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Suspected or actual charity fraud

The risk of fraud is not unique to charities, but the nature of the relationship which charities have with the public makes the prevention and detection of fraud particularly important.

Charity trustees are responsible for the prevention and detection of fraud within their charity. Understanding where a charity may be vulnerable to fraud must be an integral part of any charity's risk management approach and trustees must be satisfied that they have controls in place to manage these risks.

The Developing Governance Group has developed a useful [Code of Good Governance](#) (external link) which includes information on trustees' duties, responsibilities and obligations. The guide includes information for charity trustees on important areas such as internal controls and prudence.

☆ Reporting suspected or actual fraud and other matters of material significance

The Commission has a critical role to play in the prevention and targeting of action in relation to fraud. Actual or suspected charity fraud should be reported to us. Fraud is a criminal matter.

If you are a member of the public, charity staff or a charity trustee you can report suspected fraud to us by using our confidential [Concern about a charity form](#). However, please note that fraud is ultimately a matter for the police to investigate and should be reported to the [Police Service of Northern Ireland \(PSNI\)](#) (external link) in the first instance.

If you are an auditor, reporting accountant or independent examiner you have a statutory duty to report matters of material significance to us.

☆ The Commission's powers in relation to fraud

The Charity Commission for Northern Ireland has the power to identify and investigate apparent misconduct and mismanagement in the administration of Northern Ireland charities, including suspected fraud.

We need to know where there is a serious risk of significant harm to, or abuse of, a charity, its assets, beneficiaries or reputation. While suspected charity fraud should be reported to the [Police Service of Northern Ireland \(PSNI\)](#) (external link) in the first instance, we would still expect to be informed of such allegations.

The Commission would expect to be notified if a charity is subject to investigation by another regulator or a criminal investigation as a matter of course.

Information on reporting serious incidents to the Commission will be available on our website in the future.