

1 Mission And Commitment

Tyne & Wear Archives & Museums (TWAM) mission is to help people determine their place in the world and define their identities, so enhancing their self-respect and their respect for others.

Tyne & Wear Archives & Museums commitment is to a world-class service that is innovative, imaginative, creative, totally inclusive, secure and sustainable.

2 Anti – Fraud and Corruption Policy Statement

2.1 TWAM will not tolerate any form of fraud or corruption in the administration of its responsibilities, whether from inside or outside the organisation. TWAM will deal firmly with those who seek to defraud the organisation, or who are found to be corrupt, in accordance with this policy.

2.2 TWAM expects all members, employees and volunteers to demonstrate the highest standards of honesty, probity, openness and integrity in the discharge of their functions. This includes:

- compliance with appropriate legislation, Codes of Conduct, Financial Procedure Rules, Conditions of Service, Museums' Association's Code of Ethics and standards of other appropriate professional bodies, and any other standards, guidelines or instructions which are relevant to the particular service or activity,
- providing a corporate framework within which counter fraud arrangements will flourish, and
- Promoting an anti fraud culture across the whole of the organisation.

2.3 TWAM expects that all external individuals and organisations that it deals with, e.g. suppliers, contractors, partners and members of the public etc., will act with honesty and integrity and without thought or actions involving fraud. In such relationships the principles outlined in this Policy must be applied. Where external third parties become aware of any fraud they should report their concerns promptly to TWAM using TWAM's Confidential Reporting Policy which can be found at G:\Corporate Policies\Confidential Reporting Policy or on the website at <http://www.twmuseums.org.uk/about/corporatedocuments/policies/>

3 Definition of fraud and corruption

3.1 Fraud encompasses a wide range of irregularities and illegal acts all of which are characterised by intentional deception.

3.2 Fraud can be attempted or carried out in a number of ways which include:

- theft of cash, cheques or equipment,
- the falsification of travel and subsistence or other claims,

- false claims for overtime or flexible working,
- unauthorised use of property or services,
- irregularities in the tendering for supplies to TWAM by contractors of goods, services or works,
- corruption, which includes receipt of payment or other material advantage as an inducement to award contracts with TWAM,
- manipulation of IT systems.

3.3 Corruption can be defined as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person; or the failure to disclose an interest in order to enjoy personal gain.

4 Responsibilities

4.1 Responsibilities of TWAM Joint Committee Members

4.1.1 Members have a responsibility for approving major policies, for scrutiny and for the governance of TWAM.

4.1.2 All elected members should be familiar with the Counter Fraud and Corruption Policy and support its application in all activities, in order to help maintain a culture which will not tolerate fraud or corruption.

4.1.3 At all times, elected members must maintain the highest standards of conduct and ethics as the public would expect of their elected representatives.

4.1.4 All elected members have a vital role in the detection of fraud and corruption and must be vigilant against the possibility of fraudulent activity.

4.1.5 All elected members are required to report to the Chair of the Committee, Senior Manager: Corporate Affairs, other Senior Manager, the Human Resources Manager or Internal Audit, any suspicion of illegality, financial impropriety or breach of procedure.

4.2 Responsibilities of the Audit Committee

4.2.1 The role of the TWAM's Audit Committee, in relation to fraud and corruption, includes:

- Ownership of the TWAM Counter Fraud and Corruption Policy and annual review of the policy;
- receiving Internal Audit's annual report summarising the work done during the year, and the opinion of Internal Audit on the TWAM's internal control environment;
- receiving and considering the work of external audit and other external agencies;
- overseeing the anti-fraud and corruption strategy;
- undertaking the annual review of the effectiveness of the TWAM's system of internal control;
- approving the Annual Governance Statement; and
- monitoring the Action Plan set up to address any issues.

4.3 Responsibilities of Management

- 4.3.1 TWAM's management is responsible for establishing sound systems of internal control to ensure TWAM's objectives are achieved in a manner that promotes economic, efficient and effective use of resources. This includes the responsibility for the prevention and detection of fraud or corruption. Where fraud or corruption has occurred because of a breakdown in TWAM's systems or procedures, management must ensure that appropriate improvements in systems of control are implemented to prevent a reoccurrence.
- 4.3.2 Line Managers must ensure that employees are properly trained to discharge the responsibilities allocated. Once training has been provided, performance must be managed and the use of proper practices enforced. In addition, Line Managers are responsible for ensuring that all employees are aware of the existence and content of the Financial Procedures and all other regulatory documents and the requirements of each are met.
- 4.3.3 TWAM recognises that a key preventative measure in dealing with fraud and corruption is for managers to take effective steps at recruitment to establish, as far as possible, the honesty and integrity of potential employees. The recruitment procedure must be adhered to during this process, and adequate employment references and employment checks performed.
- 4.3.4 Senior Manager: Corporate Affairs must monitor and maintain a register of interests, gifts and hospitality, in accordance with the Code of Conduct for Employees.

4.4 Responsibilities of Employees

- 4.4.1 All employees are expected to give the highest possible standard of service and act with propriety in the use of official resources and public funds. Employees must comply with the 'Code of Conduct for Employees'.
- 4.4.2 All employees are required to make themselves familiar with and comply with TWAM's Counter Fraud and Corruption Policy. Employees must also be alert to the possibility that fraud and corruption exist and that unusual events or transactions could be indicators of fraud or corruption. Employees must be aware of procedures to be followed if they suspect that fraudulent or corrupt acts have been committed.
- 4.4.3 All employees have a vital role in the detection of fraud or corruption and must be vigilant against the possibility of fraudulent and corrupt activity.
- 4.4.4 All employees are required to report to their Line Manager or, if not practicable, to a Senior Manager, any concerns relating to illegality, financial impropriety or breach of procedure.

4.5 Role of Internal Audit

- 4.5.1 Internal Audit independently monitors the existence, appropriateness and effectiveness of internal controls, as a service to management. Whilst it is not a responsibility of Internal Audit to prevent and detect fraud and corruption, their work assists management to fulfil their responsibilities through the strengthening of internal control.

4.6 Role of External Audit

- 4.6.1 TWAM's External Auditors are required to assess the arrangements in place

for the prevention and detection of fraud and corruption.

5 Deterrence

5.1 Anti Fraud Culture

5.1.1 TWAM is committed to maintaining a culture which will not tolerate fraud and corruption and will deal swiftly and firmly with any persons who defraud or attempt to defraud the organisation, or who are corrupt.

5.2 Disciplinary Action

5.2.1 Fraud and corruption are serious offences against TWAM. Formal disciplinary action will normally be invoked in respect of any employee who is found to have acted fraudulently or corruptly. Disciplinary action may be taken in addition to, or instead of, criminal proceedings.

5.2.2 Any member found to have acted fraudulently or corruptly will normally also face action, taken in addition to, or instead of, criminal proceedings.

5.3 Prosecution

5.3.1 In the case of fraud or financial irregularity, where sufficient evidence exists to suggest that a criminal offence may have been committed, it is the policy of TWAM to refer the matter to the police for investigation and seek to recover losses incurred.

5.4 Publicity

5.4.1 Senior Manager Corporate Affairs will liaise with TWAM's Communications Team to ensure that this policy and other ant-fraud initiatives are appropriately communicated.

5.4.2 In all cases, successful prosecutions of perpetrators of fraud will be publicised where appropriate.

6 Fraud Response Plan

6.1.1 TWAM has prepared a Fraud Response Plan to supplement this Counter Fraud and Corruption Policy. The Fraud Response Plan clearly details how concerns regarding suspected instances of fraud and corruption can be reported, and how investigations into suspicions will be conducted and concluded. The Fraud Response Plan can be found in Appendix A.

7 Policy Review Arrangements

7.1.1 This policy will be reviewed each year or sooner if changes in legislation or procedure require. The next scheduled review will be carried out in September 2011 and will be carried out by Senior Manager: Corporate Affairs in conjunction with the Audit Committee.

Appendix A

TWAM Fraud Response Plan

1 Introduction

- 1.1 This Fraud Response Plan forms part of the TWAM's Counter Fraud Policy and details how suspected instances of fraud and corruption can be reported, and how investigations into suspicions will be conducted and concluded.
- 1.2 It is vital that all members of staff and managers are aware of procedures to be followed in the event of suspected irregularities so that swift and consistent action can be taken. TWAM may become aware of potential fraud in a variety of ways, including:
- management procedures and arrangements;
 - systems of internal control;
 - internal review arrangements, such as Internal Audit;
 - reports by employees; and
 - reports by members of the public or other third parties.
- 1.3 The Fraud Response Plan is one of a series of policies and procedures which TWAM has introduced to prevent, deter and detect fraudulent acts, and reinforce a culture of integrity and accountability. Other documents that should be referred to in conjunction with the Plan include:
- Financial Procedure Notes
 - Codes of Conduct.

2 Reporting suspected incidents of fraud and corruption

- 2.1 Employees should report any suspicion relating to fraud, corruption or breach of procedure to their Line Manager. If an employee has concerns about the activities of their Line Manager, they should report directly to a Senior Manager. Please use the form from Appendix B.
- 2.2 It is imperative that confidentiality is maintained at all times and where potential fraud or corruption is discovered, no action should be taken which may alert persons suspected of irregularity.
- 2.3 There will be no action taken against staff making an allegation in good faith that is not confirmed by the investigation. If however, an allegation is made maliciously or for personal gain, disciplinary action may be taken.

3 Investigating Allegations

- 3.1 Managers must ensure that reports of suspected irregularity are recorded and reported as detailed in paragraph 6.
- 3.2 Internal Audit will ensure that:
- potential fraud and irregularity is responded to quickly and discreetly;

- all evidence is recorded;
- evidence is sound and adequately reported;
- all evidence is held securely;
- findings are reported promptly to management; and
- the rules of natural justice are applied.

3.4 In the case of fraud or financial irregularity, where sufficient evidence exists to suggest that a criminal offence may have been committed, it is the policy of TWAM to refer the matter to the police for investigation and seek to recover losses incurred.

3.5 At the conclusion of an investigation, Internal Audit will provide a report for the Director, Senior Manager: Corporate Affairs and Senior Manager concerned, as soon as is possible, in order that a decision may be made as to action to be taken.

4 Further action

4.1 Where the outcome of an audit investigation indicates improper behaviour by an employee, the Senior Manager concerned must instigate corrective and disciplinary processes. Corrective and disciplinary action may be taken in addition to, or instead of, criminal proceedings, subject to the advice of the Human Resources and Legal Services.

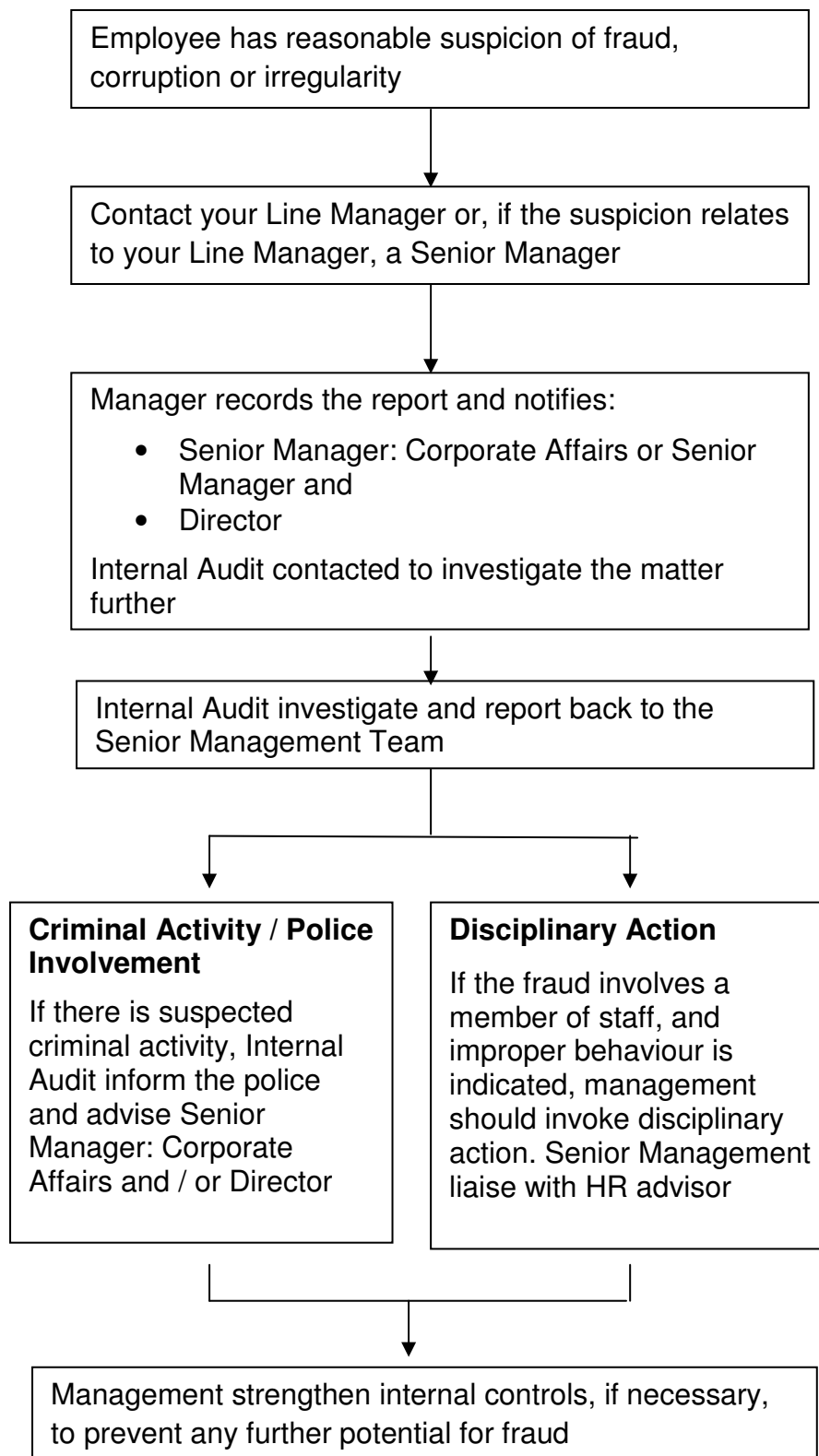
4.2 Following all investigations into suspected irregularities, work will be undertaken with the relevant service area(s) in order to address any weaknesses in procedures identified during the investigation.

4.3 Where appropriate, TWAM will refer the matter to the police, who in conjunction with the Crown Prosecution Service, would determine whether a prosecution would be sought. This approach may be adopted in conjunction with the disciplinary procedures.

4.4 Wherever an investigation indicates that fraud or corruption has occurred, TWAM will always seek to recover losses incurred.

4.5 Any employee who is approached by the press should advise them that all media enquiries are handled through the Communications Team. The employee should immediately report the press interest to their Line Manager and the Principal Communications Manager.

5 Reporting Suspicion of Fraud or Corruption



Appendix B



TWAM Counter Fraud and Corruption Policy Report form

TWAM is committed to highest standards of honesty, probity, openness and integrity. In line with the Counter Fraud and Corruption Policy members and staff are expected to report any suspicion of fraud or corruption.

1 Background and history of your concern (please give dates, if possible), naming any individuals who you believe to have acted in a fraudulent or corrupt manner.

2 Please give any reasons why you are particularly concerned about the situation.

Please attach additional sheet if necessary.

3 If you feel able to, please put your name and details to this report.

Name

Department

Contact telephone number

Form recorded by:

Date:

Department

Contact telephone number

Action now:

Use this form to notify Senior Manager: Corporate Affairs/Senior Manager and Director.