



Fraud and Corruption Policy

1 Introduction

- 1.1 Fraud or corruption may occur internally or externally and may be perpetrated by employees, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, volunteers and/or any other parties with a business relationship with the Chester Beatty Library (hereafter called the Chester Beatty or CB), individually or in collusion with others.
- 1.2 This Policy should be read in conjunction with:
- CB Code of Business Conduct
 - Protected Disclosures Policy and Procedure
 - Disciplinary Procedure (Employee Handbook)
 - Audit and Finance Committee Charter (Approved 8 June 2016)

2 Policy statement

- 2.1 The Chester Beatty is committed to maintaining the highest standards in the delivery of its services to the public and the management of funds, public, private and own income entrusted to it. It is the intent of the Chester Beatty to promote consistent organisational behaviour by providing guidelines and assigning responsibility for the development of controls and conduct of investigations. In adhering to the principles of integrity, objectivity and honesty, the Chester Beatty does not tolerate any fraud or corruption in the way that it conducts its business. All members of staff are expected to share this commitment. All appropriate sanctions will be brought against those found to have committed fraud or corruption, including criminal, civil and disciplinary sanctions.

3 Purpose

- 3.1 The purpose of this policy is to ensure the prevention and detection of fraud and the development of procedures which will aid in the investigation of fraud and related offences, ensuring that such cases are dealt with in a timely and appropriate manner. This policy is intended to provide direction and assistance to all employees who may identify suspected fraud or corruption. The overall aims of the policy are to:
- Improve the knowledge and understanding of CB employees, irrespective of their position, about the risk of fraud and corruption within the organisation and its unacceptability; Assist in promoting a climate of openness and a culture and environment where employees feel able to raise concerns responsibly;
 - Set out the CB's responsibilities in terms of deterrence, prevention, detection and investigation of fraud and corruption;
 - Ensure that appropriate sanctions are considered following an investigation, including any or all of the following:
 - Criminal prosecution
 - Civil prosecution
 - Disciplinary action
 - Civil recovery of any monies lost as a result of fraud.
- 3.2 The policy provides guidelines for responding to suspicions of fraud or corruption. All employees must report any suspicion of fraud or corruption as soon as they become aware of them. The Chester Beatty will not penalise or threaten penalisation against an employee for reporting suspicions in which they have a reasonable belief. Anyone reporting any irregularity that is detected or suspected must have reasonable grounds for believing the information provided. Allegations made with knowledge of their falsity will not be tolerated. People making such allegations may be subject to the Chester Beatty's Disciplinary Procedure and/or legal actions by the individuals accused of fraudulent conduct.
- 3.3 All employees must co-operate with the Chester Beatty and other bodies if required to facilitate the elimination of fraud and corruption by:
- Providing information and intelligence
 - Co-operating with investigations, and
 - Complying with this policy.

4 Scope

- 4.1 This policy applies to any irregularity, or suspected irregularity, involving Trustees, employees, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, volunteers and/or any other parties with a business relationship with the Chester Beatty.

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Chester Beatty.

- Note: all references to fraud in this document should be interpreted as relating to fraud and corruption where appropriate.

5 Definitions of Fraud and Corruption

- 5.1 The term fraud is used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion.
- 5.2 For practical purposes fraud is defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party. The criminal act is the attempt to deceive and attempted fraud is, consequently, treated as seriously as accomplished fraud.
- 5.3 Corruption is broadly defined as the offering or acceptance of inducements, gifts, favours, payment or benefit in kind which may influence the action of any person. The corrupt person may not benefit directly from their deeds; however they may be unreasonably using their position to give some advantage to another.
- 5.4 Actions constituting fraud can cover, but are not limited to:
- Any dishonest or fraudulent act;
 - Damage, theft, inappropriate handling or removal of any part of the Chester Beatty's Collection;
 - Misappropriation of funds, supplies, or other assets;
 - Impropriety in the handling or reporting of money or financial transactions;
 - Profiteering as a result of insider knowledge of Chester Beatty activities;
 - Disclosing confidential and proprietary information to outside parties, particularly in relation to security procedures and systems;
 - Disclosing to other persons security arrangements engaged in or contemplated by the Chester Beatty;
 - Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the Chester Beatty; any gifts received should be donated to the annual staff Christmas raffle;
 - Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment;
 - Any similar or related irregularity.

6 Roles and Responsibilities

Reporting fraud according to this policy is mandatory for any employee who suspects that a fraud has occurred. Persons who cover up, obstruct, or fail to report a fraud that they become aware of, or ought to have been aware of, will be subject to Chester Beatty's Disciplinary Procedure.

6.1 Director

- 6.1.1 The Director has overall responsibility for Chester Beatty's funds. The Director will ensure that adequate policies and procedures are in place to protect the Chester Beatty from fraud or corruption.
- 6.1.2 The Director shall, if she has reason to suspect that any material misappropriation of the money, or any fraudulent conversion or misappropriation of the Chester Beatty's property, may have taken place, report the matter to the Chair as soon as practicable.

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6.2 Line Managers

- 6.2.1 All managers with direct supervision of staff are primarily responsible for ensuring that policies, procedures and processes within their work areas are adhered to.
- 6.2.2 Managers should ensure that all employees within their areas of responsibility are aware of fraud and corruption risks and understand the importance of protecting the Chester Beatty against them. They should be alert to the possibility that unusual events or transactions could be symptoms of fraud or corruption.
- 6.2.3 Line managers have responsibility to ensure that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively. As part of that responsibility line managers are required to:
- inform Chester Beatty employees of this policy, the CB Code of Business Conduct and any other policies relevant to their work area, as part of their induction process;
 - ensure that all employees for whom they are accountable are made aware of the requirements of this policy;
 - assess the risks to which systems, operations and procedures are exposed;
 - adhere to requirements on internal audits where they apply to supervisory checks, separation of duties and controls to prevent and detect fraud or corruption;
 - ensure that controls are being complied with in their areas of responsibility;
 - encourage an anti-fraud and corruption culture among staff.

Line managers may seek advice from the Senior Management Team (SMT) and/or Internal Auditor for assistance in meeting these responsibilities.

- 6.2.4 All reports of fraud or corruption or suspected fraud or corruption must be taken seriously. Where a member of staff alerts a line manager to possible fraud or corruption the following steps should be taken by the line manager:
- act quickly to minimise any losses;
 - bear in mind that it is only an allegation until outcome of investigation is known;
 - preserve any evidence and move it to a safe location where practicable;
 - notify the Head of Operations and Administration, who will advise on the most appropriate course of action and investigative process.

6.3 Head of Operations & Administration

- 6.3.1 The Head of Operations and Administration carries the following responsibilities:
- ensuring that a vigorous and prompt investigation of all suspected fraudulent acts as defined in the policy is carried out;
 - If the investigation substantiates that fraudulent activities have occurred, the Head of Operations and Administration will issue reports to the Director and, if appropriate, to the Board of Trustees, through the Audit and Finance Committee;
 - following consultation with the Director, notify the Gardaí;
 - if appropriate, advise the person who raised the concern of progress with the matter.

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Decisions to prosecute or refer the investigation examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and the Director.

6.4 Employees

6.3.1 Every employee has a responsibility to:

- Carry out their duties with due regard for relevant legislation and the Chester Beatty's policies and procedures;
- Be aware of fraud and corruption risks and understand the importance of protecting the Chester Beatty against them;
- Ensure that any monies/funds/assets entrusted to them are safeguarded;
- Be alert to the possibility that unusual events or transactions may be indicators of fraud or corruption;
- Inform their line manager of any outside interests that may conflict or impinge on their duties;
- Alert their line manager to weaknesses in the control system;
- Alert their line manager where they suspect that fraud or corruption has occurred or is about to occur;
- Co-operate with any investigation that may arise in respect of fraud or corruption or suspected fraud or corruption.

6.5 Internal Audit

6.5.1 The Internal Auditor carries out a risk-based programme of audits to provide independent assurance on the adequacy of the systems of internal controls established by the Chester Beatty, including controls for the prevention and detection of fraud and corruption. Audits take account of the possibility of fraud and corruption but cannot guarantee that they are always detected. The audits carried out by Internal Auditor are prioritised to reflect the levels of potential risk to the CB and the frequency of audits will be dependent on the resources available to the Chester Beatty in any given year.

6.5.2 Internal Audit reports to the Audit & Finance Committee on the occurrence of fraud and corruption, and provides guidance to the Director/SMT on control issues to mitigate the risks.

6.6 Human Resources

6.6.1 A key preventative measure to deter fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential employees in terms of their propriety and integrity.

6.6.2 Human Resources will:

- seek Garda clearance of staff;
- request confirmation from line managers of satisfactory completion of probationary periods for their staff;
- issue the CB's Code of Conduct and Employee Handbook on appointment;
- assist line managers in implementation, and operation, of the Chester Beatty's Disciplinary Procedures when necessary;
- ensure staff are made aware of all policies relating to their work area on appointment.

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7 Employee Support

It is not uncommon for employees to feel distressed or upset while facilitating or cooperating with difficult matters such as suspicion of fraud or corruption at work. Members of staff who feel that they may require counselling may self-refer themselves in confidence to the Chester Beatty's appointed counsellor, as per details in the Employee Handbook.

8 Summary guide for employees

DO	DO NOT
<p>Note your concerns: record details such as your concerns, names, dates, times, details of conversations and possible witnesses.</p> <p>Retain evidence: retain any evidence that may be destroyed, or make a note and advise your line manager.</p> <p>Report your suspicion to your line manager.</p>	<p>Confront the suspect or convey concerns to anyone other than those authorised. Never attempt to question a suspect yourself – this could alert a fraudster or accuse an innocent person.</p> <p>Try to investigate or contact the Gardaí directly. Never attempt to gather evidence yourself unless it is about to be destroyed. Evidence gathering must take into account legal procedures in order for it to be useful.</p> <p>Be afraid of raising your concerns. Where you have a genuine suspicion that fraud or corruption is occurring you have a duty to report it.</p>

9 Approval / Revision History

This is Fraud and Corruption Policy is version 1.0, formally approved by the Trustees on 13 December 2019. This policy will be reviewed on an annual basis by the Director, while a full revision will take place every three years.

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