Example Whistle Blowing Policy

Whistle-blowing procedures are a major line of defense against fraud and audit committees have a role in ensuring such procedures are effective.

Barriers to an effective whistle blowing procedure include:
- **Operational** – is the whistle blowing process fully embedded within the organisation? Do all staff know what to do, what to look for? Do the hotlines and reporting lines actually work?

- **Emotional and cultural** – Whistle blowers are commonly viewed as snitches, sneaks, grasses, super grasses and gossips. This perception can make it difficult to blow the whistle even though individuals recognise that it is good for the company, employees, shareholders and other stakeholders.

- **Fear** – Potential whistle blowers often fear reporting incidents to management. Areas such as legal protection, fear of trouble and potential dismissal all play a part when an individual is considering whistle blowing.

When reviewing whistle-blowing procedures, the audit committee should consider the following:
- Are whistle-blowing procedures documented and communicated throughout the organisation?

- Are concerns raised by employees (and others) responded to with a reasonable time frame?

- Are procedures in place to ensure that all reasonable steps are taken to prevent the victimisation of whistle-blowers?

- Are there procedures to ensure that all reasonable steps are taken to keep the identity of whistle-blowers confidential?

- Has a senior person been identified to whom confidential concerns can be disclosed? Does this person have the authority and determination to act if concerns are not raised with, or properly dealt with, by line management and other responsible individuals?

- Are success stories publicised?

- Does management understand how to act if a concern is raised? Do they understand that employees (and others) have the right to blow the whistle?

- Has consideration been given to the use of an independent advice centre as part of the whistle-blowing procedure?

This document provides an example of a whistle-blowing policy.
Example Whistle Blowing Policy

All employees are encouraged to raise genuine concerns about possible improprieties in matters of financial reporting and other malpractices at the earliest opportunity, and in an appropriate way.

This policy is designed to:
- support our values;
- ensure employees can raise concerns without fear of suffering retribution; and
- provide a transparent and confidential process for dealing with concerns.

This policy not only covers possible improprieties in matters of financial reporting, but also:
- fraud;
- corruption, bribery or blackmail;
- criminal offences;
- failure to comply with a legal or regulatory obligation;
- miscarriage of justice;
- endangering the health and safety of an individual; and
- concealment of any of the above.

Principles
- All concerns raised will be treated fairly and properly.
- We will not tolerate the harassment or victimisation of anyone raising a genuine concern.
- Any individual making a disclosure will retain their anonymity unless they agree otherwise.
- We will ensure that any individual raising a concern is aware of who is handling the matter.
- We will ensure no one will be at risk of suffering some form of retribution as a result of raising a concern even if they are mistaken. We do not however extend this assurance to someone who maliciously raises a matter they know to be untrue.

Grievance procedure
If any employee believes reasonably and in good faith that malpractice exists in the workplace, then he or she should report this immediately to their own line manager. However, if for any reason they are reluctant to do so, then they should report their concerns to either the:
- group company secretary; or
- director of human resources.

Employees concerned about speaking to another member of staff can speak, in confidence, to an independent third party by calling the whistle-blowing hotline on [ ]. This is provided through the independent party who provide the employee care counselling and legal advice service. Your concerns will be reported to the company without revealing your identity.

If these channels have been followed and employees still have concerns, or if employees feel the matter is so serious that it cannot be discussed with any of the above, they should contact the senior independent director on [ ].

Employees who have raised concerns internally, will be informed of who is handling the matter, how they can make contact with them and if there is any further assistance required. We will give as much feedback as we can without any infringement on a duty of confidence owed by us to someone else.

Employees’ identities will not be disclosed without prior consent. Where concerns are unable to be resolved without revealing the identity of the employee raising the concern, (eg, if their evidence is required in court), we will enter in to a dialogue with the employee concerned as to whether and how we can proceed.

If you are unsure whether to use the procedure or you want independent advice at any stage, you may contact the independent charity [ ]. Their lawyers can give you free confidential advice at any stage about how to raise a concern about serious malpractice at work.

Public Interest Disclosure Act
All UK employees will be protected under the Public Interest Disclosure Act 1998, where they make a protected disclosure. These are disclosures of information, which in the reasonable belief of the employee making the disclosure, cover the following employer activities:
- a criminal offence has been, is being, or is likely to be, committed;
- that a person has failed, is failing or is likely to have failed to comply with any legal obligation to which they are subject;
- a miscarriage of justice has occurred, is occurring or is likely to occur;
- that health and safety of an individual has been, is being or is likely to be endangered;
- that the environment has been, is being or is likely to be damaged; and
- that information relating to the above is being deliberately concealed.

Employees in other territories will be treated by the company as if such legislation applied to them.
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