

For immediate release on 02 September 2009

Charities and fraud – reducing the risk

Research conducted earlier this year by the Fraud Advisory Panel amongst charities with an income of £10,000 or more revealed that 60% of charities in England and Wales have no significant anti-fraud policies and procedures in place.

Overall, only 7% of charities surveyed had been the victim of fraud within the last two years. However just over half of these charities thought that, in retrospect, they contributed to the fraud taking place by being too trusting or having inadequate internal controls.

Ros Wright, Chairman of the Panel and a former Director of the Serious Fraud Office, said: "Many charities seem to believe that fraud happens only to other organisations. But it doesn't. Fraud can hit any size and type of charity. And its effects can be devastating - leading to cancelled projects and damaged reputations as well as direct financial losses."

"It is important that charities take the risk of fraud seriously – particularly in the current economic climate where many businesses and individuals are being placed under enormous financial pressure."

The Fraud Advisory Panel is running a practical and participative workshop in Leeds on Tuesday 22 September to help charities recognise and resolve fraud issues. It will provide charity professionals and their advisors with an overview of the current risk environment within the charity and voluntary sector and offer an insight into fraud detection and prevention techniques.

Presenters will include Martin Robinson (Fraud Advisory Panel), Dr Stephen Hill (Chantrey Vellacott DFK) and Grahame Barker (Charity Commission).

Charities and Fraud: Protecting assets, beneficiaries and staff

Tuesday 22 September 2009

11.00am to 4.00pm at Deloitte LLP, 1 City Square, Leeds LS1 2AL

(Registration from 10.45am)

Cost: £50 + 15% VAT (includes lunch)

Please contact the Fraud Advisory Panel on 0207 920 8637 for bookings or visit www.fraudadvisorypanel.org

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Media enquiries

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Notes to editors

1. The **Fraud Advisory Panel** (www.fraudadvisorypanel.org) is a registered charity which works to raise awareness of the immense human, social and economic damage caused by fraud and to help individuals and organisations develop effective strategies to prevent it. It was established in 1998 by the Institute of Chartered Accountants in England and Wales (ICAEW) which continues to provide valuable support.

The Panel works to:

- Advise government, business and the general public on fraud prevention, detection and reporting;
- Assist in improving education and training in business, the professions, and general public; and
- Establish a more accurate picture of the extent, causes and nature of fraud.

The Panel has a truly multi-disciplinary perspective on fraud. Members include representatives from the law and accountancy professions, industry associations, financial institutions, government agencies, law enforcement, regulatory authorities and academia.

2. Research was conducted in two phases during the fourth quarter of 2008. A self-completion postal survey was sent to a sample of 5000 registered charities in England and Wales drawn randomly from the Charity Commission's register. A total of 1123 responses gave a 22% response rate. The second phase was a series of in-depth interviews with six charities that had reported a fraud in the first phase.
3. The research report, *Breach of Trust*, can be downloaded from www.fraudadvisorypanel.org.