

### Managing the risk of fraud

The incidence of reported financial crime affecting charities is relatively small. When it does happen the impact can be very significant; not only on the funds but also on the charity's reputation. So what do we do?



### Fraud in charities...

The Charity Commission state that "The voluntary nature of charities ... can make them vulnerable to people who want to misuse charities for their own gains". This is sad but true and unfortunately we had first hand experience of fraud within one of our groups last year, where unauthorised withdrawals were made from the local group bank account. Therefore, it is important that we are vigilant in protecting the charity and volunteers from the risk of fraud...

### How can we prevent this?

Internal financial controls reduce the risk of losses through theft, fraud, human error, breaches of controls etc.

A key control is to ensure that there is segregation of duties amongst committee members, then no individual is overburdened or exercises sole responsibility for any single transaction from authorisation to completion and review.

The Audit Committee have expressed their concerns and the need to ensure that the risk of this type of fraud is reduced. So we ask that branches implement one or both of the following:

- Treasurer's reports and financial information given, to be reviewed regularly (at least quarterly) against bank statements by a second committee member.
- Ask the bank to send copy bank statements to an additional committee member (there may be an additional charge for this)

Because of the different structure of Support Groups, the above may not be practical. However, we ask that all groups review their current procedures taking into account the guidelines for branches above.

As well as the loss of funds, financial crime damages the reputation, public trust and confidence in charities. Let's protect Parkinson's UK together.

### Cheques not to be scrapped after all!

#### Cheques were to be abolished...

As I am sure you know from snippets in the media, the Payments Council, had been planning to replace cheques by 2018. For this to happen they were told that they must find a "paper-based" alternative to cheques.

#### What would the impact be?

The abolition of cheques would not only impact on the charity, but also our donors and members.

There has been uproar especially in the charity sector.

Our charity and our local groups rely heavily on donations via cheque and would surely suffer.

#### We have good news...

After widespread criticism from MPs and charities, it has now been decided cheques will be kept "as long as customers need them".

So the banking industry will not scrap the use of cheques after all. This is good news for Parkinson's UK, our supporters and those we are here to support!

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