



Internal Control Checklist for Small Businesses

5 Basic Financial Controls You Can Implement Now

Prepare your accounting function for tomorrow's growth by putting these financial controls into action. Protect the integrity of your company's finances before you outgrow your operations. Start with these five steps:

- Create standard operating procedures** for your everyday accounting tasks, such as billing and invoicing, bank reconciliations, travel expensing and more. Document roles and responsibilities, as well as necessary authorizations.
- Set up accounts payable and receivable approvals** to include authorization from multiple parties to prevent fraud. Set up conditions in your accounting software to automate controls and build approvals into your workflows.
- Conduct regular account reconciliations** for your bank statements, your vendors and your customers. Bank reconciliations should be conducted at least once per month—or more if you're experiencing cash flow issues.
- Segregate certain accounting duties** so that the person handling or signing cash and checks is not the one performing reconciliations or recording the transactions.
- Implement IT security controls** for cloud accounting by regularly updating passwords and defining different levels of user access.

Build more accountability and discipline into your accounting function. Get support from Paro's elite community of bookkeeping and accounting experts.