

National Library of Scotland

Fraud Response Policy

- 1 The National Library of Scotland (NLS) is committed to taking all practicable steps to prevent all types of fraud within the organisation, and to prevent the organisation being defrauded by external bodies.
- 2 Fraud is defined by the 2006 Fraud Act as:
 - The obtaining of financial advantage or causing loss by implicit or explicit deception.
- 3 The criminal act of fraud is defined within the 2006 Fraud Act as the attempt to deceive to gain a financial advantage, this can occur by:
 - Making false representation
 - Failing to disclose relevant information
 - Abuse of position
 - The Fraud Act (2006) also makes it clear that attempted fraud is treated as seriously as accomplished fraud and is also considered as a criminal activity.
- 4 NLS is more likely to deter fraudsters if we are fully aware of the risks, keep control systems under regular review and respond effectively whenever fraud is suspected or discovered.
- 5 Any manager, who is responsible for resources or for supervising staff, will therefore be expected to be aware of the risks of fraud. The Library publication 'Guidelines for the prevention of fraud' is available to all staff on the staff handbook section of the intranet.
- 6 The Secretary's department will maintain up-to-date guidance on the risks of fraud, and take steps to keep these risks in the minds of managers across the organisation.
- 7 All systems owners and line managers have a duty to have properly documented control systems in place which take account of the risk of fraud, to check regularly that staff comply with them and to review these systems when circumstances change. All Heads of department (HoDs) completed an annual statement confirming the compliance with NLS controls.
- 8 Advice on systems and procedures will be available from the Finance department. The Compliance, Audit and Review (CAR) Manager is also available to advise on the adequacy and effectiveness of internal controls in existing and developing systems. Advice on disciplinary procedures (including suspension) and other non-finance but fraud-related issues can be obtained from the Human Resources department.
- 9 The Library Leadership Team (LLT) and the Audit Committee will decide in which parts of the Library the risk of fraud is greatest, and this will influence

the frequency of internal audit coverage. In these areas management should give particular attention to their responsibilities for control systems.

- 10 The Finance department has a particular responsibility to ensure that core financial systems are designed and operated so as to minimise the risk of fraud. Line managers have a duty to ensure that their staff comply with guidance and any instructions issued on the use of these systems.
- 11 Staff will be reminded periodically of the facility to report suspected frauds to the Fraud Response Co-ordinator on a confidential or anonymous basis.
- 12 The Fraud Response Group, in accordance with the Fraud Response Plan, will oversee the response to each suspected fraud, ensuring that investigation is prompt and vigorous, that appropriate action is taken against offenders and that lessons to be learned are brought to the attention of relevant managers. This group consists of:
 - The Deputy Chief Executive
 - The Secretary to the Library
 - The Head of Organisational Development and Human Resources.

However, for any reason if a member of the group can't take part in an investigation they will be replaced by someone of equal seniority and standing in the Library, this decision will be undertaken either by the National Librarian or the Chair of the NLS Board.

- 13 Disciplinary action will be considered not only against those found to have perpetrated frauds but also against managers and others whose negligence is held to have facilitated frauds. Both categories of offence can be held to constitute gross misconduct, the penalty for which may include summary dismissal.