

# **NMM Anti-Fraud Policy, Fraud Response Plan and Disclosure Protection Code**

## **ANTI-FRAUD POLICY**

### **Definition of Fraud:**

Although there is no precise legal definition of fraud, the term is used to describe a multitude of offences, including deception, bribery and corruption, forgery, theft, misappropriation, collusion and false representation of material facts. Obtaining pecuniary advantage by deception is a criminal offence and this may cover certain fraudulent activity such as providing false information on application forms or other recruitment documentation.

### **Policy:**

The Museum is committed to protecting the collections, assets and funds with which it has been entrusted and ensuring that all of the Museum's resources are used for the purpose for which they are intended.

The public is entitled to expect the Museum to conduct its affairs with integrity, honesty and openness, and demand the highest standards of conduct from those working for it and with it.

The National Maritime Museum will undertake a prompt and vigorous investigation of any suspected or actual fraud, and on discovery shall inform the local police, the Department for Culture Media and Sport, the Serious Fraud Office, and other authorities as appropriate. Legal and/or disciplinary action will be taken in all cases where it can be justified. Fraud is tantamount to theft from the employer, is therefore considered gross misconduct and this renders any offender liable for summary dismissal. Appropriate action will be taken to recover public funds via either criminal or civil action and to ensure that the risk of similar frauds is minimised.

### **The Museum requires:**

- all employees and trustees to act honestly and in the best interests of the Museum at all times, and to ensure that the Museum acts with integrity in its dealings with third parties;
- that all employees and trustees, and those acting on behalf of the Museum, are aware of their responsibility to report details immediately to their line manager (or divisional director) if they suspect that a fraud has been committed or see any suspicious acts or events;
- that the Museum Accounting Officer, the Director, is advised of any fraud or attempted fraud;
- that the Head of Internal Audit investigates any allegations or evidence of fraud in consultation with the executive;
- that employees assist in the investigations by making available all relevant information and they co-operate in interviews;
- that effective controls and procedures are in place for preventing, detecting and dealing with fraud.

## **Training**

Prevention of Fraud and Corruption awareness training will be provided appropriately involving the Finance, HR and Security Departments.

## **FRAUD RESPONSE PLAN**

### **1. Introduction**

The Museum has had no instances of suspected or proven fraud in recent years and we have effective systems in place to prevent fraud. Nevertheless, we need to prepare for a possible problem by having a clear **Response Plan** and practical procedures to follow to ensure a prompt, efficient and consistent response to any instance of suspected fraud.

The plan below sets out the procedures to be followed where a fraud is suspected or detected. It is for the use of us all, and all casual, temporary and freelance staff, all volunteers, trustees, and contractors. A properly followed Response Plan will protect the Museum and its workers where there is any suspicion of fraud.

### **2. Procedure for reporting a suspected fraud**

Any reporting of concerns of, suspicion of, or an actual fraud will be treated seriously and will be reviewed and analysed in accordance with the Museum's Disclosure Protection Code. The Code forms the third part of this document and you will also find it in the Staff Code of Conduct – section 4.11 of the staff handbook.

#### ***Action:***

If you become aware of an irregularity or suspect a fraud, write down your concerns immediately giving all relevant details and report the matter immediately to either:

- your line manager or
- your divisional director or
- the Director

When you report your concerns, arrange to hand over your notes and any evidence you have to the manager or director.

In accordance with the Disclosure Protection Code, confidentiality will be maintained over reports made in good faith that cannot be substantiated following investigation.

You may choose to report your concerns anonymously and such anonymity will be respected wherever possible. You should note however, that if the investigation suggests criminal activity and the matter comes to the point of criminal proceedings your identity will be required at this point – therefore identification is preferred and will assist the investigation.

#### ***You must not:***

- Contact the suspected perpetrator in an effort to determine facts or demand restitution

- Discuss the case with anyone in the Museum other than the manager or director to whom you have reported
- Discuss the case facts, suspicions, or allegations with anyone outside the Museum (other than an external investigator)
- Attempt to personally conduct investigations or interviews or question anyone

***Action by managers or directors:***

If you have reason to suspect fraud or corruption in your area, or have received a report, you are to:

1. Listen carefully to the concerns of the person reporting the matter and treat every report you receive seriously
2. Make sure that concerns are given a fair hearing
3. Reassure the person or people reporting that, under the Museum's Disclosure Code, they will not suffer because they have told you of their suspicions
4. Get as much information as possible including any notes they have made that may support the allegation. Do not interfere with the evidence and keep it in a safe place
5. Do not carry out an investigation yourself – this may damage any formal or criminal investigation
6. Report the matter immediately to the Director and Accounting Officer, Kevin Fewster who will report the matter immediately to the Museum's Head of Internal Audit – Robert Noye-Allen who will carry out the investigation in liaison with the police as appropriate
7. The Director/Accounting Officer, will also report the attempted, suspected, or proven fraud, irrespective of the amount involved, to the Department for Culture Media and Sport. The Department will then advise the National Audit Office accordingly.

**3. Other roles and responsibilities**

**HR staff:** Can provide confidential advice to employees wishing to raise concerns.

**Press Office:** The Press Office will be briefed on a high-profile fraud case, and on what constitutes releasable information, so that they can manage or monitor the Museum's media response.

**Museum Secretary:** Reports to insurer under Employee Fidelity Insurance terms.

**The Audit Committee:** Responsible for ensuring that effective controls and procedures are in place for preventing, detecting and dealing with fraud. The Audit Committee also reviews arrangements (the Museum's Disclosure Code) by which staff may raise concerns about fraud, ethical issues, or other impropriety. The Audit Committee ensures that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action.

**4. The Investigation Process**

The National Maritime Museum is responsible for undertaking a prompt and vigorous

investigation of any suspected or actual fraud and will commission the Head of Internal Audit to do so.

The purpose of any investigation is to establish the facts in an equitable and objective manner. Where offences are suspected, investigations are carried out to up to a criminal standard of proof.

Any investigation will be carried out with discretion and sensitivity. Those carrying out the investigation will confine themselves to investigating those matters that are the subject of, or are relevant to, the suspected fraud.

Investigation results will not be disclosed to or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected, but subsequently found innocent of wrongful conduct, and to protect the Museum from potential civil liability.

In cases where an individual is suspected of fraud that a subsequent investigation does not substantiate, it is important that the potential damage to the individual's reputation is minimised. Whoever originally reported the suspected fraud or irregularity will be informed that the investigation has revealed no wrongdoing.

The Museum will also inform the Department for Culture Media and Sport's Accounting Officer, the local police, the Serious Fraud Office and other authorities as appropriate.

## **6. Recovery of Loss**

The Museum will take appropriate action to recover funds and to ensure that the risk of similar frauds is minimised.

Where the Museum has suffered loss, restitution will be sought of any benefit or advantage obtained and the recovery of costs will be sought from the individual(s) responsible for fraud. As a first step the individual concerned will be asked to make good the loss.

If the individual will not make good the loss, consideration will be given to taking civil action to recover the loss, subject to legal advice received. It may also be appropriate to consider recovering the loss from any monies due to the individual on termination if the perpetrator is an employee. The advice of the Museum's solicitor will be sought before attempting to make recovery in this way.

Legal and/or disciplinary action will be taken in all cases where it can be justified.

## **7. Overall Objectives and Further Action**

If a fraud does occur, the Museum will make any necessary changes to systems to ensure that similar frauds will not recur and the Audit Committee will review the revised systems of internal control.

The Museum's overall objective in this, as in all areas, is, to address any weaknesses in current processes, identify, adopt and maintain good practices, and introduce improved systems for the management of those processes. In short - continual improvement.

The end result is that of minimising the risk of fraud and corruption to the system and significantly reducing the opportunity for fraud or corruption to occur in the future.

## **8. References**

Additional information with regards to procedural matters can be found by referring to:

- Staff Code of Conduct: Section 4.11. of the Staff Handbook
- Financial Control Manual
- Financial Memorandum with the Department for Culture Media and Sport
- Managing the Risk of Fraud by HM Treasury at:  
[http://www.hm-treasury.gov.uk/media/C/3/managing\\_the\\_risk\\_fraud\\_guide\\_for\\_managers.pdf](http://www.hm-treasury.gov.uk/media/C/3/managing_the_risk_fraud_guide_for_managers.pdf)

## DISCLOSURE PROTECTION CODE

### Amending the existing in Section 11 of Policies and Procedures - Code of Conduct for Staff

#### Staff Concerns about Improper Conduct

The NMM is a thriving museum – which it can only be with the tireless and entirely honest efforts of us all. However, it is only proper that we also provide a means of helping anyone who may at some point have significant concerns over any wrong-doing (not just fraud) within the Museum to report those concerns – without fear of any adverse consequences arising from their coming forward.

So, if a member of staff believes they are being required to act in a way which:

- is illegal, improper, or unethical;
- is in breach of constitutional convention or a professional code of conduct;
- may involve possible maladministration; or
- is otherwise inconsistent with this Code:

you should raise the matter through line management. They are entrusted with a duty to investigate concerns about propriety. Staff may also draw attention to cases where:

- they believe that there is evidence that the rules of propriety have been breached elsewhere in the Museum, but where they have not been personally involved;
- there is evidence of criminal or unlawful activity by others;
- they are required to act in a way that, for them, raises a fundamental issue of conscience.

**If in doubt - raise it!**

If, however, you are aggrieved about your personal position, please use the Grievance Procedure - available in your contract of employment, or from your manager, or HR.

#### **How should I raise a concern?**

As soon as you become reasonably concerned you should firstly raise the issue with your line manager (unless they are the potential transgressor, in which case you should go to your divisional director). HR and staff representatives can provide confidential advice.

#### **How will the Museum respond?**

*The museum will always respond by addressing the message rather than the messenger.*

#### **What safeguards are there for me?**

If you do raise a concern under this Code, you will not be at risk of losing your job or suffering any form of retribution as a result, provided that:

1. your disclosure is made in good faith;

2. you reasonably believe that information, and any allegations contained in it, are substantially true; and
  3. you are not acting for personal gain.
- The Museum will not tolerate any harassment or victimisation (including informal pressures) and will take action to protect those who raise a concern in good faith.
  - Any investigation into allegations of potential malpractice will not influence or be influenced by any disciplinary or redundancy procedures already taking place
  - No action will be taken against anyone who makes a disclosure in good faith, reasonably believing it to be true, even if the disclosure is not subsequently confirmed by the investigation.
  - Every effort will be made to ensure confidentiality as far as possible.
  - Help will be provided to you in order to minimise any difficulties that you may experience. This may include advice on giving evidence if needed. Meetings may be arranged off-site with you and with you being represented, if you so wish.

### **What does the law say?**

The Public Interest Disclosure Act 1998 protects employees against detrimental treatment or dismissal as a result of any disclosure of normally confidential information in the interests of the public. The Act only covers protected disclosures under six categories, namely; crime, illegality, miscarriage of justice, damage to health and safety, damage to the environment, and 'cover-ups' about these issues.

### **How can my concern be taken further?**

In the first instance, if you are not satisfied with the action taken by the Museum and feel it right to question the matter further you may consider the following contacts:

- the Head of Internal Audit, Robert Noye-Allen, on 020 8958 4800
- the Trustee who is Chairman of the Audit Committee, Nigel Macdonald, through 6637

This Code is intended to provide an avenue within the Museum to raise concerns.

However, you may also approach external contacts:

- a Citizens Advice Bureau and/or law centre/firm
- the Police and/or Health and Safety Executive
- the Permanent Secretary and Accounting Officer of the Department for Culture Media and Sport, Jonathan Stephens, DCB on 020 7211 6000
- the Comptroller and Auditor General, National Audit Office, 157-197 Buckingham Palace Road, London SW1W 9SP

Please note however, if you take the matter outside the Museum, you should ensure that no disclosure of confidential information takes place as the Public Interest Disclosure Act does not provide you with a blanket protection and, if you disclose confidential information in circumstances not covered by the Act, this may leave you vulnerable to disciplinary or other action. Please see below for help if you are in this position.

**I am still not sure what to do – is there anyone else I can speak to?**

If you are unsure about how to proceed, or you want independent advice at any stage, you may contact the independent charity Public Concern at Work on 020 7404 6609. Their lawyers can give you free confidential advice at any stage about how to raise a concern about serious malpractice at work.

Ends.