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Fraud Advisory Panel warns charities of increasing fraud risks

Charities are currently at a high risk of fraud and should take steps during International Charity Fraud Awareness Week to protect themselves, the Fraud Advisory Panel has said today (19 October).

The Panel, an independent anti-fraud body, has warned charities to be vigilant over the coming months. With the economy under strain, the opportunities and motives for fraud are likely to rise.

Charities may be vulnerable to fraudsters attempting to exploit the COVID-19 pandemic because staff and volunteers are less likely to have had fraud training. A study carried out by the Charity Commission in partnership with the Fraud Advisory Panel last year found that less than a tenth (9%) of charities had a fraud awareness training programme.¹

International Charity Fraud Awareness Week, which starts today, brings together charities and not-for-profit organisations to share good practice in tackling fraud and cybercrime. The week is led by an international coalition of charities, regulators, and representative bodies including the Fraud Advisory Panel, the Charity Commission for England and Wales, and ICAEW.

Free resources and guidance to help charities protect themselves from fraud are available on the charity fraud awareness hub and Fraud Advisory Panel website.²

David Clarke, Chairman of the Fraud Advisory Panel, said:

“It’s never been more important that voluntary organisations are fraud aware, and Charity Fraud Awareness Week is a timely opportunity for organisations to take stock and ensure they’re protecting themselves.

“Fraudsters want to exploit weaknesses exposed by the pandemic, so we recommend all charities are aware of common fraud risks, take time to check what they are being asked to do, and keep their organisations safe.

“Now is a good time for charities to revisit and review controls that may have been introduced as part of their crisis management response at the start of the pandemic to see if they need strengthening.

“Everyone involved in a charity, from the most senior to the most junior employees, should be given the skills to recognise the tell-tale signs of fraud, and know what to do if they have concerns.”

ENDS

Notes to editors

1. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/841403/Web_CC_Fraud.pdf
2. www.fraudadvisorypanel.org/charity-fraud and <http://bit.ly/Charityfraudhub>
3. A supporters' pack can be downloaded from www.fraudadvisorypanel.org/charity-fraud/get-involved
4. Charities can get involved in the week by:
 - Taking part in the social media campaign using [#CharityFraudOut](https://twitter.com/CharityFraudOut).
 - Watching the free on-demand webinar 'Beyond COVID-19: Keeping your charity safe from fraud' available from 10:00 BST Tuesday 20 October.
 - Participating in the free 90-minute training session on 'Managing fraud in small charities' at 09:30 BST Friday 23 October.
 - Using the free tutorials, on-demand webinars, videos, case studies and helpsheets, available on the charity fraud awareness hub.
 - Organising some activities for staff and volunteers, members and beneficiaries, donors and supporters, customers and clients.

About Fraud Advisory Panel

Fraud Advisory Panel is the voice of the counter-fraud profession, committed to tackling fraud and financial crime. We aim to strengthen fraud resilience by championing best practice in fraud prevention, detection, reporting investigation, and prosecution. We do this through education, advice and research.

Our members come from a wide range of professions and sectors but are united by their determination to counter fraud. This diversity gives us knowledge, experience and authority.

Founded in 1998 by ICAEW, the Fraud Advisory Panel is a charitable company limited by guarantee registered in England and Wales (charity number 1108863; company number 04327390). fraudadvisorypanel.org