TOP 10 TIPS
TO PROTECT YOUR CHARITY FROM FRAUD

Charities, like any organisation or individual, can be the victims of fraud. Here are Charities Services' top ten tips to prevent fraud in your charity.

1. Clear, written financial procedures and delegations

Have staff and volunteers follow proper financial controls. For example, always have two people involved in the handling of money and cheques. Also establish clear financial delegation guidelines.

2. Robust HR procedures

Ensure recruitment processes are sound and have your charity provide ongoing training and communication to staff and volunteers about fraud prevention measures.

3. Establish a code of conduct

Demonstrate and encourage ethical behaviour. Display your code of conduct prominently and embody it.

4. Define financial responsibilities

Ensure people with financial responsibility in your charity are competent and understand their role. Have written role descriptions that set out expectations of staff, including financial responsibilities.

5. Develop a fraud prevention policy

The policy should specify the steps your charity takes to prevent, identify and respond to fraud, as well as who is responsible for them.

6. Be secure when banking online

Ensure your accounts and online banking passwords are secure, and limit who has access to them. Regularly change your passwords.

7. Limit cash handling

The presence of large amounts of cash can encourage theft and fraud. Limit the amount staff and volunteers handle.

8. Monitor bank accounts, your budget and grant funding

Monitor your accounts and budget, and identify variations or things that don't make sense. Ask questions about any variations. Keep track of how grant funds are used.

9. Ask questions

Members of your board should feel comfortable asking questions about a charity's finances, and managers of charities should make sure staff are accountable.

10. Understand the importance of reporting fraud

Ensure your staff and volunteers understand the importance of reporting fraud and that there is a clear process on how to make a report to your charity's senior management, the police and Charities Services.

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