

# MUSEUM OF THE HOME

## Fraud, bribery and corruption prevention policy

### Policy objective

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.

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.

### Who is covered by this policy?

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 and the Annex to this policy as 'staff').

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.

### Policy statement

#### 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: Operations 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 damage;
- 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 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, the Director 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 and Risk Committee (ARC)

The ARC 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: Operations and Finance

- Ensuring the development of the key risk register and risk appetite and undertaking a regular review of the Key Risk Register
- Liaising with the ARC 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;
- 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 Framework Document;
- Establishing and maintaining appropriate mechanisms for reporting fraud and/or bribery risk issues and reporting to Treasury in accordance with Annex 4.9 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.

#### **Directors/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 (HR)**

- 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.

#### **All 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: Operations 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.

### 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.

<b>Policy owner</b>	<b>Policy to be approved/ reviewed by</b>	<b>Regularity of review</b>	<b>Date issued and version number</b>	<b>Date of next review</b>
Director: Strategy and Finance	ARC	Annually	July 2005 V1	asap
Director: Operations and Finance	ARC	Every 3 years	January 2024 v2	January 2027

# Annex I: Prevention of Fraud, Bribery and Corruption Procedure

This plan has been developed to support the museum's Fraud, Bribery and Corruption Prevention Policy. It sets out how staff should report suspicions of fraud and/or bribery and how investigations will be conducted and concluded. The plan has been developed with reference to the museum's Whistleblowing Policy.

## **Action required at the point of discovering fraud and/or bribery**

- If a member of staff discovers fraud and/or bribery or has reasonable belief that fraud and/or bribery is occurring within the museum, he or she should inform their line manager or Head of Department immediately. If it is not appropriate to take the matter to their line manager in the first instance, he or she should inform the Director: Operations and Finance or the Director of the Museum.
- The Director of the Museum should be immediately informed of any case of suspected fraud and/or bribery unless the Director is under suspicion. If the Director of the Museum is under suspicion the Chair of the Board of Trustees or Chair of the Audit and Risk Committee should be informed.
- It is important that the member of staff does not take any action to forewarn the alleged perpetrator. Under no circumstances should a member of staff attempt to investigate the suspected fraud and/or bribery personally.

## **Investigation Process**

The Head of Department will consult the Director: Operations and Finance and other senior managers as appropriate, to decide whether an investigation will be carried out.

The Head of HR will be informed of any investigation involving Museum staff. (It should be noted that the investigation process outlined below does not preclude a further process undertaken in accordance with the museum's Disciplinary Process and Procedure- see Staff Handbook.)

The investigation process will usually be led by the Director: Operations and Finance and performed by Internal Audit or a suitable alternative and will include:

- Clarifying and documenting the nature and circumstances surrounding the suspect activity;
- Securing any evidence in a legally admissible form (where possible, evidence should be photographed in the location where found before being handled, it should then be carefully handled, with no marks made on original documents, and kept securely. A record must be kept of anyone handling evidence);
- Ensuring the threat of further fraud and/or bribery and any possible future losses is removed, for example by changing procedures, suspending payments, or suspending any employee under suspicion (although in the last such case any decision would be taken in consultation with HR);
- Informing the Chair of the Audit and Risk Committee and the Chair of the Trustees immediately in relation to any concern as to the conduct of the Director. In this instance the Chair of the Trustees shall advise and consult with the Permanent Secretary of DCMS as appropriate;

- Advising the Chair of the Audit and Risk Committee, Chair of the Trustees, DCMS and the NAO where serious fraud has been detected (judged principally by the potential financial value of any loss) or where any instance of bribery has been detected;
- Consideration of whether to advise the police. Any decision to advise the police should be taken in consultation with the Director of the Museum and the Chair of the Audit and Risk Committee;
- Where police involvement has been sought, the investigation process will follow the advice of the police;
- Where police involvement is not considered necessary, the investigation will be managed internally;
- Producing an investigation report and acting on the report recommendations, for example taking disciplinary action in accordance with guidelines set out in the Disciplinary policy and procedure;
- Consideration as to how best to recover assets lost or misappropriated, which might include repayments by agreed arrangement, possibility through payroll deductions where fraud has been committed by employees.

### **Applying the lessons learnt**

The museum is committed to ensuring that opportunities for fraud, bribery and corruption are reduced to the lowest possible level of risk. In the event that fraud and/or bribery are discovered the museum will take steps to ensure lessons learnt from the event are applied to existing policies and practices. This might include implementing changes to the existing system of controls, increasing awareness of the risk of fraud and/or bribery, disseminating lessons learnt where there may be implications for the organisation as a whole.

### **Reporting losses**

All losses resulting from frauds or thefts are recorded by the Finance department and reported annually to DCMS.

# Annex II: Gifts and Hospitality Policy and Procedure

There may be instances while in your role at the Museum, where a gift or hospitality by a third party or supplier is offered to you. It is important that no gifts or hospitality are accepted that may be seen to compromise your judgement or integrity, when working on our behalf.

Gifts or hospitality from any third party actively engaged in a tender/ sale/ negotiation/ potential sponsorship or commercial partnership are prohibited. You are not also to seek gifts or hospitality in return for providing services that form part of your role at the Museum, except in circumstances stated below under 'Payment for Services'.

All gifts or hospitality, including competition prizes, with an estimated value more than £50 (either on one occasion, or in total per annum from one source) should be approved by the Head of Department or the Director. They must be also recorded on the Gifts and Hospitality Register, which is maintained by the Director: Operations and Finance. This register will be reviewed on an annual basis by the Audit and Risk Committee.

If you are unable politely to refuse a gift, they must be given to the Museum.

Cash gifts from any third party are strictly prohibited. Any cash gifts offered should be gratefully received as a donation to the museum and passed to the Director: Operations and Finance at the earliest opportunity.

Gifts direct to the Museum may be gratefully received as a donation. Promotional gifts of low value such as branded stationery may be given to or accepted from existing suppliers and business partners. See also the Ethics Policy relating to gifts to the Museum.

## **Payment for Services**

There may be instances where you are offered payment for services delivered outside the museum that are separate to your role at the museum but by virtue of it, such as specialist talks at other organisations, that draw all or in part on expertise gained or developed at the Museum. Provided that the preparation and delivery of such services takes place all or mainly outside contracted working hours, it is acceptable to record locally and retain personal payment. Any payment received for services delivered, for which you have undertaken preparation/delivery mainly during contracted hours, should be declared and transferred to the Museum.

If you have any doubts at all about what is appropriate please speak to your manager. Any breach of this guidance will be investigated in the first instance by the Director: Operations and Finance and may result in disciplinary action.