

TOP 10 TIPS TO PROTECT YOUR CHARITY FROM FRAUD



Charities, like any organisation or individual, can be the victims of fraud. Below are the Australian Charities and Not-For-Profits Commission's 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 the ACNC.

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