

Questions to Ask Your Dental Clients About Internal Controls

Twenty-two questions · Scored 2 / 1 / 0 · What a worrying answer sounds like · What to do next

In the American Dental Association's 2019 Survey on Embezzlement, **48.6% of responding dentists confirmed they had been victims of theft**. You do not need to audit a dental practice to know whether it is exposed — you need to ask the owner twenty-two questions and listen carefully to how they answer. Weak controls announce themselves in conversation long before they show up in a general ledger. This document gives you the questions, tells you what a concerning answer sounds like, scores each answer 2, 1, or 0, and tells you what to do with the total. It takes about fifteen minutes in a year-end or quarterly meeting, and it costs you nothing but the time.

Before you start: three ground rules

Ask the owner, alone. Not in front of the office manager, not by email to a practice address, and not with the bookkeeper on the call. If the answers are going to be useful, the person answering has to be the person at risk.

Ask conversationally, not as an audit. These are questions a good adviser asks. Framing them as a test puts the owner on the defensive and, if word travels, tips off anyone who has something to hide.

Score as you go. Mark each answer **2** (strong — the control is in place and the owner can describe it), **1** (acceptable — partly there, or in place but unverified), or **0** (needs improvement — the concerning answer below). Maximum score is 44.

Do not go looking. If the answers concern you, the correct next step is a phone call to a dental-specific investigator — not pulling reports yourself. Testing your own suspicion is how evidence gets destroyed and how a recoverable loss becomes an unrecoverable one.

1. Who Has the Keys

- **"Do you have your own login to your practice management software and your own online banking credentials — ones nobody else knows?"** 2 ☐ 1 ☐ 0 ☐
Concerning: shared passwords, a login the owner has never used, or "my office manager sets that up for me." Shared credentials mean nothing in the system can be attributed to anyone.
- **"If you have a bookkeeper, what can they actually do inside your bank account?"** 2 ☐ 1 ☐ 0 ☐
Concerning: anything beyond read-only viewing. A bookkeeper who can transfer funds, pay bills, or add payees has been handed the practice.
- **"Who opens the practice's mail?"** 2 ☐ 1 ☐ 0 ☐
Concerning: any answer other than the owner. Bank notices, merchant statements, insurer letters, and collection notices are the practice's early-warning system, and they can be intercepted by whoever sorts the mail.
- **"Where do you bank and merchant statements get emailed?"** 2 ☐ 1 ☐ 0 ☐
Concerning: an office address, a shared inbox, or an address administered by staff. It should be the owner's personal email.
- **"Is there a signature stamp in the office — and if so, who has access to it?"** 2 ☐ 1 ☐ 0 ☐
Concerning: yes, under any justification. With electronic claim submission there is no remaining legitimate use for one, and its presence usually means nobody has looked at controls in years.

2. What the Owner Actually Looks At

- **"Walk me through what you personally look at before you leave the office each day."** 2 ☐ 1 ☐ 0 ☐
Concerning: nothing; a number told to them verbally; or a report someone else printed and handed over. Selective reporting is the most common concealment technique in dentistry, and it only works if the owner never generates the report themselves.
- **"Do you print your own daysheet, or does someone print it for you?"** 2 ☐ 1 ☐ 0 ☐
Concerning: anything other than the owner pressing the button. This is the single highest-yield question on the page.
- **"At month-end, do you check that the days you reviewed add up to the month the software reports?"** 2 ☐ 1 ☐ 0 ☐
Concerning: a blank look. Almost no dentist does this, and it is the procedure that catches after-hours entries. See the callout on the next page.
- **"When your collections don't match your deposits, who explains the difference to you — and do you get evidence, or an explanation?"** 2 ☐ 1 ☐ 0 ☐
Concerning: a persistent difference that is always explained the same way, always by the same person, and never documented.

3. Money Coming In

- **"When you compare what you collected to what you deposited, do you compare the pieces — cash, checks, credit cards, ACH — or just the total?"** 2 ☐ 1 ☐ 0 ☐
Concerning: just the total. Aggregate figures routinely balance while individual components do not; the mismatch is where theft lives.

- **"How much of your collection is cash, and has that changed over the past few years?"** 2 ☐ 1 ☐ 0 ☐
Concerning: a steady decline the owner cannot explain by a change in patient mix. This is the classic signature of skimming, and you are well positioned to notice it from the records you already hold.
- **"Are insurance payments and EOBs posted promptly, or is there usually a backlog?"** 2 ☐ 1 ☐ 0 ☐
Concerning: a chronic backlog, "held" payments, or unposted remittances. A backlog is a place to hide things, and it is often maintained deliberately.
- **"Do you accept virtual credit card payments from insurers, and do you know you can opt out?"** 2 ☐ 1 ☐ 0 ☐
Concerning: yes, and the owner did not know opting out was an option. Stored-value remittances are difficult to trace, easy to divert, and most states prohibit insurers from compelling them.

4. Adjustments, Write-Offs, and Receivables

- **"How much of your production gets adjusted off in a typical month, and do you review the adjustments individually?"** 2 ☐ 1 ☐ 0 ☐
Concerning: the owner does not know the number, or reviews adjustments only in total. Fraudulent adjustments are the most common way a stolen payment is made to disappear.
- **"Does your software have a 'miscellaneous adjustment' code, and how often does it get used?"** 2 ☐ 1 ☐ 0 ☐
Concerning: frequent use, or use without a required note in the patient record. This code exists in almost every practice and is almost always the one to watch.
- **"Do you ever look at your receivables with credit balances included and excluded, side by side?"** 2 ☐ 1 ☐ 0 ☐
Concerning: no — and again, almost nobody does. Phantom credits used to offset aged debit balances are a well-worn concealment route, and they are invisible in a netted A/R report.

5. Payroll and Time

- **"Who approves the office manager's hours?"** 2 ☐ 1 ☐ 0 ☐
Concerning: the office manager. This is one of the most frequently missed exposures in a small practice, and it is often the first place unauthorized compensation appears.
- **"Do you compare the payroll that actually ran against the payroll you authorized?"** 2 ☐ 1 ☐ 0 ☐
Concerning: no, or "the payroll company handles it." The provider runs what it is told to run; it does not verify authorization.

6. The Questions About People

These often produce the most revealing answers, because owners typically describe the behavior with pride rather than concern.

- **"Is there anyone in the office who never takes vacation, or who works when nobody else is there?"** 2 ☐ 1 ☐ 0 ☐
Concerning: yes — particularly when framed admiringly as dedication. Uninterrupted presence is what a concealment scheme requires.
- **"If your office manager were out for two weeks, could someone else run the front office?"** 2 ☐ 1 ☐ 0 ☐
Concerning: no. Resistance to cross-training is not a personality trait; it is a control failure regardless of intent.
- **"Has anyone on your team pushed back on bringing in a consultant, a software trainer, an IT vendor, or an outside bookkeeper?"** 2 ☐ 1 ☐ 0 ☐
Concerning: yes. Opposition to outside eyes is among the most consistent behavioral indicators there is.
- **"Your production has been flat for a while — has your patient count been flat too?"** 2 ☐ 1 ☐ 0 ☐
Concerning: stable or growing patient flow alongside stagnant collections. You will often see this in the client's numbers before the owner does, and it is one of the earliest quantitative indicators of theft.

One question worth explaining to the client in full

"Do the days you reviewed add up to the month the software reports?" The check is called financial articulation, and it is the most powerful thing a dentist can do without your involvement. At month-end, the owner totals three columns from each daysheet they personally initialed — fees billed, adjustments, and payments received — and compares each sum to the corresponding figure on the software's month-end summary.

All three must agree **to the penny**. A gap in any one of them means transactions were entered between the owner's daily reviews — most often after hours or on a closed day, by someone who preferred the owner not see them. If your client can be persuaded to adopt exactly one new habit, make it this one.

7. Scoring the Answers

Total score: _____ / 44 · Practice: _____ · Date: _____

- 38–44** **Well controlled.** Practices in this range are rare. Confirm the remaining gaps in writing and re-ask the questions next year.
- 30–37** **Ordinary exposure.** Normal for a well-run practice that has never been advised on controls. Walk the owner through each zero and point them to the owner's version of this checklist, available at prosperident.com.
- 20–29** **Materially exposed.** Theft would be easy to commit here and slow to surface. The owner needs a structured remediation conversation, not a list of tips.
- Under 20** **Wide open.** Treat this as urgent. Have the confidential conversation with us *before* recommending changes, so that remediation itself does not alert anyone.
- **The total is secondary to the pattern.** Zeros clustered on one person — the same individual holding credentials, opening mail, posting adjustments, making deposits, and approving their own hours — matter more than the score itself. Concentration is the risk, not any single missing control.
 - **Some zeros override the total.** A practice scoring 36 that cannot explain a persistent deposit difference, has adjustments the owner cannot account for, or carries credit balances with no payment behind them is not really a 36. Any answer suggesting something has *already happened* ends the scoring exercise and starts a different conversation.
 - **Do not begin pulling reports to satisfy your own curiosity.** Well-intentioned looking is how audit trails get walked on, how a suspect learns they are suspected, and how a client's fidelity bond claim gets denied. The moment suspicion is real, the work becomes evidence handling and it needs to be done by people who do it every day.
 - **Do not raise it with any staff member,** and counsel your client not to. Confrontation destroys evidence, prompts resignations that end recovery, and creates employment exposure the practice cannot afford.
 - **Make the call yourself if the client is hesitant.** Initial conversations with us are confidential and free, and we are frequently able to tell an accountant in twenty minutes whether what they are seeing warrants concern.

When an answer worries you, call before you look.

Prosperident has been the world's largest dental-specific embezzlement investigation firm for more than three decades. We work with accountants constantly, we do not compete for compliance, tax, or advisory work, and we return your client to you with the problem resolved. If you are unsure whether what you heard matters, that is exactly the call to make.

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