

## **Royal Museums Greenwich Anti-Fraud/Bribery/Theft Policy**

### **1. Introduction**

Royal Museums Greenwich ('RMG') aims to be an honest and ethical institution, seeking to conduct its business to the highest standards of integrity and objectivity. In order to protect its financial systems, resources and assets including the Museum's collections and intellectual property rights and the integrity of its staff, RMG has an established policy in place to minimise the risk of fraudulent or corrupt activity. This document sets out the framework for the policy, investigation and resolution of allegations of irregularity made against employees of RMG for fraud, theft, bribery or money laundering as defined in section 3 below. It also applies to external situations where a member of staff may become aware of or suspect fraud/bribery/theft by an external third party. This policy deals with Royal Museums Greenwich (which comprises the National Maritime Museum and its subsidiary National Maritime Museum Enterprises Limited).

All persons, including contractors, suppliers, agents and intermediaries who provide services for or on behalf of RMG, are required at all times to comply with this Policy when carrying out services for or on behalf of RMG.

### **2. Policy**

RMG takes a zero-tolerance approach to fraud, bribery, theft and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships and to implementing and enforcing effective systems to counter illegal acts.

RMG has in place systems of processes and control which are aimed at minimising the risk of loss from fraud, theft, and bribery. The Museum will take action against anyone who fails to follow these processes and controls.

RMG will undertake a prompt and vigorous investigation of any suspected or actual fraud, bribery or theft, and on discovery shall inform, as appropriate,

- Department for Digital, Culture, Media and Sport
- National Audit Office
- Internal Auditors
- Action Fraud
- Local Police
- Serious Fraud Office.

The first three bodies named will be informed whether the fraud/bribery/theft is suspected or proven.

Legal and/or disciplinary action will be taken in all cases where it can be justified. Fraud, bribery and theft are considered gross misconduct and they render 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/bribery/theft is minimised.

### **3. Definitions**

For the purposes of this Policy, RMG defines fraud broadly to include dishonesty, theft, deliberate damage of assets, deliberate action to harm interests of RMG and other forms of irregularity, together with the statutory definitions of criminal fraud under the Fraud Act 2006, set out below.

The Fraud Act 2006 gives a statutory definition of the criminal offences of fraud and theft defining it in three clauses:

- Fraud by false representation where a person makes any representation as to fact or law, expressed or implied which they know to be untrue or misleading.
- Fraud by failing to disclose information where a person fails to disclose any information to a third party when they are under a legal duty to disclose such information.
- Fraud by abuse of position where a person occupies a position where they are expected to safeguard the financial interests of another person or body and abuses that position: this includes cases where the abuse consisted of an omission rather than as an overt act.

Under the Bribery Act 2010 (which came into force on 1<sup>st</sup> July 2011) there are four primary offences which impact on the Museum:

- Section 1 (Offences of bribing another person) by which a person offers, promises or gives a financial or other advantage to another person/company to induce or reward them for the improper performance of a function.
- Section 2 (Offences of being bribed) an offence is committed where a person requests, agrees or accepts a financial or other advantage intending that, in consequence, a function is performed improperly (whether by that person or another person).
- Section 6 (Bribery of foreign public officials) a person will be guilty of this offence if they promise, offer or give a financial or other advantage to a foreign public official, either directly or through a third party, where such an advantage is not legitimately due.
- Section 7 (Failure of commercial organisation to prevent bribery) whereby the organisation is guilty of an offence under this section if a person associated with the organisation bribes another person to obtain or retain business for the organisation or obtain/retain an advantage in the conduct of the business for the organisation.

To put these definitions into context, the following are examples which could arise in the Museum:

- Completing an overtime form claiming more time than was actually worked.

- Falsifying an expense claim.
- Failure to disclose donated assets and selling them for personal gain.
- Accepting excessive hospitality or gifts from a potential or existing supplier.
- Taking holiday without proper authorisation.
- Using the Government Procurement card for personal purchases.
- Making fraudulent statements to a supplier in order to persuade them to offer services/goods at a lower price.
- Using Museum assets for personal purposes, without authorisation.
- Improper use of confidential information.
- Falsifying personal records e.g. giving the wrong date of birth to accelerate pension payments.
- Revealing details of a tender in exchange for financial gain.
- Exploiting intellectual property rights of the Museum (e.g. in relation to publications) for personal gain.

#### Money Laundering

Money laundering is defined as the handling or involvement with any proceeds of any crime (or monies or assets representing the proceeds of crime) with the intention of concealing or disguising those proceeds so that they may appear to be of legitimate origin. This applies equally to possession of the proceeds of a person's own crimes.

#### **4. Responsibility for the Prevention and Detection of Fraud, Theft and Bribery**

- a. Prevention should be the primary focus of any Anti-Fraud/Bribery/Theft Policy as minimising the risk of fraud/bribery/theft occurring is likely to be far more effective than deterrence through investigation at a later stage. Effective prevention comes from the establishment and maintenance of: efficient financial management; an effective accounting system; consistent application of accounting procedures coupled with meaningful supervision; systems and processes to manage the Museum's estate, collections and intellectual property rights; good management practice, and internal control.
- b. The Accounting Officer at the Department for Digital, Culture, Media and Sport has designated the Director as the Accounting Officer for the Museum. As such he has the responsibility for safeguarding public funds and the Museum's assets including ensuring systems are in place for the detection of fraud/theft/bribery.

- c. However, the scale and diversity of RMG results in delegated authority to Divisional Directors and Activity Centre Managers, who are responsible for implementing suitable internal controls to safeguard assets, finances and resources, collections and intellectual property rights. Budget managers and other line managers are also involved in these processes of internal control to protect assets, finances and resources.
- d. Measures adopted centrally include the development of sound accounting systems and budgetary control procedures, regular monitoring of financial trends and the interpretation of financial statistics, defining consistent financial processes and procedures, the provision of financial regulations, and other relevant advice and guidance, and the continuous presence of an effective internal audit function. In addition, there are procedures in place for the management and audit of the Museum's collections, processes to protect the intellectual property rights of the Museum and the management of the Museum's estate.
- e. Measures adopted at Departmental level will include fundamental internal control measures, such as: separation of duties to ensure that more than one employee has to be involved in processing every transaction; restricting authority to commit or spend funds through an agreed electronic workflow of approvals within the 'Soprano' Purchase to Pay system; reconciling local accounting records to centrally produced management information.
- f. In addition to the internal control framework, RMG also demands of all its employees high standards of personal conduct. The Financial Regulations make reference to the conduct expected of staff in handling RMG funds and in their dealings with third parties, e.g. Disclosure of Interests, Gifts and Hospitality, Private Consultancy Work, Discretionary Funds, Purchasing and Personal Expense Claims. Also, there are references to staff disciplinary rules, and the RMG disciplinary and grievance procedures, contained in RMG's terms and conditions of service.
- g. The Operational Development Group is responsible for the Risk Policy and for the identification and management of risk within the Museum.
- h. The law prohibits the offering, giving, solicitation or acceptance of any bribe, whether cash or other inducement, by any individual in order that the giver or anyone connected with the giver gains a pecuniary or other advantage. Staff need to be particularly vigilant in accepting gifts and hospitality from third parties and should note particularly:
  - Disclosure of any interests (personal or family) in a contract with the Museum should be disclosed to their Divisional Director before entering into any contract. (The Governance and Museum Records Manager should be consulted if in doubt).
  - Disclosure of all gifts in kind in excess of £25 are sent to the Director's Personal Assistant for recording in the Gifts Register.
  - Ensuring that all procurement is carried out in a fair and open manner in accordance with the Museum's Procurement Manual and that preference is not given to one supplier over another as a result of undue influence. Guidance on this can be obtained from the Procurement Manager.

## **5. Responsibility to Report a Suspected Fraud**

- a. Effective preventative measures must, of necessity, rely upon the vigilance and awareness of staff. It is the duty of all staff to notify the Director via their Divisional Director, of any known or suspected form of irregularity, financial or otherwise (provided that the Divisional Director is not involved in the issue), affecting RMG's assets, finances, or other resources. The Director will then decide with whom he should confer on the matter and the necessity to escalate to the Chair of Trustees and the Chair of the Audit Committee, internal/external auditors and the Department for Digital, Culture, Media and Sport. Any reporting of a suspected or an actual fraud/theft/bribery will be treated seriously and will be reviewed and analysed in accordance with the Museum's Disclosure Protection Code. The Code forms part of the Whistleblowing Policy in Appendix I.
- b. If a member of staff becomes aware of an irregularity or suspect fraud or bribery or becomes aware of an area of their work which may be open to a risk of fraud, corruption or other irregularity, they should write down their concerns immediately giving all relevant details and report the matter immediately to those mentioned in 4 above.

When reporting concerns, the member of staff should arrange to hand over their notes and any evidence 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.

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

- c. The member of staff must not:
  - o Contact the suspected perpetrator in an effort to determine facts or demand restitution
  - o Discuss the case with anyone in the Museum other than the manager or director to whom the irregularity has been reported
  - o Discuss the case facts, suspicions, or allegations with anyone outside the Museum (other than an external investigator)
  - o Attempt to personally conduct investigations or interviews or question anyone.
- d. Action by managers or directors:  
If a manager or director has reason to suspect fraud or corruption or have received a report, they must:
  - o Listen carefully to the concerns of the person reporting the matter and treat every report received seriously
  - o Make sure that concerns are given a fair hearing

- Reassure the person or people reporting that, under the Museum's Disclosure Protection Code, they will not suffer because they have divulged their suspicions
- Get as much information as possible including any notes they have made that may support the allegation. They must not interfere with the evidence and must keep it in a safe place
- Not carry out an investigation themselves – this may damage any formal or criminal investigation
- Report the matter immediately to those outlined in 4 above. The matter will then be dealt with in accordance with the procedures outlined.

All members of staff should note that RMG would take seriously any allegations made frivolously, in bad faith, maliciously or for personal gain.

- e. If a member of the public wishes to report a suspected fraud or has any other concerns relating to financial probity at the museum the museum's website provides details of whom they can contact and also provides an online form for them to complete if they wish.

## **6. Procedures Responding to alleged Fraud/Theft/Bribery**

- a. Where a member of staff has reasonable grounds for suspecting fraud, theft, bribery, corruption or other financial irregularity, they will notify immediately the Director in the manner set out in Paragraph 5b above.
- b. If, as a result of his consultations it is clear to the Director that any possible irregularity is of minimal effect and has arisen by accident, mistake, or incompetence rather than wilful intention, the Director will inform the initiator of this decision.
- c. If the results of these consultations indicate that fraud or incidence of bribery/theft/money laundering has taken place the Director will agree what further investigative action needs to be taken, including consultation with the Head of Internal Audit.

The Director is also responsible for informing, as necessary, the Chair of Trustees, the Chair of the Audit Committee and the Accounting Officer at DCMS, and internal/external auditors as necessary.

The Director will also consider the communication, as appropriate, of the potential fraud both within the Museum and with external media.

- d. Where a full internal investigation is required, RMG's Director will appoint a Fraud Investigation Panel, normally consisting of the Executive Business and Operations Director, the Head of Human Resources, the internal auditors, and, if appropriate, the relevant Director of the affected Division. For smaller investigations RMG's Director may choose to appoint directly an Investigation Officer. This Panel will meet without delay, in order to consider:
  - The appointment of an Investigation Officer (normally, but not exclusively, from RMG's internal auditors);

- The objectives and strategy of the investigation, with particular consideration given to restricting the scale of loss and maximising recovery of assets;
  - The composition of the investigation team (to include, where necessary, staff from backgrounds appropriate to the nature of the investigation – especially where computerised records are involved, or interviews under Police and Criminal Evidence Act (PACE) conditions may be required);
  - Instruction for any immediate action required at the point of discovery, especially as regards the protection of evidence;
  - The need to use other external advisers, such as RMG's solicitor or insurers;
  - The need to complete the full investigation with all due speed, though without compromising a comprehensive and thorough examination of the evidence available;
  - The need to safeguard the rights of any staff involved in, or affected by, the investigation;
  - The need to protect the initiator from harassment or victimisation for reporting their suspicions;
  - The need to protect the rights of the respondent, particularly as regards providing an opportunity at the appropriate time to comment on the allegations made;
  - The need to minimise disruption to operational activities and routines.
- e. The Investigation Officer will report on progress to the Director on at least a weekly basis during the investigation.

## **7. Investigation Reporting Procedures**

- a. On completion of the investigation, the Investigation Officer will produce a written report for the Museum's Director, together with the recommendations for future action. The report will include the following:
  - A conclusion as to whether the allegations of fraud, corruption or other financial irregularity have any substance;
  - The comments of the respondent in respect of the allegations made;
  - The nature and extent of the irregularity;
  - Its effects upon RMG;
  - Who was involved (including those staff and/or management whose failure to exercise appropriate supervision or control may have contributed to the fraud);
  - Internal control weaknesses which may have allowed the irregularity to occur, with recommendations to improve those systems of control.
- b. Following consultation, the Museum's Director will provide an Executive Summary for the principal findings and conclusions to the Chair of Trustees and the Chair of the Audit Committee for consideration, including whether:
  - RMG should proceed with legal action through criminal or civil actions;
  - RMG should recommend disciplinary action in accordance with its disciplinary procedure, where upheld allegations of fraud could constitute gross misconduct.

- Any action is necessary to prevent or detect further fraud, corruption or other potentially similar irregularities elsewhere in RMG.
- c. Any legal proceedings or other related actions will be managed by the RMG's Director. Any disciplinary action taken will be in accordance with RMG's disciplinary procedures.
- d. If any of the office-holders named in this document have a direct management responsibility for the area under investigation, or are otherwise implicated in the suspected irregularity, they will have no involvement in the procedures. In such cases their role will be taken by another senior officer of RMG.

## **8. 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.

## **9. 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 the 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.

## **10. Training**

Training in fraud, bribery and corruption awareness will be carried out via an e-learning module.

All staff sign a copy of this policy to indicate that they are aware of its contents and a copy will be retained with their HR records.

## **11. References**

- Staff Code of Conduct
- Financial Control Manual
- Procurement Manual
- Disclosure Protection Code
- Terms and Conditions of Service

## **12. Governance, Roles and Responsibilities**

The Executive Board and Audit Committee are responsible for oversight of the Anti-Fraud Strategy of Museum which is reviewed by them every three years; the Anti-Fraud Policy is reviewed every two years and the Action Plan every year.

The Fraud Risk Assessment is reviewed by the Executive Board on an annual basis.

Additionally the Museum has named certain individuals as responsible for the following:-

The Accounting Officer, as the person at board level for counter fraud, bribery and corruption, with specific responsibility for ensuring that the Museum complies with the Government Functional Standard on Counter Fraud and that the Anti-Fraud Strategy remains fit for purpose.

Head of Finance, as Senior Lead with day-to-day responsibility for counter, bribery and corruption with specific responsibility for updating the Annual Fraud Risk Assessment and Register and preparing the Annual Fraud Action Plan; also responsible for ensuring that the Anti-Fraud Policy reflects best practice in accordance with the Government Functional Standard

Head of Finance is also the Counter Fraud Champion, liaising with all parts of the organisation should fraud or theft be identified.

The Head of Finance is responsible for ensuring completion of the Loss Register and sending this to DCMS.

### **Appendix I Whistleblowing Policy**

### **Appendix II Contact Names and Numbers**

PLEASE COMPLETE AND RETURN TO HR.

**Declaration of Acceptance (User's copy)**

**All employees and contractors employed by the RMG are required to read and agree to comply with the terms of the Anti-Fraud Policy.**

**Acknowledgment**

I have read and agree to comply with the terms of the Museum's Anti-Fraud Policy. I understand that a violation of this guidance may result in disciplinary action, including possible termination of my employment, as well as civil and criminal liability.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

**One copy of this Acknowledgment to be kept on the employee's personnel file.**

## **Appendix I - Whistleblowing Policy**

### **(Section 11 of Policies and Procedures – Code of Conduct for Staff)**

#### **1. Staff Concerns about Improper Misconduct**

The RMG has in place a means of helping anyone who may at some point have significant concerns over any wrong-doing (not just fraud or bribery) within the Museum to report those concerns – without fear of any adverse consequences arising from their coming forward.

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;

They 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.

#### **2. 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) who will then discuss the matter with their Divisional Director. The Divisional Director will escalate as appropriate in accordance with paragraph 5 of the Anti-Fraud/Bribery Policy.

#### **3. 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:

- Your disclosure is made in good faith;
- You reasonably believe that information, and any allegations contained in it, are substantially true; and
- You are not acting for personal gain.

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

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

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.

## **5. 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.

## **6. 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
- The Chairman of Trustees
- The Trustee who is Chairman of the Audit Committee

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,
- The National Audit Office.

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 section 7 below for help if you are in this position.

## **7. 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 (whistleblowing advice line). Their lawyers can give you free confidential advice at any stage about how to raise a concern about serious malpractice at work.

## **8. Personal Position**

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.

**Appendix II**  
**Fraud/Bribery Policy**

**Contact Names and Numbers**

|  |  | <b>Telephone Number</b>   |
|--|--|---|
| Chairman of Trustees   | Admiral Sir Mark Stanhope                              | To be contacted via<br>the Director or<br>Governance and<br>Museum Records<br>Manager |
| Chairman of the Audit Committee  | Alastair Marsh   |   |
| Head of Internal Audit (BDO LLP)   | Bill Mitchell  | 020 7334 9191   |
| Permanent Secretary and Accounting Officer of the Department for Digital, Culture, Media and Sport | Sarah Healey   | 020 7211 6000<br>(switchboard)  |
| The National Audit Office  | Gareth Davies<br>(The Comptroller and Auditor General) | 0207 798 7999   |
| Director/Accounting Officer  | Paddy Rodgers  | 020 8312 6613<br>(direct)   |
| Business and Operations Director   | Chris Walker   | 020 8312 6744   |
| Head of People & Culture   | Charlotte Cowan  | 020 8312 6641   |
| Head of Security   | Mark Grover  | 020 8312 6571   |
| Governance and Museum Records Manager  | Jane Costantini  | 020 8312 6636   |
| Head of Finance  | Tanya Hilborne   | 020 8312 6676   |
| Director's Personal Assistant  | Deborah Coates   | 020 8312 6606   |