

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. Have clear, written financial procedures and delegations...

Have clear financial controls for all staff and volunteers to follow. For example, always have two people involved in the handling of money and cheques.

2. Implement robust HR procedures...

Provide ongoing training and communication to staff and volunteers about fraud prevention and conduct appropriate checks when recruiting new staff.

3. Establish a code of conduct...

Demonstrate and encourage ethical behaviour by recording it in a code of conduct. Display your code of conduct prominently and model it.

4. Define financial responsibilities...

Make sure people in your charity understand their roles and responsibilities when it comes to finances and have the right skills and experience to carry out their roles effectively.

5. Develop a fraud prevention policy...

Document a process on how to prevent, identify and respond to incidents of fraud and ensure staff members and volunteers are familiar with it.

6. Be secure when banking online...

Choose secure internet banking passwords, change them regularly and limit who can have access to them.

7. Limit cash handling...

Limit the amount of cash staff and volunteers handle. Large amounts of cash can encourage theft and fraud.

8. Regularly check your accounts and grant funding...

Review and monitor your accounts and budget to identify variations and if you see a significant variation, ask for more information. Always keep records of your grant funding.

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...

Make sure 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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