



FRAUD
ADVISORY
PANEL

Shaping the response to fraud

Annual report and financial
statements for the year ended
31 December 2017

Company registration no. 04327390

Charity registration no. 1108863

The Fraud Advisory Panel is the voice of the counter- fraud community

Our vision is for a society free from fraud and financial crime.

Our mission is to bring together professionals of all kinds to improve fraud resilience across society and around the world.

Our values are integrity, independence and inclusivity.

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A welcome from our chair



We had another busy and productive year in 2017, the first under our new five-year strategic plan.

Among the highlights was a significant increase in our public policy and engagement work. New offerings for members included a Cyber Fraud Research Unit and our new Future Fraud Professionals Network. We are immensely proud of both initiatives and we expect them to generate fresh perspectives and to help shape and support the profession.

We built on the success of last year's first charity fraud awareness week by running a second, again working alongside the three national regulators and a number of other important sector stakeholders. These initiatives are predominantly social media-based and this year we saw estimated Twitter impressions grow to almost 10m (up from 1.3m for the 2016 event). The resources pack we created for supporters was singled out by the multi-agency campaigns group of the City of London Police as an example for others to follow.

In the international sphere we began a conversation with the accountancy professions in the UK and Cyprus to explore how we might support accountants working with and within that country.

Next year will be a big one for us - the Panel's 20th anniversary. Our beginnings were quite modest. At times, over the years, progress has been hard won. But we have remained an irrepressible force nonetheless, always playing a central and uniquely practical role

CORPORATE MEMBERS

Access Bank Plc

Association of Certified Fraud Examiners

Association of Chartered Certified Accountants

BAE Systems

BDO LLP

CCAB

CIFAS - Leaders in Fraud Prevention

Corporate Research and Investigations

Crown Agents Bank

Deloitte LLP

Edmonds Marshall McMahon

EY

Financial Conduct Authority

Grant Thornton UK LLP

ICAEW

Institute of Chartered Accountants of Scotland

International Compliance Training

Kennedys Law LLP

in changing the way politicians, professionals, business people, law enforcers and wider society understand and respond to fraud and its victims.

Of course, none of what we do would be possible without the continuing commitment and participation of our members, so my thanks go out to all of them. It is by working together closely that we make sure that the Panel's impact is so much greater than the sum of its already-excellent parts.

By raising fraud-fighting capabilities everywhere and keeping fraud front-of-mind for everyone, from lawmakers to shoppers, the Panel is as necessary today as it was in 1998. But, in addition to our packed calendar of events and campaigns, much important work now needs to be done to secure the Panel's future. Maintaining our exertions at their usual high level also means keeping the organisation on a sound financial footing. So, even as we celebrate our first 20 years, we will be focused on the next 20. Through 2018 and beyond,

considerable board-level time, energy and expertise will be devoted to creating the kind of sustainable short- and long-term funding arrangements that can secure the Panel's valuable work far into the future.

I am proud to contribute to the Panel's activities and to have become part of its remarkable history. If you are thinking of getting more involved, I cannot recommend the experience highly enough.

David Kirk
Chair

KPMG LLP

Kroll

Law Society of Scotland

Maclay Murray & Spens LLP

Moon Beever Solicitors

Moore Stephens

National Audit Office

Northern Ireland Audit Office

Pinsent Masons LLP

PwC

Prudential plc

Royal Bank of Scotland

RSA Insurance Group

RSM

Smith & Williamson

Tenet Compliance & Litigation

Transport for London

Winston & Strawn LLP

2017 at a glance

Members

276 members ▲ 6%
240 individuals
36 corporates with
509 registered representatives
12 members' meetings ▼ 29%
125 members and guests attended

Public policy

5 responses to consultations ▼ 17%
9 external groups supported ▲ 28%
7 briefings and reports ▲ 75%

Engagement

1 national charity fraud awareness week
51 media enquiries ▲ 89%
222 public enquiries* ▲ 204%
9 speaking engagements ▼ 10%

Social media

1,514 Twitter followers ▲ 280%
211 LinkedIn members ▲ 1%
88,135 unique website visits ▲ 216%

Events

26 events and training courses ▲ 30%
993 attendees
1 webinar
12 sponsors/exhibitors

* 2016: 73 for 5 months

Report of the board of trustees

Achievements and performance

Helping communities, sectors and nations strengthen their anti-fraud defences

New channels to broaden engagement with SMEs

At the beginning of the year we became an affiliate member of the Council of British Chambers of Commerce in Europe (COBCOE). Our aim is to widen the readership of our free fraud guides and to facilitate COBCOE/FAP collaboration on matters of mutual concern. As part of our continuing work to strengthen fraud awareness and education within the charitable sector we also forged stronger links with two organisations that provide practical support to small charities, the Small Charities Coalition and the Foundation for Social Investment.

Increased cooperation with UK and EU accountancy bodies

Most of our efforts in this area were concentrated on Cyprus. In recognition that many of that country's counter-fraud professionals have close economic, social and professional associations with the UK, we began a three-way conversation with ICAEW and the Institute of Certified Public Accountants of Cyprus (ICPAC) to explore how we might support local professionals in their counter-fraud work. We also spoke at the second Cyprus police international conference in June and continued to build relationships with other local bodies during the year.

Closer to home we spoke or exhibited at a wide range of accountancy-related conferences convened by various professional bodies and firms. This work included delivering the first in a series of five short, lunchtime webinars in collaboration with ICAEW's Business and Management Faculty.

Sharing insights and best practice in key sectors

We continued our awareness-raising activities within the charitable and not-for-profit sector by leading the second **national charity fraud awareness week** (23–27 October). Various activities brought together a charity fraud-fighting 'super-coalition' – the three UK regulators, various sector bodies, law enforcement, professional advisers and individual charities – to encourage everyone to 'look out, listen out and speak out' to 'keep charity fraud out'.

Each day had its own theme – bribery and corruption, cyber fraud, identity fraud, fundraising fraud, insider fraud, creating a counter-fraud culture, and reporting fraud – and participants were supported with tailored resources, from tweet suggestions to e-learning tools. We also released our updated guidance on donating safely. The very first *Charities Against Fraud awards* for excellence in tackling fraud recognised Saga Charitable Trust (in the small charity category) and Macmillan Cancer Support (large charity).

Charity fraud awareness week generates real practical benefits for participants, as one charity confirms; an intensive week of events, combined with winning an award for their existing efforts, heightened staff awareness and gave a boost to senior management interest in better anti-fraud funding and regular fraud alerts. See page 8 for more details of the week's events and achievements.

Towards the end of the year we began to direct more of our attention towards fraud in the education sector. In 2017 we spoke at several events organised for professionals working in universities and academy schools. We plan to do much more on this during 2018.

Supporting the fraud professionals of the future

Dedicated schemes for students and new professionals

Our new community, the **Future Fraud Professionals Network**, will help new professionals and students begin a career in fighting fraud and subsequently develop their skills. Membership offers practical support through networking events, career clinics, mentoring and other initiatives. Associate membership is now available for anyone studying full time.

Opportunities for young professionals to build networks and contribute ideas

The network's activities are being taken forward by a small, newly-formed steering committee. A LinkedIn group has been set up (to widen our reach) and a pair of educational events organised, one exploring the challenges and opportunities associated with *working in a changing business world*, the other considering the consequences of the *move towards a cashless society*. Both events were delivered in partnership with COBCOE's Young Professionals Network and supported by the Next Generation Insurance Network and the Young Fraud Lawyers Association.

Working with leading universities to promote careers in fighting fraud

Starting with Coventry University and the University of the West of England (where we have existing links) we have begun to expand our relationships with universities by delivering presentations to the students enrolled on MSc and law courses. The scope of this work was hindered by a shortage of resources in 2017, but it will continue in 2018, hopefully in expanded form.

Shaping public policy on fraud

New research into the way fraud is dealt with

In the middle of the year we published our well-received special report on **Businesses behaving badly: fraud, corporate culture and ethics**. In it we argued that, in the current climate, businesses must do more to set a good ethical example and create workplace cultures that promote and reward ethical behaviour. Noting the many serious ethical breaches committed each year by people who think they are 'just doing their job', we called on business leaders to do more to understand why 'good' people do bad things and to consider how an organisation's culture can be partly to blame.

We also started planning two new pieces of original research, one revisiting our pioneering investigation of charity fraud from a decade ago and the other considering the role language plays in shaping perceptions and understanding of fraud. We hope to commission both projects in 2018.

Respected and influential commentator

We continued to strengthen our reputation as a leading, independent and authoritative voice in the media's coverage of fraud. We responded to over 50 media enquiries (89% more than last year), including television appearances on BBC 1's *Breakfast* and *Rip-off Britain*, as well as BBC Radio 4's flagship consumer programme *You and Yours*. In recognition of the growing importance of social media we have also enlisted the services of a specialist to manage our Twitter and LinkedIn accounts and to improve the frequency and quality of our engagements. The new arrangement quickly resulted in a significant surge of interest in our Twitter output (number of followers almost trebled last year) and our website (number of unique visits more than doubled). See page 4 for more details.

Engaging with government on key policy matters

We responded formally to three public consultations: **the police and crime plan for London; corporate liability for economic crime**; and the future of the Financial Conduct Authority. More informally we also provided feedback to the Home Office (on the feasibility of regular fraud loss measurements), the Cabinet Office (the UK's response to economic crime) and the City of London Police (**policing priorities**).

Senior representatives of the Panel continued to sit on various stakeholder groups, including those considering: the economic crime victim care unit pilot (Action Fraud); the creation of an international whistleblowing standard (British Standards Institute); improvements to the fraud resilience of charities (Charity Commission); implementation of the new Action Fraud/NFIB fraud reporting system (City of London Police); the launch of an institute for policing fraud and cybercrime (City of London Police); and the creation of a counter-fraud framework for the public sector (Cabinet Office).

Redefining our future role and direction

Higher quality member services and support

We enhanced our online offerings by using webinars, LinkedIn and Twitter to improve the accessibility and visibility of our content. At the same time we began a comprehensive review of our existing countrywide structure of special interest groups and regional forums, looking at how we might improve member engagement and support. In response to feedback from members, we have begun to consider the introduction of online card payments and tested the security of our website in preparation for this.

Differentiating ourselves from other anti-fraud organisations

It is fair to say that the fraud landscape has changed considerably since the Fraud Advisory Panel was first established 20 years ago. We are set apart from many other bodies operating

in this space by the breadth of our members' expertise and experience, our ability to act as a trusted voice of the counter-fraud community, and our independence. Nonetheless we need to maximise those strengths and make best use of our small, dedicated staff, so we began a review process towards the end of 2017 to help define, refine and prioritise our activities more effectively.

New funding models

Considerable board time is devoted to evaluating the Panel's current funding arrangements and investigating ways to create a more secure and stable financial future. Discussions focus on the short- and long-term viability of existing income streams, opportunities for income diversification, and the potential for project-specific grants to create new funding streams. Given its central importance, this is work that will continue for the foreseeable future.

Other notable activities

In September we launched our new Cyber Fraud Research Unit at a special event on *crypto-currencies and fraud*. (Three similar events are planned for 2018.) The unit is led by former director Monty Raphael QC and will concentrate on advancing our understanding of the legal response to cyber fraud and related matters.

Demand for our in-house fraud awareness training courses remained firm in 2017. We delivered four sessions on *Auditing fraud*, all of them as part of our long-term relationship with the Chartered Institute of Internal Auditors (CIIA). Seven other sessions – on *Fraud: is this a risk you manage?* – were delivered for two more organisations. We also published four self-help guides on key aspects of UK legislation, including new ones on the Investigatory Powers Act 2016 and the Criminal Finances Act 2017.

CHARITY FRAUD AWARENESS WEEK

23–27 October

For one week everyone involved in the UK charity and voluntary sectors came together to ‘LOOK OUT, LISTEN OUT, and SPEAK OUT, to keep charity fraud out’. #CharityFraudOut

Key facts

9.8m Twitter impressions

3 physical events with

140 attendees

40+ media items

2 publications

7 e-learning resources

“ great awareness session ”

“ a great initiative ”

City of London launch

“ This was very helpful and thought-provoking training ... I’ll be reviewing our practices as a result ... and making changes to our governance processes. ”

Workshop for small charities

“ It really was a wonderful night and the pinnacle of my career, having specialised in fighting fraud for over 35 years. ”

Charities against fraud awards

“ We are planning to hold a ‘meet the Counter Fraud Team tea’ at the British Council and share the (lovely!) contents of the hamper with some of our colleagues. ”

Photo competition

Future plans

Our aims for 2018

Over the next 12 months we will continue to advance our five-year strategic plan by progressively embedding the initiatives and engagements we began in 2017. Because next year is the 20th anniversary of the Panel's formation we will be focusing much of our work and resources on generating new thinking to help inform and shape the collective approach to tackling fraud over the next 20 years. To this end we will:

1. Cultivate fraud resilience across society and around the world by:

- ◆ anticipating what fraud might look like in the future;
- ◆ enhancing our awareness-raising offerings for charities and SMEs; and
- ◆ collaborating with accountancy bodies in the UK and Cyprus.

2. Generate new thinking on fraud by:

- ◆ commissioning new research into how we talk about fraud;
- ◆ assessing how charity fraud has changed in the last 10 years; and
- ◆ examining the adequacy and effectiveness of our response to cyber fraud.

3. Create a more diverse, vibrant and inclusive counter-fraud profession by:

- ◆ creating new online communities to help members get involved;
- ◆ appraising the composition of our board and creating opportunities to attract new talent; and
- ◆ continuing to build an active, supportive and engaged network of future fraud professionals.

Our five-year plan 2017–2021

- Act as a voice for victims
- Generate new thinking
- Build financial security
- Promote anti-fraud best practice
- Develop and support the professions

Financial review

Income

Annual income decreased to £162,205 (2016: £172,719). Key sources of income included:

- ◆ **Membership subscriptions** of £59,280 (2016: £61,422). On 1 January each year membership subscriptions increase by no more than the annual rate of inflation calculated using the retail price index (RPI) on 30 September. For 2018, subscriptions were increased to £68 for individuals and £1,373 for corporates.
- ◆ **Grant funding** from ICAEW of £64,948 (2016: £64,948). For 2017 ICAEW committed to continued funding as well as providing accommodation (and meeting the associated overheads), at no cost to the Fraud Advisory Panel. Funding for 2018 and 2019 is set to remain at the same level.
- ◆ **Donations** none (2016: £450).
- ◆ **Event income** of £34,803 (2016: £31,989), including £15,773 from our annual conference run in partnership with the CIIA.
- ◆ **Other trading activities** of £3,150 (2016: £13,850), including £1,000 from the second national charity fraud awareness week and £2,150 from the Great Fraud Debate.

No amounts are paid or transferred to members, directly or indirectly, except for payments in good faith made in certain prescribed circumstances. Any surplus or deficit is carried forward. All income is applied solely for the promotion of our charitable objectives.

None of our trustees had any financial interest in the Fraud Advisory Panel during the year.

Expenditure

Expenditure decreased slightly in 2017 to £148,209 (2016: £154,370).

Reserves

Our reserves policy is to maintain sufficient free revenue reserves to meet the equivalent of at least three months' operating costs (which averages £37,052). This policy is reviewed annually.

At the end of the year the Fraud Advisory Panel held unrestricted funds of £148,885, which equates to 12 months of free reserves (2016: £134,889). This was considered an appropriate amount based on anticipated operating expenditure for the coming year.

Structure, governance and management

Legal status and structure

The Fraud Advisory Panel is a company limited by guarantee and a registered charity in England and Wales. It was established in 1998, incorporated on 22 November 2001, and became a charity on 5 April 2005.

Objectives and activities

The charity is governed by its articles of association which were last updated and adopted on 30 June 2011. These articles set out our principal objective as being:

‘the protection of life and property by the prevention, detection, investigation, prosecution and deterrence of fraud, particularly through the promotion of:

- ◆ **research** into the nature, extent and causes of fraud and into the means, systems and techniques of preventing, detecting, investigating, prosecuting and deterring it, making the useful results of such research available to the public;
- ◆ **education** of those actually or potentially affected by fraud and in relation to regulatory and legal aspects of it; and
- ◆ **collaboration** with and advice to governments, public authorities, professional and other bodies, companies, firms and individuals concerning the development of general systems, standards, policies, regulations and laws with a view to the prevention, detection, investigation, prosecution and deterrence of fraud.’

Public benefit

Our trustees have a duty to report on the charity’s public benefit and to follow the Charity Commission guidance on provision of the public benefit requirement under the Charities Act 2011. The manner in which we have paid due regard to that guidance and met our principal objective is demonstrated by the section on achievements and performance, starting on page 5.

Board of trustees

The board of trustees has overall responsibility for the governance and strategic direction of the Fraud Advisory Panel, as well as for ensuring that the charity upholds its ethos and values, and delivers its key objectives.

A maximum of 15 trustees are appointed for fixed terms of three years. Further terms are possible but it is board policy that trustees should not serve for longer than 12 consecutive years. Three trustees can be co-opted to the board at any one time. ICAEW is entitled to appoint up to one-third of board members.

The board meets six times a year. A list of trustees appears on page 14.

Board committees

Committees are convened periodically to perform specific duties delegated to them by the board. Each is governed by its own terms of reference. During the year two such committees met.

The nominations committee manages the trustee recruitment and appointment process to ensure that the board contains a broad mix of skills, experience and knowledge. It also oversees the trustees' annual self-evaluation process. It met once.

Bill Cleghorn (chair)
Arun Chauhan
David Clarke
Jonathan Holmes
Sharon Lemon*
Hitesh Patel
David Stevens

The funding committee reviews existing income streams and identifies new ones. It met only once in 2017 because these matters are of such importance that they are now being considered by the main board.

Bill Cleghorn (chair)
David Clarke
Oliver Shaw

Qualifying indemnity insurance

The Fraud Advisory Panel holds indemnity insurance covering its trustees and volunteers.

Trustee recruitment and appointment

Trustees are identified through a transparent recruitment and selection process and are then elected at the AGM. New appointees receive a trustee handbook and are given the continuing support of the chair, deputy chair and salaried staff. Trustee training needs are assessed annually.

No new trustees were appointed during the year. A number of vacancies are anticipated in 2018, among them the deputy chairmanship.

Staff and management

The Fraud Advisory Panel has no direct employees. Its two full-time staff are seconded from ICAEW. Day-to-day operational management is delegated to the manager (also the company secretary), who is accountable to the board and attends its meetings.

Volunteers

Volunteers donate an enormous amount of time, knowledge and expertise to help us deliver our charitable activities. More than 80 members and counter-fraud professionals supported us during the year, speaking at our events, writing our guidance and contributing to our official statements on public policy. A list of those individuals and organisations can be found on page 25.

* Until 12 October 2017

Managing risk and uncertainty

We are a risk-conscious organisation committed to ensuring that our risks are properly identified, assessed and managed. The board regularly reviews risks and is satisfied that reasonable steps are being taken to manage them. The full risk register is reviewed annually.

An established system of internal controls governs all our operations so as to provide reasonable assurance against the risk of fraud, error and the inappropriate use of our resources. During the year ICAEW's internal audit function reviewed our financial controls and concluded that our processes remain effective. A penetration test was performed on our website.

Our most significant risks are outlined in the table along with what is currently being done to mitigate them. These remain unchanged from last year.

Risk	Action
Inability to deliver activities or respond to emerging issues quickly enough to meet our key objectives.	Pre-planned activities limited to a manageable level so that we remain agile and responsive to new issues as they arise.
Website or email system is compromised, resulting in reputational damage and/or regulatory action.	Regular reviews and tests performed on our online security arrangements to ensure they remain fit for purpose.
Loss of ICAEW financial support leading to the downscaling of activities and an inability to meet our objectives in full.	The board continues to consider our short- and long-term funding arrangements.

Trustees and staff

Trustees

Biographies are available [online](#).



David Kirk (chair)



William (Bill)
Cleghorn MBE
(deputy chair)



Arun Chauhan



David Clarke



Frances Coulson



Phillip Hagon QPM



Dr Stephen Hill



Jonathan Holmes



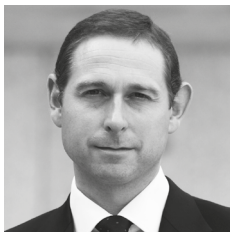
Sharon Lemon OBE
(Until 12 October 2017)



Hitesh Patel



Patrick Rappo



Oliver Shaw



David Stevens
(ICAEW appointed)



Mia Campbell
(manager and
company secretary)



Zara Fisher
(executive)

Staff

Statement of trustees' responsibilities

The trustees (who are also directors of the Fraud Advisory Panel for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. This has been done in accordance with UK generally accepted accounting principles (accounting standards and applicable law) including FRS 102, which is the financial reporting standard for the UK and Republic of Ireland. Under company law the trustees must not approve these financial statements unless satisfied that, for the period in question, they provide a true and fair view of the charitable company's state of affairs, incoming resources and application of resources (including income and expenditure). In preparing these financial statements the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the charities SORP (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records sufficient to: show and explain the charitable company's transactions; disclose with reasonable accuracy at any time the financial position of the company; and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The trustees confirm that:

- ◆ so far as each trustee is aware, there is no relevant audit information of which the company's auditor is unaware; and
- ◆ they have taken all the steps required to make themselves aware of any relevant audit information and to establish whether or not the auditor is similarly aware.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

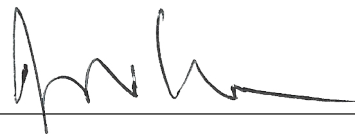
This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Appointment of auditor

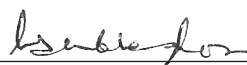
haysmacintyre will be proposed for reappointment at the AGM.

Approval of the annual report and financial statements

The annual report and financial statements were approved by trustees on 4 April 2018 and are signed on their behalf by:



David Kirk
Chair



William Cleghorn
Trustee

Independent auditor's report

To the members of the Fraud Advisory Panel

Opinion

We have audited the financial statements of the Fraud Advisory Panel for the year ended 31 December 2017 which comprise the Statement of Financial Activities, Balance Sheet and Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's

Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Board of Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the Report of the Board of Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Report of the Board of Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the charitable company financial statements are not in agreement with the accounting records and returns; or

- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.



Richard Weaver

Senior Statutory Auditor
for and on behalf of haysmacintyre
Statutory Auditor
10 Queen Street Place
London EC4R 1AG
4 April 2018

Financial statements

Statement of financial activities

(incorporating an income and expenditure account) for the year ended 31 December 2017

	Note	Unrestricted funds 2017 £	Unrestricted funds 2016 £
Income and endowments from:			
Donations and legacies			
Membership subscriptions		59,280	61,422
Grant funding		64,948	64,948
Donations		-	450
Investment income – bank interest		24	60
Charitable activities			
Event income		34,803	31,989
Other trading activities		3,150	13,850
Total income and endowments		<u>162,205</u>	<u>172,719</u>
Expenditure on charitable activities	2	(148,209)	(154,370)
Total expenditure		<u>(148,209)</u>	<u>(154,370)</u>
Net income and movement in funds		<u>13,996</u>	<u>18,349</u>
Funds brought forward	3	<u>134,889</u>	<u>116,540</u>
Funds carried forward	3	<u>148,885</u>	<u>134,889</u>

All activities are continuing. The charitable company has no recognised gains and losses other than those reported above for the year.

The notes on pages 22 to 23 form part of these financial statements.

Balance sheet

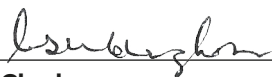
as at 31 December 2017
Company no. 04327390

	Note	2017 £	2016 £
Current assets			
Trade and other debtors		36,890	8,558
Prepayments and accrued income		1,119	12,988
Cash at bank and in hand		151,295	161,849
		<u>189,304</u>	<u>183,395</u>
Current liabilities			
Creditors: amounts falling due within one year		-	-
Accruals and deferred income		(38,706)	(46,476)
Amounts due to related undertakings		(1,713)	(2,030)
		<u>(40,419)</u>	<u>(48,506)</u>
Net assets		<u>148,885</u>	<u>134,889</u>
Funds of the charity			
Unrestricted funds	4	<u>148,885</u>	<u>134,889</u>

The financial statements were approved and authorised for issue by the board on 4 April 2018 and signed on its behalf by:



David Kirk
Chair



William Cleghorn
Trustee

The notes on pages 22 to 23 form part of these financial statements.

Statement of cash flows

for the year ended 31 December 2017

	2017	2016
	£	£
Cash flows from operating activities		
Net movement in funds	13,996	18,349
Adjustments for:		
(Increase)/decrease in trade and other debtors	(16,463)	2,352
(Decrease)/increase in creditors	(8,087)	2,929
Net cash movement from operating activities	<u>(10,554)</u>	<u>23,630</u>
Net (decrease)/increase in cash and cash equivalents	(10,554)	23,630
Cash and cash equivalents at the beginning of year	161,849	138,219
Cash and cash equivalents at end of year	<u>151,295</u>	<u>161,849</u>

Notes to the financial statements

for the year ended 31 December 2017

1. Accounting policies

Accounting convention and basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards (the Charities (Accounts and Reports) Regulations 2008 and the SORP (FRS 102) *Accounting and Reporting by Charities* (revised in 2015) and the Companies Act 2006.

The charitable company constitutes a public benefit entity as defined by FRS 102.

Going concern

After reviewing the forecasts and projections the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

Income

Income is recognised when: the charitable company has entitlement to the funds; any performance conditions attached to the funds have been met; it is probable that the income will be received; and the amount can be measured accurately.

- ◆ Membership subscriptions are recognised in the accounting period to which the services covered by those subscriptions relate. Membership income deferred at the year-end in relation to 2018 was £30,858 (2017: £31,782).
- ◆ Grant funding received from ICAEW is recognised quarterly. For 2017 this amounted to £64,948 (2016: £64,948).
- ◆ Other income is recognised when it is receivable.

Expenditure

Expenditure is recognised on an accruals basis.

- ◆ Direct charitable expenditure relates to costs associated with the delivery of events, publications and the website.
- ◆ Support costs consist of central management, governance and administration costs, including those associated with constitutional and statutory requirements, including external audit and trustees' expenses. Governance costs include an indemnity insurance policy for trustees and volunteers. All support costs are allocated to charitable activities.
- ◆ Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Financial instruments

The charitable company only has basic financial instruments which include trade and other receivables and payables. These are initially recognised at transaction value and subsequently measured at their settlement value.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the trustees in furtherance of the Panel's charitable objectives.

2. Charitable activities

	2017	2016
	£	£
Direct costs		
Events	18,521	31,099
Publications	14,880	13,122
Website	7,895	7,101
	41,296	51,322
Support costs		
Employment	95,873	89,594
Governance	5,374	9,439
Other expenses	5,666	4,015
	106,913	103,048
	148,209	154,370

The Fraud Advisory Panel has no employees. Two ICAEW employees were seconded to the Fraud Advisory Panel for the year. On this basis the charitable company is considered to have no higher paid staff nor key management personnel compensation.

Trustees receive no remuneration for their services, which are given voluntarily, and they receive no benefits in kind. Expenses of £762 (2016: £1,784) were paid to five trustees (2016: four) to cover travel costs associated with meetings with members, consultants, stakeholders and prospective trustees, as well as speaking engagements on behalf of the Fraud Advisory Panel. Expenses of £499 (2016: £2,841) were paid for services provided to trustees, including meeting room hire, training and refreshments.

There are no contracts of service between the charitable company and the trustees.

The auditor's remuneration amounted to £2,000 (2016: £1,850) inclusive of irrecoverable VAT.

As a registered charity the Fraud Advisory Panel is not liable for corporation tax on income and gains applied for charitable purposes.

3. Reconciliation of movements in funds

	2017
	£
Members' funds at 1 January	134,889
Surplus for the year	13,996
Members' funds at 31 December	148,885

Unrestricted reserves are the 'free' reserves of the charitable company.

4. Members' liability

The charitable company is limited by guarantee. Each member (those individuals and organisations who have subscribed to membership) undertakes to contribute such an amount as may be required – but not exceeding £1 – on winding up.

5. Related party transactions

The Fraud Advisory Panel was established in 1998 through a public-spirited initiative by ICAEW. ICAEW has the right to appoint up to one-third of the charitable company's trustee directors. During the year ICAEW provided grant funding of £64,948 (2016: £64,948) and recharged costs of £107,250 (2016: £101,033) which includes the costs associated with the two seconded employees. At the end of the year £1,713 (2016: £2,030) was owed to ICAEW in relation to general running costs.

Reference and administrative details

Fraud Advisory Panel

A company limited by guarantee

Registered (principal) office

Chartered Accountants' Hall
Moorgate Place
London EC2R 6EA

T: +44 (0)20 7920 8721

W: www.fraudadvisorypanel.org

Company registration no. 04327390

Charity registration no. 1108863

Independent auditor

haysmacintyre
10 Queen Street Place
London EC4R 1AG

Bankers

National Westminster Bank Plc
501 Silbury Boulevard
Saxon Gate East
Milton Keynes MK9 3ER

Solicitors

Bates Wells Braithwaite LLP
10 Queen Street Place
London EC4R 1BE

Thank you

We gratefully acknowledge and thank everyone who has supported us during the year, whether through sponsorship or in-kind donations of time, expertise, venues and refreshments.

Gary Adams

Wendy Addison

Kweku Adoboli

Phillip Ariss

David Bacon

Victoria Bak

John Baker

Sabina Barleaza

Clare Barret

Paul Birch

Richard Bistrong

Gary Broadfield

Alan Bryce

John Burbidge-King

Martin Callaghan

Dave Carter

Rosemary Carter

Hannah Catchpool

Andrew Clarke

Jacqueline Conway

John Coventry

Lee D'arcy

Divya Devadoss

James Egert

Jonathan Fisher QC

Ian Foxley

Pesh Framjee

Alistair Franke

Andrew Fyfe

Rt Hon Sir Edward Garnier QC MP

Phil Goodwin

Alderman Alison Gowman

Jonathan Grimes

Audrey Haaxman

Peter Hills-Jones

Rt Hon Sir Anthony Hooper

Diana Isiyé

Kristin Jones

Tom Keatinge

Karen Kerrigan

Andrew Lean

David Lee

Jessica Lightowler

Hannah MacDonald

Glenn Maleary

Sean McGuinness

Heather McLoughlin

Ciaran McQuillan

Gregoire Michel

Linda Mills

Tim Mitchell

John Mongelard

Robb Montgomery

Rick Muir

Kristen Mulder

Ken Munro

Ciaran Murray

Edward Nkune

Dr Micheál Ó Floinn

Professor David Ormerod QC

Claire Parris

Sandip Patel QC

Robert Patterson

Sandra Peaston

Ioan Peters

Monty Raphael QC

Sophie Reece

Martin Robinson

Rachel Sexton

Dr Russell Smith

George Staple CB QC

Helen Stephenson CBE

Gary Sullivan OBE

Kristina Teilans

His Honour Judge Peter Testar

Pilar Otero Tourino

Natasha Vernier

Ben Wallace MP

Carl Watson

Brendan Weekes

Francesca West

Kate Wheeley

Gavin Williamson

Ros Wright CB QC

BDO LLP

Crowe Clarke Whitehill

EY

Kroll

Moore Stephens

RSM

Pinsent Masons

Special thanks to ICAEW for its continuing support

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