

## **Advice from the WCIA**

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### **Employee Theft: It May Never Happen to Your Car Wash – You Hope...**

Here are a few suggestions for maintaining a car wash free of theft by employees:

#### **Develop a positive environment for your employees**

Allow for open lines of communications with your management team and ownership. Build your employees' morale by taking the time to teach them and to recognize them for a job well done. Let the employees take ownership of their daily tasks so that they will feel like they are not just working for a company, but that they are truly accomplishing something.

#### **Develop internal controls**

Review your daily reports off of your point of sale computer system. Take the time to cross-reference receipts, charge and cash reversals. Set up specified procedures and policies that the owner, management and your car wash staff must follow, thereby reducing the opportunity for employee theft.

**Also**, consider the use of dual-signature checks so that a single staff member cannot sign a valid check without an accompanying signature from top management. After checks have been cashed, have the cancelled checks and statements sent to your residence to allow time for your review.

**Finally**, if you use on-line banking, then don't share your password with anyone as you can imagine some of the challenges that may arise if you do.

Having such internal controls will assist in preventing opportunities for fraud.

#### **Separation of Duties**

No car wash employee should be allowed to work as a cashier and also be given the responsibility of reversing transactions. If this situation is not avoidable, then there must be a limit to the dollar amount after which a manager must approve reversing the sales transaction.

#### **Access controls**

Access to physical and financial assets and information, as well as accounting systems, should be restricted to authorized car wash staff.

#### **Hire the right people**

It's easier said than done - this is a serious challenge for all businesses. Dishonest employees will hinder your attempts to provide a positive work environment while looking for ways to cause chaos within your business and staff. Try not to just hire bodies; take the time to verify prior employment and check driver's licenses for validity. Remember that you have a responsibility to your customers, car wash staff and the business. Make the new hires feel like they are lucky to be able to work at your car wash.

### **Educate your employees**

Make sure that each and every employee reviews and understands your policies and procedures. Let them know what is expected and what course of action will be taken if these directives are not adhered to. If you have an employee handbook, then make sure that the employee has signed that he or she has received it and understands the contents. Have required safety and training meetings with attendance sign-up sheets and also utilize these meetings to reiterate your policies and procedures.

### **Adhere to labor codes**

Don't allow an employee to take advantage of your car wash by not following the labor requirements of your state. Provide breaks, time for meals, schedules, state/federal posters, etc. Being proactive lets you stay ahead of the curve. Belonging to the **Western Car Wash Association** or other regional car wash associations helps keep you updated on state issues regarding labor and how it will affect the car wash industry.

### **Audits**

Managers and/or Owners should take the time to look over the usage of car wash chemicals and detailing product. If for no other reason, this will let the employees know that their product usage is being watched and that all chemicals/products must remain at the car wash and not in their vehicle's trunk. It's important to keep everyone on their toes without making them feel uncomfortable about doing their job. After all, the expense of car wash chemicals and detailing supplies can significantly affect your bottom-line.

### **Investigate every incident**

A thorough and prompt investigation of policy and procedures violations, allegations of fraud, or warning signs of such, will soon be reflected in the attitude of the employees. Each and every employee at your car wash should be held accountable for his or her actions regardless of title and tenure.

### **Speed of the team is the speed of its leader**

Management and car wash owners must set an example for the car wash employees. A firm attitude towards the rules and regulations by management /ownership will soon become the norm within the car wash.

I know that we all have the most honest employees in the industry, so let's help in keeping them that way. Being proactive is always better than being passive - after all it's your bottom-line.