

## How to Protect Against Fraud, Loss and Improper Use of Funds by using a formal bank account



### About this tool

The vast majority of netball committees have proper mechanisms in place to guard against fraud and loss of funds. However, a small number of committees have said they are worried about not having the right protection in place. Tier 1 of the [Code for Sports Governance](#) Mandatory Requirement 7 asks organisations ensure that they have appropriate financial procedures and practices in place including appropriate oversight of financial planning and that financial decision making and processing is not managed by one person alone.

### Why is it important?

Having a formal bank account is the best way to evidence appropriate financial practices and ensures that there is a distinct separation between the finances of your association and the finances of committee members. This will reduce confusion and the risk of fraud.

Having two independent signatories on the account also helps to mitigate the risk of fraud and/or maladministration. It is already common practice for banks to ask for two signatories in order to process payments. Dual authorisation may be included with your internet banking dependent on your bank and type of account.

### Top Tips

- Ensure that the bank account you use is an official, designated account with a trusted bank in the name of the organisation not an individual.
- Ensure you have two signatories for payments from the account.
- Your treasurer will be one of the signatories but do ensure there is at least one other committee member who has access.
- If one of your signatories is due to step down or is absent a third signatory is useful as a back-up and to ensure smooth operations during a handover.
- Do not grant access to your bank account to a third party or new volunteer who has not been vetted.
- If dual authorisation for internet banking is not available consider changing your bank or account type. If not available ensure that relevant financial controls and authorisation procedures are in place for online payments and that regular financial reports are reviewed by the committee.

- Refer to the [Using the Charity Commission Guidance on Financial Management to Help Your Committee Tool](#) for further guidance.

### How does this link to the Governance Code?

Having a designated bank account with two independent signatories is a key element of Mandatory Requirement 7 of the [Code for Sports Governance](#).

*“The organisation ensures appropriate financial procedures and practices are in place and as a minimum can evidence: a) appropriate oversight of financial planning; b) financial decision-making and processing is not managed by one person alone; and c) accounts which are independently scrutinised”*

This is because having appropriate procedures and practices in place acts to protect the organisation’s funds and ensure members trust the committee with their money. Once this is in place you will be able to tick the corresponding boxes on your Annual Governance Health Check.

You can also find useful information and resources on the [Club Matters](#) website.

*“Keeping on top of good financial procedures protects our members’ funds and gives a great sense of satisfaction and a job well done”*

Yorkshire Regional Treasurer