

Turning off the audit trail.

A good audit trail can help detect and prevent fraud. The ability to view each action by user can help monitor their activity. In the event an issue is detected within the accounting system, a good audit trail can help reconstruct events. For these reasons, it is imperative for a business to use an accounting system with an audit trail that is monitored and cannot be turned off.

Losing all of your data.

Many businesses think a complete loss of data cannot happen to them. This is untrue. A loss of data can happen to any business. That's why it's crucial to do a backup of data often, and verify that the backup is good. Most accounting systems offer a built-in data backup function, making the process easier than ever. Take advantage of this and get in the habit of making sure it is done correctly. A loss of data can be devastating, and the time spent to ensure your backup is good, is time well spent.

Not reconciling bank accounts on a monthly basis.

Reconciling your accounts each month has a multitude of benefits. By reconciling accounts on a monthly basis, data entry errors such as missing or incorrectly entered transactions can be detected and corrected. Reconciling each month also ensures all transactions from your bank account have been entered into your accounting system, which in turn ensures financial statements reflect accurate expense and income activities.

These three mistakes can be easily avoided by setting up processes and getting in the habit of following them. Such simple steps can help a business avoid big mistakes. Correcting mistakes afterward is much more costly and time-consuming to fix than taking the time to do it right.

