



# **The Institute of Internal Auditors – Australia**

## **Whistleblower Policy**

**October 2019**

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## Distribution

Position	Hardcopy	Electronic	Date Last Updated
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Company Secretary	✓	✓	October 2019

## Document Change History

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## Review of Policy

<b>To be Reviewed</b>	<ul style="list-style-type: none"> <li>• Triennially, with reviewed document to be considered by the Audit and Risk Committee</li> <li>• Whenever there is a business change (including to responsibilities) affecting the Policy</li> <li>• Formal validation of process to be undertaken after each incident</li> </ul>
<b>Last Review</b>	October 2019
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## Document Location

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<b>File Name</b>	IIA-Australia Whistleblower Policy October 2019

## 1. Purpose

The purpose of this policy is to:

- Help detect and address wrongdoing and protect people who report actual or suspected wrongdoing,
- Help provide workers with a supportive work environment in which they feel able to raise issues of legitimate concern to them and to the IIA-Australia, and
- Provide suitable avenues for reporting of matters that may cause loss to the IIA-Australia or damage the IIA-Australia's reputation.

The policy addresses requirements of the Corporations Act 2001 Part 9.4AAA Section 1317 on whistleblowing.

## 2. Scope

This policy applies to people who:

- Are workers, or former workers, for IIA-Australia (i.e. employees, volunteers, consultants and contractors),
- Are Members, or former members, or
- Who deal with the IIA-Australia (e.g. supplier or service provider to the IIA-Australia) who wish to alert the IIA-Australia about wrongdoing.

*Scope limitation:*

This policy is not intended to replace other reporting structures such as those for dispute resolution, grievances, equal opportunity, discrimination, harassment or bullying. An exception to this is where the issue is a serious matter but existing reporting systems have failed to process the issue or have processed it in an inappropriate, unfair, wrong or biased manner.

## 3. Definitions

Word	Description / Definition for the purposes of this Policy
Whistleblowing	<i>"The deliberate, voluntary disclosure or alert about individual or IIA-Australia wrongdoing where the disclosure is made by a person who has or had privileged access to data, events or information about an actual, suspected or anticipated wrongdoing within or by the IIA-Australia that is within the ability of the IIA-Australia to control."</i>

Word	Description / Definition for the purposes of this Policy
Wrongdoing	<p>Unacceptable conduct (regardless of whether it is referred to as wrongdoing, malpractice etc.), includes any conduct that:</p> <ul style="list-style-type: none"> <li>• Is dishonest, fraudulent or corrupt;</li> <li>• Is illegal, such as theft, drug sale or use, violence, harassment, criminal damage to property or other breaches of state or federal legislation;</li> <li>• Is unethical, such as dishonestly altering company records or engaging in questionable accounting practices or wilfully breaching the IIA-Australia’s code of conduct or other ethical statements;</li> <li>• Is potentially damaging to the IIA-Australia or an IIA-Australia person, such as unsafe work practices or substantial wasting of resources;</li> <li>• May cause financial loss to the IIA-Australia or damage its reputation or be otherwise detrimental to the IIA-Australia’s interests; or</li> <li>• Involves any other kind of serious impropriety.</li> </ul>
Alert	An alert is a report of suspected wrongdoing.

## 4. References

- *AS 8004:2003 Whistleblower protection programs for entities*
- *AS 8001:2008 Fraud and corruption control*
- *Best Practice extracts from Federal and State Government agencies (e.g. Ombudsman, Audit Office etc. for example, the NSW Audit Office Fraud Control Improvement Kit)*
- *Corporations Act 2001*

## 5. Policy Statements

### 5.1 Commitment

The Institute of Internal Auditors in Australia (IIA-Australia) is committed to the highest standards of legal, ethical and moral behaviour and will not tolerate unethical, unlawful or undesirable conduct. The IIA-Australia recognises that the most common method of detecting fraud is by notification of the wrongdoing by its own workers or an alert from an external party.

This policy documents the IIA-Australia’s intent at maintaining an environment in which people are able to report their concerns about any serious instances of wrongdoing that they believe may be occurring in the name of the IIA-Australia without fear of retaliatory action.

This policy complements normal reporting and communication channels within the IIA-Australia. It provides an alternative means of reporting alleged or suspected wrongdoing where the usual channels appear to have failed or may be inappropriate.

## **5.2 How wrongdoing may be reported**

### **5.2.1 Normal reporting channels favoured**

Any worker who detects or has reasonable grounds for suspecting wrongdoing is encouraged to raise any concerns with their immediate manager through normal reporting channels. The manager must report the allegation to either, the Chief Executive Officer or the Company Secretary who are responsible for ensuring that the matter is properly dealt with. This may include appointing an investigator independent of the area of operations to inquire into the matter raised. The Chair, Audit & Risk Committee, is to receive a report concurrently, on allegations raised.

### **5.2.2 Alternative internal reporting channel**

If the person raising the alert does not believe reporting to their immediate manager through normal reporting channels is appropriate given the circumstances of the wrongdoing, under this policy the report may be made directly to the alert receiving officers:

- Chief Executive Officer
- Company Secretary

Where the alert receiving officer is of the view that protection should be afforded to the person raising the alert, the alert receiving officer will appoint a Whistleblower Protection Officer.

### **5.2.3 Alternative external reporting channel**

In the case that the above two reporting options are considered inappropriate, people may contact an external alert receiving officer:

- The Chair of the Audit and Risk Committee

This reporting avenue could be used where the person providing the alert reasonably believes that any of the avenues involving the IIA-Australia management would not provide an independent assessment and/or an independent investigation and that the allegation ought to be handled external to the IIA-Australia management. This avenue is generally only appropriate in the instance of alleged or suspected wrongdoing involving senior IIA-Australia management.

Contact details are [ARCChair@iaa.org.au](mailto:ARCChair@iaa.org.au)

### **5.2.4 Integrity email**

Alerts about wrongdoing can be sent to [governance@iaa.org.au](mailto:governance@iaa.org.au). The Company Secretary will monitor this email account and determine the most appropriate alert receiving officer for the alert to be attended to.

### **5.2.5 Main switchboard wrongdoing alerts**

Wrongdoing alerts to the main switchboard are forwarded to an internal alert receiving officer (Chief Executive or Company Secretary) or upon request, to the alternative external alert receiving officer (The Chair of the Audit and Risk Committee).

## **6. Roles and Responsibilities**

### **6.1 Protective measures and alert handling**

### **6.1.1 Whistleblower Protection Officers**

A Whistleblower Protection Officer is a Senior Manager in the IIA-Australia who is appointed by either an internal or external receiving officer. The person appointed must not be a person who is a close colleague of the person giving the alert, or of a person suspected of wrongdoing, and must not be from the same area of business as the area affected by the possible wrongdoing.

The role of a Whistleblower Protection Officer is to safeguard the interests of the whistleblower in terms of this policy. The Whistleblower Protection Officer has direct, unfettered access to independent financial, legal and operational advisers as required.

### **6.1.2 Internal or external alert receiving officers**

Aside from receiving alerts of possible wrongdoing, the alert receiving officers have an overriding governance role that has the following features:

- Be satisfied that the circumstances raised by the alert are appropriate to invoke this policy,
- Appoint an appropriate and independent person to inquire into and/or where appropriate, to investigate the suspicion raised, and
- Be satisfied that the matter is handled confidentially, fairly, and appropriately.

The alert receiving officer is responsible for receiving alerts and appointing an investigator to inquire into the substance of alerts should one be required. On the basis of sufficient evidence in support of the matters raised in an alert, the alert receiving officer determines whether to refer alerts for further action, or refute these where evidence is insufficient or contrary to the suspicion. The Officer must ensure that the person who provided the alert is kept informed of the broad outcomes of the inquiry or investigation, subject to the considerations of privacy of those against whom the allegations are made.

The alert receiving officers will provide a report about the alternative reporting activities to the Audit and Risk Committee at least annually or more frequently where the Audit and Risk Committee deems it necessary.

The IIA-Australia aims to ensure that all workers are aware of whom the alert receiving officers are, and the alternative ways in which people can make contact to raise an alert about suspected wrongdoing.

### **6.1.3 Links to the Grievance procedure**

This policy is concerned with disclosure of information and alerts about wrongdoing. This policy does not replace the grievance procedure, which is there for all workers to raise any matter they may have in relation to their work or their work environment, another person, or any decision affecting their employment.

### **6.1.4 Confidentiality of whistleblower identity and whistleblowing alerts**

If a person provides an alert of alleged or suspected wrongdoing under this policy the IIA-Australia will endeavour to protect that person's identity from disclosure. This may not occur if confidentiality is not a practical option.

Generally, the IIA-Australia will not disclose the person's identity unless:

- The person raising the alert consents to the disclosure;

- The disclosure is required or authorised by law, and/or
- The disclosure is necessary to further the investigation.

Generally, alerts made under this policy will be treated confidentiality. However, when an alert is investigated it may be necessary to reveal its substance to people such as other IIA-Australia personnel, external persons involved in the investigation process and, in appropriate circumstances, law enforcement agencies. At some point in time it may also be necessary to disclose the fact and the substance of an alert to the person who is the subject of the alert. Although confidentiality is maintained, in some circumstances, the source of the reported issue may nevertheless be obvious to a person who is the subject of an alert.

The IIA-Australia will also take reasonable precautions to store any records relating to an alert of wrongdoing securely and to permit access by authorised persons only.

Unauthorised disclosure of information relating to an alert, the identity of an IIA-Australia worker who has provided an alert of wrongdoing or information from which the identity of the reporting person could be inferred, will be regarded seriously and may result in disciplinary action, which may include dismissal.

### **6.1.5 Protection**

The IIA-Australia is committed to protecting and respecting the rights of a person who reports wrongdoing in good faith. The IIA-Australia will not tolerate any retaliatory action or threats of retaliatory action against any person who has made or who is believed to have given an alert of wrongdoing, or against that person's colleagues, employer (if a contractor or consultant) or relatives or dependants. For example, the person must not be disadvantaged or victimised by having raised the alert or by any of the following instances of detrimental conduct:

- Dismissal,
- Demotion,
- Any form of harassment,
- Discrimination,
- Current or future bias,
- Alteration of a worker's position or duties to that worker's detriment,
- Harm or injury to a person including psychological harm,
- Damage to a person's property, reputation, business or financial position and any other damage to a person,
- Threats of any of the above regardless of whether express or implied, conditional or unconditional.

Any such retaliatory action or victimisation in reprisal for an alert being made under this policy will be treated as serious misconduct and will result in disciplinary action, which may include dismissal. If a person who has raised an alert believes retaliatory action or victimisation has occurred or been threatened, the person who had raised the alert has the right to make a submission to the Chair of the Audit and Risk Committee.

### **6.1.6 Disclosers implicated in wrongdoing**

Even though a person who raises an alert may be implicated in the wrongdoing, that person must not be subjected to any actual or threatened retaliatory action or victimisation in reprisal for raising an alert under this policy.

However, raising an alert will not necessarily shield the discloser from the consequences flowing from involvement in the wrongdoing itself. A person's liability for their own conduct is not affected by their reporting of that conduct under this policy. However, in some circumstances, an admission may be a mitigating factor when considering disciplinary or other action.

#### **6.1.7 Anonymous reporting**

Anonymous alerts about wrongdoing are accepted under this policy. Further, anonymous alerts of wrongdoing have significant limitations that inhibit a thorough and appropriate inquiry or investigation.

#### **6.1.8 False reporting by a person purporting to be a whistleblower**

Where it is shown that a person purporting to be a whistleblower has knowingly provided a false alert of wrongdoing, then that conduct itself will be considered a serious matter and that person may be subject to disciplinary action, which may include dismissal. This is where the matters the discloser knows, or ought to know, have no substance.

#### **6.1.9 Trivial or vexatious alerts**

This policy is intended to apply to alerts of alleged or suspected wrongdoing which are serious in nature. The policy must not be used for trivial or vexatious matters (being matters that the discloser knows, or ought to know have no substance).

### **6.2 Investigation of alerts**

All alerts of alleged or suspected wrongdoing made under this policy will be properly assessed, and if appropriate, independently investigated with the objective of locating evidence that either substantiates or refutes the claims made by the discloser. The investigator will be responsible for ensuring the proper conduct of the investigation. The investigation will not be conducted by a person who may be the subject of the investigation or has inappropriate links or connections (actual or perceived) to the person(s) or practice(s) under investigation.

#### **6.2.1 Investigator**

An investigation officer is a suitably qualified person appointed by an alternative reporting officer (either internal or external). Investigations must be conducted in a fair and independent manner. This means investigators must be independent from the business unit concerned, the discloser and any person who is the subject of the alert.

#### **6.2.2 Communication with the whistleblower**

The investigator will keep the Whistleblower Protection Officer informed of the broad progress of the investigation. The Whistleblower Protection Officer is responsible for keeping the person who raised the alert informed of the outcomes of the investigation into the alert subject to the considerations of privacy of those against whom the allegations have been made.

### **6.3 Management of a person against whom an alert is made**

The IIA-Australia recognises that individuals against whom an alert is made must also be supported during the handling and investigation into the alert. The IIA-Australia takes reasonable steps to treat fairly the person who is the subject of an alert, particularly during the assessment and investigation process. In some circumstances, a support worker may be appointed from senior management to

represent the interests of a person who has had claims of wrongdoing alleged against them (e.g. enable communications where a worker is stood down as a protective measure while investigation is undertaken).

Where a person is named by a discloser as being suspected of possible wrongdoing but preliminary inquiries determine that the suspicion is baseless or unfounded then no formal investigation is warranted. The discloser will be informed of this outcome and the matter laid to rest. The alert receiving officer will decide whether or not the person named in the suspicion should be informed that a suspicion had been raised and found to be baseless. This decision will be based on a desire to preserve the integrity of all people involved. It can enable workplace harmony to continue unfettered and it protects the discloser for the bona fide alert.

Where an inquiry or investigation does not substantiate the alert, the fact that the investigation has been carried out, the results of the investigation and the identity of the person who is the subject of the alert must be handled confidentially.

Generally, the investigator must ensure that the person who is the subject of any wrongdoing alert:

- Is informed about the substance of the allegations,
- Is given the opportunity to answer the allegations before any investigation is finalised,
- Is informed about the substance of any adverse comments that may be included in any report arising from the investigation before it is finalised, and
- Has the person's response set out fairly in the investigator's report.

Where the allegations in an alert have been investigated and the person who is the subject of the alert is aware of the allegations or the fact of the investigation, the investigator must formally advise the person who is the subject of the alert of the outcome of the investigation.

The IIA-Australia will give its full support to a person who is the subject of an alert where the allegations are clearly wrong.

## **7. Appointments**

Whistleblower Protection Officer: CEO

Alert Receiving Officer: Company Secretary

Investigation: To be advised at time of incident, if required.

## **8. Reporting**

As soon as practicable, any allegations are to be reported to the Chair, Audit & Risk Committee, as he is independent of management.

Contact details are [ARCChair@iaa.org.au](mailto:ARCChair@iaa.org.au)