Easy short-term wins and longer term initiatives to implement

Easy checks to action within the next month

- Double-check your bank mandates – make sure that all ex-employees or otherwise inappropriate individuals are removed, and that your signatures are up to date.
- Identify the key risks that your charity faces by leveraging the knowledge and experience of your team – ask members of staff where they see risks in the organisation’s activities.
- Ensure that all members of staff complete an up to date online fraud training.
- Review your charity’s latest bank statement – watch out for anything suspicious.
- Refresh your mindset and approach to charity finances:
  — Be sceptical
  — Do not simply rely on phone calls, emails or word of mouth – for anything to do with finances aim for third party evidence
  — Encourage your teammates to refresh their approach as well
- Update all of your passwords – try to make them memorable so that you do not need to write them down anywhere.

Stopping internal fraud is a continuous process. To safeguard a continued effectiveness in reducing the risk of internal fraud (and earn donors’ trust that funds will be deployed with maximum impact), charities must regularly review and update their policies, processes, and controls.
Further actions to implement within the next year

- Review your charity’s fraud response procedure (or create one*) – ensure that it is up to date and robust
- Review your charity’s whistleblowing policy (or create one*) to ensure that employees and volunteers are empowered to report bad behaviours and do not face obstacles in doing so.
- Put fraud on your charity’s agenda – ensure that, whilst still executing the charity’s mission, necessary scepticism is always applied.
- Promote a durable culture of integrity from the top of the organisation – clearly communicate and encourage transparency and accountability to support people in carrying out their roles.
- Ensure that all policies and procedures are clearly defined, easily available and up to date to reduce the risk of deviations from anti-fraud measures.
- Review your code of ethics and conduct (or create one*) and ensure that:
  - The code is clearly communicated at all levels
  - The consequences of non-compliance are communicated at all levels
  - The trustees and volunteers are not exempt from the code
- Recruit (or empower a current member of staff) as a designated fraud champion. This individual can ensure a steady flow of anti-fraud communications throughout the charity and raise awareness of best practice.
- Review your charity’s approach to conflicts of interest – trustees have a duty to prevent, identify and record conflicts of interest.
- Ensure that all changes to employee or supplier bank details are verified through a known alternative communication channel – for example, a phone call to confirm a request made by email or letter.
- Consider the robustness of your recruitment process, both for staff members and volunteers, and aim to include detailed checks to gain assurance that the people you let inside your organisation do not have a history of fraudulent or other criminal behaviour.
- Perform a review of key finance processes – such as payroll, accounts payable, and treasury – to confirm that sufficient segregation of duties exists and eliminate vulnerabilities arising from single points of reliance.
- Following any instances of fraud or attempted fraud, conduct a lessons-learnt exercise to ensure that any vulnerabilities are mitigated, and recurrence is prevented.

*We recommend engaging a third party, such as Mazars, to give expert advice or to help draft these items for your organisation’s specific risks and requirements.