

Are you keeping a watch on your Association Accounts?

In recent years, the news broke that a person within a charity was arrested for fraud after the person allegedly racked up hundreds of thousands of dollars in unauthorized expenses at the charity.

Although now the charges have been dropped, there was years of investigations, the question is, how does this happen! Well easy, if you do not have a good management of the association finances this will easily happen.

Over the years we have had many members who have been defrauded by an employee and even an executive member. In another case a Community Organisation had an employee defrauded nearly \$100,000, and this is because –

1. The committee trusted the employee as the employee was a manager and.
2. They did not have procedures in place to make sure that there were checks of what was being spent, ordered and the list goes on.

Many times, when we talk to members, they always tell us their employees, 'are wonderful', 'they would not do this'. But guess what, some unfortunately do and sometimes it's a member of the Management Committee.

Another of our member's had an employee, who resigned and on the last day of the employee's employment, the employee transferred \$6000 into their own account. The management had no idea until the bank contacted them.

A few years ago, one of our members was defrauded \$150,000 by an employee. The manager gave the employee their access details to the bank account and did not check financials on regular basis. This employee was arrested, trialled, and is serving 4 years jail. The manager also lost their job. The sad thing this started the downward spiral for the organisation.

So, what do you need to know!

P&C Associations it is easy follow, the [P&C Accounting Manual](#), **it is your bible!**

The P&C Accounting Manual outlines what you should be doing, and how. If you don't know where to access the manual, you can download from the P&C's Qld website and from the Education Qld website.

For our other members, review your current processes and if you think there are some holes put in the procedures to fix it up and make sure everything is being done correctly.

- Do not sign a blank cheque? (Even if they say “oh I will fill it in later”)
- Do not approve a payment unless you have seen all the paperwork e.g., invoices?
- Make sure every month you are getting the financial reports. If you are not sure what you are being presented with, ask the questions.
- If you are not getting financial reports for your monthly meetings, find out what is going on, the employee’s do not control the association, you have a responsibility as a member of the management team, so make sure you are getting all the details.
- Don’t have a credit card and let an employee have the only access and details?
- If you need some form of card, get a debit card and make sure the access details (e.g., pin) is kept in a safe place and the management has access and check the monthly statements.

This does not mean you do not trust your employees; you are just being diligent in duties as a member of a not-for-profit organisation.

If you are not sure what to do, or what are your responsibilities, contact CMSolutions and we can assist you.

Need more information, speak to our Employment Relations Advisors on (07) 3852 5177.