

MUSEUM OF THE HOME

Fraud, bribery and corruption prevention policy

Introduction

It is our policy to conduct ourselves in an honest and ethical manner. We take a zero tolerance approach to fraud, bribery and corruption and are committed to acting professionally, fairly and with integrity in all our dealings and relationships.

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. Any non-employee who breaches this policy may have their contract terminated with immediate effect.

This policy applies to all Trustees and employees of the Museum of the Home and all consultants, contractors, agency staff, interns, agents, sponsors or any other person associated with the Museum (collectively referred in this policy as 'staff').

Fraud is an ever-present threat to the Museum's resources and must be a concern to all members of staff. The Museum is committed to developing an anti-fraud culture and asks all staff to be alert to the possibility of fraud and the role they can play in its prevention.

Definitions

References in this document to fraud and/or bribery include all manner of fraud, bribery or corruption.

Bribery

Bribery is defined as 'offering, promising, agreeing to receive or giving of a financial or other advantage to induce or reward improper functions or activities and/or the request or receipt of such an advantage'. The Bribery Act 2010 contains the offences of:

- offering, promising or giving a bribe;
- accepting a bribe;
- bribing a foreign official;
- failure of a commercial organisation to prevent bribery.

Corruption

For the purposes of this document, corruption in the public sector can be defined as the abuse of power by an official (or any employee entrusted to carry out the functions of government, including contractors) for personal gain.

Fraud

No precise legal definition of fraud exists but for practical purposes it may be defined as ‘the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party’.

Many other terms may also be used to describe fraud, including bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. Individuals within or outside an organisation can perpetrate fraud.

Examples of the type of fraud which could arise in the Museum context are:

- Theft of cash or equipment or fraudulent encashment of cheques;
- Falsification of claims for payment or reimbursement;
- Irregularities in purchasing of goods and services on behalf of the Museum, such as making or accepting payment as an inducement to award a contract;
- Unauthorised use of Museum property such as computer hardware or software;
- Providing information about an object (whether with a view to its acquisition by the Museum or for any other purpose) knowing it to be false.

This list is by no means comprehensive and it might not always be obvious what constitutes fraud. If there is any doubt the Director of Strategy and Finance or the Director should always be consulted.

Risks

The risks of failing to comply with the policies and procedures outlined here include:

- Financial loss, in the case of fraud perpetrated on the Museum or fines imposed on the Museum;
- Reputational loss;
- Criminal liability for individuals found guilty of fraud or bribery, including under the Bribery Act 2010 unlimited fines or 10 years’ imprisonment;
- Criminal liability for the Museum if it is found guilty of failing to prevent bribery, with the possibility of an unlimited fine;
- Criminal liability for senior officers of the Museum who consent to or connive in a bribery offence committed by the Museum.

Policies and procedures

The following sections of the Employee Handbook should be read in conjunction with this policy:

- 'Prevention of fraud, bribery and corruption procedure', Annex I, sets out the procedure for reporting suspicions and conducting and concluding investigations.
- 'Gifts and hospitality policy and procedure', Annex II, sets out the responsibilities of Museum staff when offered gifts, rewards and hospitality.
- 'Disciplinary policy and procedure' sets out procedures which will be followed where disciplinary action is being considered.
- 'Whistleblowing policy and procedure'. The Public Interest Disclosure Act 1998 provides certain rights and protections for a member of staff who 'blows the whistle' by raising concerns. The Museum's Whistleblowing Policy describes the protection the Act gives and which disclosures qualify.

Responsibilities

The Director, as Accounting Officer, is responsible for managing the Museum's risks, including the risk of fraud and/or bribery. This is done by establishing and maintaining a sound system of internal control, designed to respond to and manage the whole range of risks the Museum faces. The Director is responsible for ensuring that the policy is communicated to all staff.

The Audit Committee is responsible for actively reviewing the system of internal controls, reviewing the risk register and ensuring that an effective system of internal control is maintained and operated within the Museum.

Specific responsibility for managing the risk of fraud and/or bribery is delegated to the following officers of the Museum:

Director of Strategy and Finance

- Ensuring the development of risk profile and undertaking a regular review of the risks associated with each of the key areas to keep the profile current (current areas identified in the risk register are: Strategic, Café, Buildings, Learning and Engagement, Collections, Development, Communications, Finance and Staff, Projects).
- Liaising with the Audit Committee to ensure that the risk register takes account of all fraud and/or bribery risks and has been subject to regular review;
- Ensuring the carrying out of vigorous and prompt investigation if fraud and/or bribery is suspected to have occurred;
- Ensuring the taking of disciplinary action where supervisory failures have contributed to the commission of the fraud;
- Ensuring that appropriate corrective action is taken should fraud and/or bribery be detected;

- Ensuring the taking of appropriate legal action to e.g. recover assets against perpetrators of fraud and/or bribery;

Head of Finance

- Developing and maintaining effective controls to prevent and detect fraud and/or bribery;
- Managing tender processes in such a way as to minimise the risk of fraud or collusion;
- Keeping under review the policy on the control of fraud and advising other managers of new threats and new preventive measures to be taken;
- Reporting cases of fraud to DCMS in accordance with the Financial Memorandum;
- Establishing and maintaining appropriate mechanisms for reporting fraud and/or bribery risk issues and reporting to Treasury in accordance with Annex 4.7 of Managing Public Money;
- Making sure staff are aware of the Museum's *Fraud, bribery and corruption prevention policy* and their responsibilities in relation to combating fraud and/or bribery;
- Monitoring the gifts and hospitality register;
- Liaising with Internal Audit on both policy and individual cases;
- Advising on the inclusion of anti-corruption clauses in the Museum's contracts.

Heads of Department

- Identifying the risks to which their Department's systems and procedures are exposed;
- Ensuring there are effective controls within their Department to prevent and detect fraud and/or bribery;
- Ensuring the taking of appropriate disciplinary action against perpetrators of fraud and/or bribery or staff within their Department who fail to report fraud and/or bribery;
- Ensuring the taking of disciplinary actions where management or supervisory failures have contributed to the commission of fraud and/or bribery;
- Acting on the advice of those investigating an actual or suspected fraud e.g. to ensure that evidence is secured. To ensure compliance with the Police and Criminal Evidence Act 1984, managers should not interview suspects without taking advice;
- Maintaining appropriate confidentiality.

Head of Human Resources

- Advising on disciplinary policy and procedure in cases of actual or suspected fraud and/or bribery.
- Ensuring the staff handbook is updated when changes to policy and/or procedure occur.

Staff

- Acting with propriety in the use of official resources and in the handling and use of public funds whether they are involved with cash or payment systems, receipts, budgets, assets or dealing with suppliers or contractors;
- Being alert to the possibility that unusual events or transactions could be indicators or fraud and/or bribery;
- Reporting details immediately to their line manager and/or the Director of Strategy and Finance if they suspect that fraud and/or bribery has been committed or see any suspicious acts or events;
- Complying with the Museum's policy in relation to gifts and hospitality;
- Being aware of the Whistleblowing Policy, which can be found in the Staff Handbook and might be appropriate in relation to the reporting of fraud and/or bribery, or suspicion of fraud and/or bribery.
- Complying with the Museum's procurement and financial procedures, which have been designed with the risk of fraud in mind;
- Co-operating with those investigating any actual or suspected fraud.

All members of staff are also encouraged to suggest improvements to procedures, which could help to reduce the risk of fraud.

Externally provided by Head of Internal Audit

- Delivering an opinion to the Accounting Officer on the adequacy of the arrangements for managing the risk of fraud and/or bribery and ensuring the Museum promotes an anti-fraud, bribery and corruption culture;
- Assisting in the deterrence and prevention of fraud and/or bribery by examining and evaluating the effectiveness of control commensurate with the extent of the potential exposure/risk in the various areas of the Museum's operations;
- Ensuring that management has reviewed its risk exposures and identified the possibility of fraud and/or bribery as a business risk;
- Assisting management in conducting fraud and/or bribery investigations;
- Regularly reviewing and testing the control systems.

Review process

- Review the policy annually;
- Review the delivery plan bi-annually;
- Review the risk register quarterly.

Communication

- Include this policy in inductions for all staff and volunteers;
- Include with contractor appointment materials and add relevant clauses to contracts;
- Include relevant parts of this policy in staff handbook;
- Publish relevant parts of this policy on the Museum of the Home website.