also on their trail is federal agent Luke (Dwayne Johnson) whose lethal pursuit places them in jeopardy. Caught between both sides of the law, the gang use their skills to extract themselves from a deadly situation from which there seems no escape.

Given we're now up to number five in the franchise, it's amazing how fresh the concept still seems. This could be put down to Justin Lin's energetic direction

which maximises the opportunities for outrageous stunts. He should know how to do this by now given this is his third film in a row for this series. He is ably supported by the regular team who has much fun causing tons of mayhem and destruction in their own style.

The best aspect of this entry is its eagerness to explore the characters. Whilst the action is still spectacular, these scenes are heightened immeasurably by the viewer actually caring for our heroes. Probably due to the increased running time, each character has their moment to shine with their input effectively leading to a typically outrageous finale. The cars are given a fine work-out once again and should dazzle those who see these movies for the four-wheeled stunners on display.

A strong entry in the series, Fast and Furious Five builds on the gains made in its last entry. With number six announced to be on its way, there's no stopping it and given how much fun this one was some more escapist nonsense isn't necessarily a bad thing.

Rating out of 10: 7

Hattam McCarthy Reeves
tasty recipes for business and wealth improvement



In an endeavour to improve our environmental footprint, this newsletter is printed on 100% recycled paper.

Disclaimer: The material and contents provided in this publication are informative in nature only. It is not intended to be advice and you should not act specifically on the basis of this information alone. If expert assistance is required, professional advice should be obtained.