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Creating and leading a whistleblowing program: What to consider

By Ibrahim Yeku, LLB, BL, LLM, CCEP-I, CAMS, FGAFM, DDC

Ibrahim Yeku (yekuduke@yahoo.com) is a Legal Counsel on secondment to Total E & P Nigeria Limited in Port Harcourt, Nigeria.

Whistleblowing is the term used when a worker or an individual passes on information concerning wrongdoings to the management of an organization or to the general public. It is the process by which people get to report ills and infractions within an organization to the management or institutions of governments responsible for enforcing compliance with laws and regulations. It is the disclosure of discreet information. The person who passes along the information is known as the whistleblower. Whenever a whistle is blown, it alerts an organization of what has happened in the past, what is happening, or what is about to happen.

An organization's commitment to a whistleblowing program is a demonstration of willingness to enforce ethical compliance and best practices. There is no hard and fast rule on how a whistleblowing program should be designed or implemented. In some organizations, the whistleblowing program is made a part or a subset of a larger compliance program, and in others, it runs independently of the compliance program. Whether it runs independently or as a subset of other programs, the program should contribute to the overall growth and development of a healthy work culture and the values in an organization.

The benefits of a whistleblowing program

Compliance blind spots are those areas where an organization is bleeding without the knowledge of management or there are areas of infraction unknown to management or regulators. It is called a blind spot, because the compliance risk identification or due diligence procedures cannot identify the risk or detect that such risk exists. It is under the radar of the compliance program or regulatory oversight. One of the ways to see through compliance blind spots is to have a whistleblowing program. Whistleblowing provides an opportunity for managers to see through the eyes of the whistleblower to uncover actions or inactions that may pose a compliance risk to the organization. Whistleblowing helps the organization to know what its risk identification system may fail to detect.

Another benefit of a whistleblowing program is that it provides some level of comfort as a safety net to employees. One of the characteristics of whistleblowing policies is that they offer protection and assurance to employees who decide to provide information to the organization. This inspires confidence and increases employees' loyalty. The sense of confidentiality employees get from the administration of the whistleblowing program goes a long way to give comfort to whistleblowers. By confidentiality, it means how the organization treats disclosed information, which presupposes that details about the whistleblower or other related information will not be disclosed to the public or affected individuals within the organization. The relationship between the whistleblower and the management of an organization is essentially centered on trust and protection from retaliation. When employees are not sure how management will handle the information given by the employees, they will be discouraged from making any reasonable disclosure.

Additionally, whistleblowing programs help increase overall brand perception and reputation of organizations. An organization that communicates its whistleblowing policies to relevant stakeholders and business partners

makes its position known on bribery, corruption, and other anti-compliance conducts. The desired effect of this is that the organization will be held in high esteem by vendors and other venture partners, and the public perception of the organization will be good. An organization with zero tolerance for corruption that demands the same level of commitment from other stakeholders will enjoy good ratings from the general public. In the event of a compliance violation, having an effective and robust whistleblowing program will go a long way in showing the organization's commitment to compliance program implementation, which may reduce sanctions or penalties on the organization.

The interesting aspect of this is that employees will have to be very careful in their dealings with vendors. In a situation where procurement officers and contract engineers demand gratification before awarding a contract or before enlisting vendors to participate in a bid or call for tender, a collaborative whistleblowing program that fully integrates vendors may reduce the level of corruption within the supply chain of the organization.

Two things may happen as a result of the integration of a whistleblowing program. First, the vendors that have been forcefully extorted may decide to blow the whistle, or second, other competitors or co-bidders who lost out may decide to blow the whistle against such officers. The challenge with vendors' integration in a whistleblowing program is that the intention of the whistleblowing vendor is already tainted. This, in most cases, affects the merit of the investigation, because it is often assumed that the whistleblowing vendor reported because it lost out of the contract bid. Organizations that integrate vendors into the whistleblowing program must provide assurance for an unbiased investigation and provide a guarantee that the vendor will not be silently blacklisted. It is advised that incentives should be given to vendors who blow the whistle in order to encourage more of such reports.

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