

# Grant fraud

An employee of a partner organisation working on an aid programme used false purchases and overpayments to dishonestly take charity funds totalling £46,000.

Insufficient oversight made it possible for a field supervisor in Niger to make ghost payments to beneficiaries, and overpayments for goods and services. False purchases were also found to have been charged to the aid programme.

The charity submitted a serious incident report to the Charity Commission.

An internal investigation led to the field supervisor admitting what they had done. The partner organisation agreed to meet the loss.

## What changed as a result?

Financial controls, policies, procedures and supervision were strengthened.

Greater due diligence is now performed on potential partner's and their work is more closely monitored throughout the life of the grant.

## Key learning points

1. Perform due diligence on partner organisations and the people responsible for grant delivery and expenditure.
2. Check that grant performance and expenditure is in line with the grant agreement.
3. Maintain up-to-date policies and procedures on fraud, bribery and corruption, segregation of duties, whistleblowing, conflicts of interest and procurement.
4. Explore options to recover money lost through fraud.