

Fraud Detection and Prevention

It's rare but it happens

- A recent fraud went to court in 2025 leading to a Treasurer being jailed for four years
- Could have been taking place over a large number of years – reminder that PCC is responsible for finances and not Treasurer who is an officer of the PCC
- Often fraud takes place when an accidental or deliberate issue with systems is found and exploited
- It can be very damaging to those who trusted and worshipped with those who perpetrated the fraud
- Can lead to a mood of distrust
- “Rules” in place are there primarily to protect those doing the jobs

Lessons learned from recent fraud

- Check with Diocese for help if there is an issue with the finances
- If in doubt about accounts formats then working with Diocese is an option
- Check to see that giving levels match the statistics run by the Diocese
- Check in with the Deanery, there should be a regular review (at least every 3 years)
- Remember the Treasurer is an officer of the PCC – they are responsible for the finances
- Regularly present management accounts to the PCC and as requested
- If there are issues in the finances be open and discuss them
- Is the Treasurer and Warden related? Can you give enough visibility to avoid accusation?
- Use of “friends” charities to hide transactions

Lessons learned from recent fraud

- Rotation of volunteer roles, appreciate not always easy!
- Do some quick checks, credit, lifestyle
- Paid staff and volunteers should be local and visible
- Independent examiner needs to be independent of the PCC
- Send bank statements to church office or trusted individual / signatory
- At all times ensure visibility of finances to those asking
- Keep sending accounts and annual return to the Diocese and Charity Commission if applicable
- Don't keep changing the numbers presented
- Work closely with incumbent – even if they are reluctant!
- Make sure all trusts are included or have their own infrastructure
- Vicars and Churchwardens trusts...