

Setting up internal whistleblowing system

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Effective from 1 May 2019, the Whistleblowing Act (WBA) permits everyone to raise concerns in the public and the private sector on any threat to the public interest seen at work. The WBA provides that the whistle can be blown on wrongdoings through one of the available whistleblowing mechanisms, including an internal whistleblowing system (IWBS). This article explores requirements and recommendations for building an IWBS.

Statutory requirements and definitions

The requirement for setting up an IWBS under section 5(1) of the WBA applies to all institutions of a public person and private law entities employing a staff of over 50, such as societies, foundations, religious organisations, businesses, and central or local government companies (collectively “organisations”).

The WBA lays down the following requirements for setting up an IWBS:

- Workers can report wrongdoings safely;
- Workers are guaranteed protection; and
- Information about the IWBS is easily accessible within the organisation.

A whistleblowing system

This is an opportunity for everyone to promote the lawful, conscientious and transparent activities of their organisation in the public and the private sector by exercising the right to raise concerns freely.

The WBA provides that a whistleblower is an individual that provides information about a possible wrongdoing that may harm the public interest if the person considers this information to be true and it has been obtained in the course of employment or entering into a legal relationship associated with carrying out job duties.

IWBS issues are addressed by the organisation’s internal policies either in a separate internal document (e.g. a new procedure, guidance or policy) or included as a separate chapter in an appropriate existing or new internal document. An IWBS is built in conjunction with internal controls (e.g. anti-corruption, ethics or compliance measures).

The idea of an IWBS is that everyone employed by an organisation can provide information about a possible wrongdoing in the organisation’s activities substantially affecting the public interest, so that wrongdoing can be addressed before the organisation’s reputation is put at risk, the organisation suffers a loss, or competent authorities are involved.

Internal whistleblowing is a good corporate governance tool that contributes to the organisation’s sustainability and to the transparency and reliability of its activities. Internal whistleblowing also promotes trust in workers, investors and suppliers. The IWBS helps the organisation build an internal culture based on transparency and zero tolerance of wrongdoing.

Through an IWBS the report comes closest to the root of the problem, and the concerns raised can be evaluated quickly, as well as preventing a possible wrongdoing or identifying inherently systematic faults.

Ten principles of an effective IWBS

1. Whistleblowing is encouraged – the organisation supports and promotes conscientious whistleblowing on possible wrongdoings in its activities, rather than deterring workers from whistleblowing.
2. The whistleblower's identity is not disclosed – the whistleblower can feel safe because the organisation will not disclose details of the person that has blown the whistle on wrongdoings.
3. Conscientious and responsible reporting – the whistleblower conscientiously reports possible wrongdoings, without taking responsibility for the truthfulness of the information provided, yet responsibly evaluates the extent to which it is true and reliable.
4. Zero tolerance of retaliation and full protection of workers – the organisation prevents the whistleblower from facing retaliation or condemnation.
5. Accessible procedures – the whistleblowing procedures in the organisation are easy to access and understand. They also describe cases in which the whistle should be blown internally or externally.
6. Evaluation of reports – the whistleblower's reports are registered and evaluated carefully and responsibly. Discovering any wrongdoing is followed by appropriate action.
7. Involvement – an IWBS is a new tool that encourages everyone's involvement in their organisation's activities and development.
8. Feedback – the whistleblower receives confirmation and information about any progress in dealing with their report.
9. Proportionality – an IWBS is set up according to the organisation's size and line of business, including potential risks.
10. Better corporate governance – an IWBS is the organisation's governance and internal control tool that helps it address wrongdoings early.