



INSPIRING
FINANCIAL
LEADERSHIP

THE CHARITIES COUNTER FRAUD CHECKLIST

**COUNTER
FRAUD
CAMPAIGN**

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Charities need to be proactive in their approach to countering fraud. A proactive approach is not simply about knowing how to react once you have been a victim of fraud. Rather it is putting in place the right counter-fraud measures to minimise the risk of fraud occurring in the first place.

There are three key benefits of proactively tackling fraud:

1. Protecting your charity's finances.
2. Maintaining your charity's reputation among beneficiaries, supporters, donors and funders.
3. Detering fraudsters from trying to defraud your charity in the first place.

Charity Finance Group has produced this counter fraud checklist for charities. This checklist is designed to help you to establish (or strengthen) a counter-fraud policy and to cultivate the right culture in your charity to help deter the dishonest minority.



HOW TO USE THE CHECKLIST

FOR EACH QUESTION TICK THE ANSWER THAT APPLIES TO YOUR CHARITY.

USE THE 'COMMENT' SECTION TO EXPLAIN OR EVIDENCE YOUR ANSWER.

AT THE BOTTOM OF EACH QUESTION THERE IS A SPACE TO OUTLINE ANY ACTIONS THAT YOU MIGHT NEED TO TAKE IF YOU HAVE ANSWERED 'NO' OR 'PARTIALLY' TO A QUESTION.

USE ANY ACTIONS THAT YOU HAVE LISTED TO PRODUCE A PLAN TO CREATE A COUNTER-FRAUD POLICY OR IMPROVE AN EXISTING POLICY.

Remember, **it is not possible to fully protect your charity from all fraud**, but charities are legally obliged to ensure that they safeguard their assets and take steps to ensure the charity is protected against financial abuse. This checklist is a launch pad to get you on your way to **actively protecting your charity** from becoming a victim of fraud.

QUESTION #01

Have relevant members of staff and volunteers (including Trustees) met to discuss what types of fraud your charity could be at risk of and what you need to do to prevent such incidents?

- YES
- NO
- PARTIALLY

Comment:

ACTION REQUIRED? YES NO

Follow up action:

QUESTION #02

Have the 'types' of fraud your charity might be impacted by and how these risks will be mitigated been written down as part of a fraud policy?

- YES
- NO
- PARTIALLY

Comment:

ACTION REQUIRED? YES NO

Follow up action:

QUESTION #03

Does your charity’s fraud policy include the list of actions that should be taken if an incident of fraud is suspected or has occurred? Does your policy include who is responsible for those actions?

- YES
- NO
- PARTIALLY

Comment:

ACTION REQUIRED? YES NO

Follow up action:

QUESTION #04

Does your charity’s fraud policy explain what roles senior staff, volunteers, and Trustees play in preventing and detecting fraud?

- YES
- NO
- PARTIALLY

Comment:

ACTION REQUIRED? YES NO

Follow up action:

QUESTION #05

Does your charity’s fraud policy clearly set out how staff, Trustees and other volunteers can report concerns and suspicions of fraud and how this will be communicated to them so that everyone is confident in their responsibilities?

- YES
- NO
- PARTIALLY

Comment:

ACTION REQUIRED? YES NO

Follow up action:

QUESTION #06

Has your charity gone through the Charity Commission’s *Internal financial controls for charities* (CC8) and implemented recommendations outlined in sections 3–5?

- YES
- NO
- PARTIALLY

Comment:

ACTION REQUIRED? YES NO

Follow up action:

QUESTION #07

Is there a commitment in your charity’s fraud policy to annually assess how well the policy is working and take into account any new risks?

- YES
- NO
- PARTIALLY

Comment:

ACTION REQUIRED? YES NO

Follow up action:

QUESTION #08

Has your charity's fraud policy been communicated to all staff, volunteers and Trustees in such a way that they fully understand what they need to do if they suspect the charity is a victim of fraud? This should be done annually and when new staff are employed.

YES

NO

PARTIALLY

Comment:

ACTION REQUIRED? YES NO

Follow up action:

QUESTION #09

Are your Trustees aware and confident of their legal duties to safeguard the charity’s assets, and how a counter-fraud policy is an essential part of this duty?

- YES
- NO
- PARTIALLY

Comment:

ACTION REQUIRED? YES NO

Follow up action:

QUESTION #10

Are the senior people in your charity (including Trustees) aware of your charity's financial controls and are they setting an example by following these financial controls at all times?

- YES
- NO
- PARTIALLY

Comment:

ACTION REQUIRED? YES NO

Follow up action:

