



# **Tyne & Wear Archives & Museums**

## **Anti-Corruption Policy**

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# 1. TWAM Anti–Corruption Policy Statement

TWAM is committed to achieving the highest possible standards of openness, honesty and accountability. TWAM will not tolerate any form of corruption in the administration of its responsibilities, whether from inside or outside the organisation. TWAM will deal firmly with those who are found to be corrupt, in accordance with this policy.

TWAM expects all its board members, committee members, trustees, staff (TWAM and TWAMe employees, casual workers, agency workers and freelancers) 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 and Archives & Records Association Codes 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 anti-corruption arrangements will flourish, and
- Promoting an anti-corrupt culture across the whole of the organisation.

TWAM expects that all external individuals and organisations it deals with, e.g. suppliers, contractors and partners, will act with honesty and integrity and without thought or actions involving corruption. In such relationships the principles outlined in this Policy must be applied.

## 2. Objective, Scope and Applicability

### Objective

This policy has been created to provide a framework for individuals involved with TWAM to comply with the law, and to ensure they have a safe, reliable and confidential way of reporting any suspicious activity.

TWAM's [Confidential Reporting Policy](#) outlines how concerns can be raised and makes it clear that individuals can do so without fear of victimisation, subsequent discrimination or disadvantage.

### Scope

This Policy applies to all of TWAM activities.

Whilst the principles in this Policy can be applied to any form of corruption, anti-bribery and anti-fraud procedures are provided in more detail.

This Policy should be read in conjunction with:

- TWAM's Interests, Gifts and Hospitality policy
- TWAM's Confidential Reporting Policy
- TWAM's Ethics Policy
- Newcastle City Council's Code of Conduct for Employees

A list of TWAM Policies can be found here:

<https://twmuseums.org.uk/corporate-publications-and-policies/policies>

Newcastle City Council's Code of Conduct for Employees can be found here:

[NCC Code of Conduct](#)

## **Applicability**

This policy applies to all individuals working for or on behalf of TWAM at all levels and grades, whether permanent, fixed-term or temporary, including staff, volunteers, board members and any other person who performs services for or on behalf of the organisation.

For partners and suppliers, we will seek to promote the adoption of policies consistent with the principles set out in this Policy.

For the purposes of this Policy the use of 'TWAM' means Tyne & Wear Archives & Museums, TWAM Strategic Board, TWAM Development Trust, TWAM Enterprises Ltd and Exhibitions by TWAM.

## **3. Definition of Corruption**

Corruption can be defined as "any unlawful, dishonest or improper behaviour that seeks to gain an advantage through illegitimate means".

Examples of corruption may include: bribery, fraud, abuse of power, favouritism, nepotism, extortion, deception, collusion, embezzlement and money laundering. Definitions of these can be found below:

### **3.1 Bribery**

Bribery is a financial or other inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage.

Under the Bribery Act 2010, it is an offence for you to:

- Bribe another person
- Be bribed
- Bribe a foreign public official

There is also a 'corporate offence' of failing to prevent bribery. Under this, TWAM will be guilty of an offence if an "Associated Person" bribes someone else intending to

obtain or retain business, or a business advantage, for TWAM “*Associated Persons*” may include staff, agents and subsidiaries.

It is unacceptable to:

- Give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that an advantage will be received (TWAM’s Interests, Gifts and Hospitality policy sets out when it is appropriate for to accept gifts and/or hospitality during the course of work duties).
- Accept any offer or payment from a third party that you know or suspect is made with the expectation that it will obtain an advantage for them, or will be provided by us in return.
- Retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy.
- Engage in any activity that might lead to a breach of this policy.
- Give or accept facilitation payments which are illegal. Facilitation payments are unofficial payments made to public officials in order to secure or expedite actions.
- turn a blind eye to any of the above

### **3.2 Fraud**

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

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

- theft of cash, cheques or equipment (also known as embezzlement)
- 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,
- manipulation of IT systems.

It is unacceptable to:

- Engage in any activity that might lead to a breach of this policy.
- Retaliate against or threaten a person who has refused to commit a fraudulent offence or who has raised concerns under this policy.
- turn a blind eye to any of the above

### **3.3 Abuse of power**

The abuse and misuse of power or authority in the course of performing work can occur both with external stakeholders and internally among staff and volunteers. The effects can be damaging to morale and to working relationships.

Abuse of power or authority can take various forms. Examples include:

- Bullying or harassing behaviour
- Requesting staff or volunteers to do personal errands or favours
- Pressuring staff or volunteers distort facts or break rules
- Interfering with the ability of a colleague to work effectively (i.e. by impeding access to information or resources)

### **3.4 Favouritism**

Favouritism is the practice of giving unfair preferential treatment to one person or group at the expense of another.

Favouritism in the workplace is when a person (usually a manager) gives preferential treatment to one person over all others for reasons unrelated to performance.

### **3.5 Nepotism**

Nepotism is the practice of showing favouritism towards friends or family.

In the workplace this could mean favouring members of staff or volunteers because they're friends, or relatives; resulting in them receiving opportunities unfairly.

Nepotism usually manifests itself in the form of undeserved promotions or jobs for staff or volunteers that they are not qualified for. It can also extend to colleagues getting away with things others would be reprimanded or face disciplinary action for.

### **3.6 Extortion**

Extortion is the act of trying to obtain anything of value from another person by threatening or using violence, fear, humiliation, or any other unlawful threat.

### 3.7 Collusion

Collusion is a secret cooperation or deceitful agreement in order to deceive others.

Staff or volunteers who attempt to commit fraud are typically familiar with the controls that have been put in place, and can try to work with another staff member or volunteer to circumvent them. For example, when companies require certain transactions to be authorized by a second person, the staff member or volunteer can collude to ensure that fraudulent activities are approved.

### 3.8 Money Laundering

**Money laundering** is the process of concealing the origins of illegally obtained funds. Money laundering works by transferring money in elaborate and complicated financial transactions which mislead anyone who may seek to trace and review the transactions. The objective is to make it difficult to identify the original party to the transaction, known as the **launderer**. The overall scheme of this process returns the money to the launderer in an obscure and indirect way.

## 4. TWAM Commitments to Anti-Corruption

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

- We aim to maintain anti-corruption compliance as “business as usual”, rather than as a one-off exercise.
- To investigate fully and impartially, any reported or suspected instances of corruption. Concerns can be raised by individuals without fear of victimisation, subsequent discrimination or disadvantage, as per TWAM’s [Confidential Reporting Policy](#).
- We will seek advice regarding any alleged anti-corruption from NCC Internal Audit.
- Formal disciplinary action will normally be invoked in respect of any employee who is found to have engaged in corruption. Disciplinary action may be taken in addition to criminal proceedings.
- Any member or volunteer found to have engaged in corrupt activities will normally also face action, taken in addition to criminal proceedings.

- 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.
- Successful prosecutions of perpetrators of fraud will be publicised where appropriate.

## 5. Roles and Responsibilities

Everybody working for, with and on behalf of TWAM has a duty to help detect, prevent and report instances of corruption. However, there are some specific tasks that each of the below groups must take responsibility for:

### Responsibilities of Staff and Volunteers

- All staff and volunteers are expected to give the highest possible standard of service and act with propriety in the use of official resources and public funds.
- Staff and volunteers 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. Staff and volunteers must be aware of procedures to be followed if they suspect that fraudulent or corrupt acts have been committed.
- All staff and volunteers have a vital role in the detection of fraud or corruption and must be vigilant against the possibility of fraudulent and corrupt activity.
- Staff and volunteers must:
  - comply with the 'Code of Conduct for Employees'.
  - ensure that they read, understand and comply with this policy.
  - Staff and volunteers must raise concerns as soon as possible if they believe or suspect that a conflict with this policy has occurred, or may occur in the future.
- Staff and volunteers must Refer to TWAM's [Confidential Reporting Policy](#) to determine their course of action.

### Responsibilities of Management

- 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.
- Line Managers must ensure that staff and volunteers 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 staff and and

volunteers are aware of the existence and content of the Financial Procedures and all other regulatory documents and the requirements of each are met.

- 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 staff or volunteers. The recruitment procedure must be adhered to during this process, and adequate employment references and employment checks performed.
- TWAM's Head of Governance, Finance and Resources must monitor and maintain a register of interests, gifts and hospitality, in accordance with the Code of Conduct for Employees.

#### Responsibilities of external individuals and organisations (e.g. suppliers, contractors and partners)

- TWAM expects that all external individuals and organisations it deals with, e.g. suppliers, contractors and partners, will act with honesty and integrity and without thought or actions involving corruption. In such relationships the principles outlined in this Policy must be applied.
- TWAM will seek to promote the adoption of policies consistent with the principles set out in this Policy by all external individuals and organisations it deals with.

#### Role of TWAM's Board Members

All board members, directors and trustees should:

- Be familiar with the Anti-Corruption Policy and support its application in all activities, in order to help maintain a culture which will not tolerate corruption.
- Maintain the highest standards of conduct and ethics as the public would expect of board representatives.
- Be vigilant against the possibility of fraudulent activity.
- Ensure that they read, understand and comply with this policy.
- Raise concerns as soon as possible if they believe or suspect that a conflict with this policy has occurred, or may occur in the future.
- Refer to TWAM's [Confidential Reporting Policy](#) to determine their course of action.

TWAM's Strategic Board have the responsibility of approving the Anti-Corruption Policy and related policies.

### Specific additional role of TWAM's Finance, Audit and Risk Committee

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

- Oversight of the TWAM Anti-Corruption Policy and 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;
- undertaking the annual review of the effectiveness of the TWAM's system of internal control; and
- monitoring the Action Plan set up to address any issues.

### Role of Internal Audit

- 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.

### Role of External Audit

- TWAM's External Auditors are required to assess the arrangements in place for the prevention and detection of fraud and corruption.

## **6. Examples of possible Red Flag scenarios**

The following is a list of possible red flags that may arise and which may raise concerns under various anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

- becoming aware that a third party engages in, or has been accused of engaging in, improper business practices, has a reputation for paying bribes, or requiring that bribes are paid to them;
- a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us or requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- a third party requests an unexpected additional fee or commission to "facilitate" a service;

- a third party demands/offers lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- a third party requests that a payment is made to "overlook" potential legal violations;
- a third party requests that TWAM provide employment or some other advantage to a friend or relative;
- a third party insists on the use of side letters or refuses to put terms agreed in writing;
- TWAM receive an invoice from a third party that appears to be nonstandard or customised;
- TWAM are invoiced for a commission or fee payment that appears large given the goods and/or services stated to have been provided.

If board members, committee members, trustees, staff or volunteers encounter any of these red flags while working for or with TWAM, they must follow the procedure set out in TWAM's [Confidential Reporting Policy](#).