



Protecting your group's finance

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Did you know there are more incidences of fraud in the community sector than the corporate sector? I'm not talking about the dollar value, but the 'incidences-per-capita', if you like. I don't know about you but I was stunned when I heard this! I tend to think people get involved in community groups for the betterment of their local communities, but it seems that a number is not necessarily being quite so altruistic. And more recently I've heard first-hand some of the horror stories of groups that have been ripped off by people in positions of trust within their organisations.

I think a significant factor which probably contributes to this sorry state of affairs is the lack of financial checks and balances we have in our small community groups, whereas 'Big business' is usually much more stringently regulated. So how do you prevent your group from becoming another statistic?

Firstly, as a committee member, take an active interest in your organisation's finances. While the Treasurer is the person who does most of the financial record-keeping, we all have a duty to monitor what is going on and to ask if we don't understand.

Secondly, ensure every transaction has some sort of paper trail. Try to avoid cash transactions, and where you can't, make sure you issue a receipt to the person giving it to you.

Have a requirement of two signatories for cheques and internet banking. And have your bank statements available for any committee member to look at as these are the only regular external document that can verify that the financial position being presented by the Treasurer reflects what is actually going on in your accounts.