



COOK MARTIN POULSON, P.C.

Certified Public Accountants

CLIENT **A-Plus Trucking**

SERVICES **Accounting Systems and Control Design**



A-Plus Trucking has been a profitable business for over fifteen years. A-Plus has locations in multiple states and specializes in regional freight transport and transload services. In spite of its success, A-Plus had recently discovered that a key accounting employee had embezzled a significant amount of company assets over the course of several years. Not only was A-Plus void of critical assets, but the accounting records had not been properly maintained for the entire year. In addition, to make matters worse, an economic recession was challenging margins and profitability.

We were approached by senior management for assistance upon referral from a local financial institution that understands the level of service and work product that we deliver. Upon initial contact, we quickly set-up a meeting to discuss our approach to the situation. After the initial meeting, we determined that an on-site walk through was necessary to identify the key weaknesses in the accounting system and design of the internal controls. Our comprehensive evaluation of the entire accounting process yielded some very specific recommendations, some of which include:

1. The current accounting system software was more complex (and expensive) than what the company needed.
2. An additional accounting employee, with relevant experience and skills, was necessary.
3. Accurate margin analysis that considered all costs and variables needed to be performed to utilize resources efficiently.
4. Critical accounting duties (reconciliation, cash deposits, cash receipts, cash payments, etc.) needed to be performed by different employees to mitigate fraud risks.

Based upon the recommendations listed above, we worked with senior management to take quick action in each area.

1. We worked closely with A-Plus' other industry specific software vendors to ensure a smooth transition to a better, more efficient and cost effective accounting system.
2. We reviewed resumes' of potential candidates for an accounting position and provided our feedback to management. Upon selection of a candidate, we provided training to the new employee on the specific tasks that he/she would be trusted to perform.
3. We met with senior management and discussed their lines of business with regard to revenue, direct costs and indirect costs. Based on this discussion, we provided management with a margin analysis tool that they could use and modify in the future as they bid for new business.
4. We met with each employee involved in the accounting process and identified what they were doing on a day-to-day basis. Based upon this discovery, we provided recommendations where duties could be changed to provide appropriate separation and mitigate the possibility of having one person have some much control that they could commit fraud.