

REVISION: COMPLETE _____ PARTIAL _____ <b>HISTORY:</b>  <b>Adopted 2011</b> <b>Revised 2014</b> <b>Modified: 2015</b>	SUBJECT:  COMPLIANCE  <b>WHISTLE BLOWING POLICY</b>	SERIAL #310 - 002  PAGE #1 of 9
AREA CORRECTED: - Communication to CBN		ISSUED DATE: 09 OCTOBER 2014
SUPERCEDES/REPLACES: N/A	FORM NUMBER: 310 - 003	EFFECTIVE DATE: 09 OCTOBER 2014

**I. AFFECTS:**

All Staff

**II. PURPOSE**

To provide guidelines for implementing **Whistle blowing** procedure in furtherance of the bank's stance against corrupt and unethical practices in its dealings with employees, customers and suppliers.

**III. INTRODUCTION**

**Whistle blowing** is an exposure by an employee, former employee, contractor, customer or supplier who reports misconduct or wrongdoing by "Bank staff" to people that have the power and presumed willingness to take corrective or remedial actions. The misconduct can be unlawful acts, miscarriage of justice, criminal offence, violation of law, rule, regulation and/or threat to general interest such as fraud, rumor dissemination, discrimination, corruption and endangering of health or safety of any person. It could also be a concealment of wrongdoing or coercive and collusive practices. This may have happened, is happening or is about to happen.

"Bank staff" includes directors of the bank, regular staff, associate staff, bank-employed consultants and any individual employed permanently or temporarily and directly or indirectly by the bank. Setting up formal **Whistle blowing** procedure within the Bank shall strengthen corporate governance and ethics. It shall also be a useful risk management tool and shall safeguard against malpractices that could ultimately destroy the reputation of the bank if not checked.

The Whistle blowing procedure encourages individuals to disclose illegal conduct and other concerns before it occurs or before it becomes catastrophic; correct the conduct

internally, increase accountability, build confidence among stakeholders and stop the wrongdoing from being a major focus of regulatory bodies and the media. Otherwise such concern has the potential of damaging the Bank's reputation through negative publicity, regulatory investigation and fines

The **Whistle blowing** policy does not cover private grievances, which may include individual employment matters such as performance evaluation and discriminatory work assignment. These are handled by Human Capital Management.

#### IV. POLICIES

1. The Bank shall take seriously any matters raised in good faith by any individual employees, to deal with them, where requested, in confidence (as far as practicable) and to protect the interest of such employee.
2. The Board and Executive Management are against any form of impropriety or misconduct and encourage staff to draw attention to breaches of the Bank's policies and procedures by whistle blowing.

**Note:** Whistle blowing report can be made through the Bank's website (www.diamondbank.com) or through the dedicated telephone line (01 – 2772940). On the website, there is a drop-down menu on the whistleblower report form indicating the various categories of staff, management, Board members and other stakeholders that can be reported. There are five categories and they include; Junior & Middle Management Staff, Senior Management Staff, Executive Management Staff, CEO & Board Members and other stakeholders (suppliers, vendors, agents, etc.)

3. All allegations of fraud, corruption or misconduct involving the Chief Executive Officer or the bank's External Auditors shall be reported to the Chairman of the Board.
4. Retaliation against any Whistleblower shall attract severe sanctions. Retaliation here refers to any act of discrimination, reprisal, harassment or revenge, (directly or indirectly, recommended or threatened) made by any person to the Whistleblower because of a disclosure made in pursuant of this policy.
5. The bank shall use its best efforts and capacity, to protect the identity and person of a Whistleblower. This includes personal and family safety and if need be, the redeployment of the staff to another job function or location within the bank. For external parties, the bank's protection shall be limited to its capabilities.
6. A whistleblower shall ensure the allegation being reported is made in good faith believing same to be reasonably true. If the report is eventually discovered to be untrue, the whistleblower shall not be punished. However, if a report is untrue and found to be made in bad faith (i.e. if reasonably determined through investigation), the

Whistleblower (if a serving staff), shall be subject to disciplinary action in accordance with the bank's procedures.

7. A member of staff is under obligation to disclose any act of misconduct that comes to his/her notice within 72 hours.
8. The Chief Compliance Officer shall ensure that the investigation of a reported allegation is concluded within two weeks.
9. A Whistleblower's identity shall be fully protected from un-authorized disclosure by the Chief Compliance Officer, even when making a report or referral to regulatory authorities. Disclosure shall be made if: such a person agrees to be identified; disclosure is necessary for effective investigation by the bank or appropriate law enforcement agency; the allegation has been falsely and maliciously made; the person accused should know as a matter of legal right or in accordance with the bank's disciplinary proceedings or the disclosure of identity is required under Anti-Money Laundering proceedings.
10. A whistleblower shall receive feedback on preliminary evaluation of the allegation within a period of one (1) week.
11. Notices of the whistle blowing channels shall be placed in all branches and locations of the Bank. This task shall be coordinated by Compliance Division and Corporate Communications Group.
12. The Whistle blowing policy shall be reviewed every three years and advised to CBN.
13. The Whistle blowing compliance status report shall be reflected in the Banks audited annual financial statement.
14. The Chief Compliance Officer shall render a quarterly return on Whistle blowing to the CBN.
15. The Head, Corporate Audit Group shall provide a summary of cases reported and the result of the investigation to the Board Audit Committee on a quarterly basis.

## **V. GENERAL PROCEDURES**

### **ALLEGATION- REPORTING AND INVESTIGATING**

#### **NOTES:**

1. The whistleblower may report his/her allegations and concerns anonymously or with his/her identity disclosed. Allegations and concerns expressed anonymously shall be weighed on its seriousness, credibility and the extent to which it can be confirmed and/or corroborated by another source or sources.

2. Preparatory to the reporting of allegations and concerns, the whistleblower shall be required to pre-determine his/her identity – comprising a unique name; unique e-mail address (i.e. external e-mail address) and unique phone number – through which he/she may be contacted for allegation details and subsequent feedback reporting. The predetermined identity is aimed at protecting the confidentiality of the whistleblower.
3. Where a serving staff is undecided about whistle blowing, the staff shall seek advice from the Chief Compliance Officer of the Bank, unless the Chief Compliance Officer is the subject of the allegation. In this case, the staff shall disclose the concern by either calling the ethics line or logging onto the whistle blowing platform on the Diamond Bank website and selecting report senior management staff.
4. External parties (such as contractors, suppliers, customers, etc) shall be required to report their allegations through the secure email address, the whistle blowing report platform on the internet page and the telephone line. Staff shall intimate interested whistleblowers with the contents of this procedure.

## **VI. PROCEDURES:**

1. A customer, supplier, serving or ex-staff who decides to whistle blow shall do so through any of the following channels: by accessing whistle blowing link on Diamond Bank website [www.diamondbank.com](http://www.diamondbank.com) or by sending a mail to [whistleblower@diamondbank.com](mailto:whistleblower@diamondbank.com). For members of staff, whistle blowing shall be done via the SharePoint portal or by sending a mail to the e-mail address - [whistleblower@diamondbank.com](mailto:whistleblower@diamondbank.com) or through the usage of the Whistle Blowing Telephone number 01-2772940.
2. On receipt of allegations from a whistleblower, Chief Compliance Officer (or his designate) shall log the allegation in a register, and assign a case number. Details shall include: Name; e-mail address, phone number, date of report, title of report, time of report and date of disposal.
3. The Chief Compliance Officer shall acknowledge receipt of all allegations and keep records in a file of all actions taken from start to finish of the investigations.
4. The recipient of the report shall review the gravity of the allegation/concern and decide on whether to carry out an investigation or throw out the allegation. The decision to investigate the allegation or reject it must be taken within 48 hours of receipt the allegation. If a decision is taken to investigate, he shall refer the case to Head, Corporate Audit for investigation.

5. If upon receipt and review, the allegation is judged to be wholly without substance or merit, it shall be dismissed. The person making the allegation shall then be so informed (if the identity is known).
6. The person or persons against whom an allegation is made must be informed of the allegation by the Head, Corporate Audit Group and the evidence supporting it and must be allowed to present his/her written defense before the investigation is concluded. (The written defense shall form part of the investigation reports.)
7. The investigation report shall be reviewed by the Personnel Management Committee (PMC) or Staff Disciplinary Panel (i.e. where the case is referred to them by PMC based on gravity of the issue) and considered for adoption or further work. If adopted, the report shall be forwarded to the Chief Executive Officer (CEO) for approval if the case relates to termination/or dismissal of appointments.. All other cases shall be disposed off by the PMC/SDP. This process should be concluded within 2 weeks.
8. For allegations made against the Executive Management, and members of PMC, the complaint shall be made to the CEO. On receipt of such complaint, the CEO shall mandate the Head, Corporate Audit Group to look into it, unless the allegation is against him (i.e. Head, Corporate Audit Group). In this case, the CEO shall mandate the PMC to carry out an investigation. Similarly, for allegations made against the CEO, the complainant shall either call the ethics line or go on the whistle blowing platform on the Banks website and select report CEO and Board members. On receipt of such complaint, the Chairman shall mandate the Head, Corporate Audit Group to carry out an investigation.
9. The investigation report resulting from review of allegations against the CEO/Executive Management/PMC members shall be forwarded directly to the Chairman of the Board for review and adoption by members. On approval, the Board shall direct the implementation of the recommendations.  
  
**Note:** The Chairman of the Board in liaison with Head, Human Capital Management shall make arrangements to protect the staff. Also, if an action is taken against any staff and he/she feels that it is retaliation, the burden of proof shall lie on the Chairman to prove that the action taken against the staff is for a separate and genuine reason and not a reprisal for a malpractice reported by the staff
10. The Head, Corporate Audit Group shall provide a summary of cases reported and the result of the investigation to the Board Audit Committee (Quarterly). In addition, based on the frequency of its meetings, the Chief Compliance Officer should present to Group Risk Management Committee (GRMC )all whistle blowing allegations made during the period for its consideration..

11. All through the investigations, the Whistleblower shall be kept abreast of the progress of the investigation and if it is discovered in the course of investigation that the Whistleblower is implicated in the wrong doing, he/she may receive a lighter sanction than otherwise may have been the case.
12. The outcome of investigations shall be reported to the complainant and after the investigation the Chief Compliance Officer shall periodically contact the Whistleblower to ensure that no further wrongdoing or retaliation has occurred. He shall also send periodic reports to the Chief Executive Officer of the bank for inclusion in his reports to the Board.
13. All reports considered for investigation by recipients and forwarded to the Head, Corporate Audit Group should also be sent to the Chief Compliance Officer for records and proper tracking.
14. The Chief Compliance Officer shall drive the Whistle Blowing process in the Bank and ensure that all parties handle their responsibilities as required and reports are given the necessary attention and action. Also, all required reports on whistle blowing to CBN/NDIC shall be handled by the Chief Compliance Officer.
15. The whistle blowing compliance report shall be reflected in the Bank's annual audited financial statement. Similarly, the relevant policies on whistle blowing shall be reviewed every three years.

## **VII. PROTECTION OF WHISTLEBLOWERS**

1. The bank shall use its best efforts and capacity, to protect the identity and person of a Whistleblower. This will be in form of assurance of protection against retaliation from within and outside the bank, as well as maintaining the confidentiality of the whistleblower's identity and person.
2. In case of un-authorized disclosure of the identity of a Whistleblower or a person assisting in the investigation, the Chief Compliance Officer shall institute appropriate disciplinary measures provided by the bank's policy.
3. Where staff is threatened with retaliation as a result of making a report or rendering assistance in an investigation, the Board shall take some measures to prevent such action from taking effect. If the staff believes that a retaliatory action has already been taken against him/her, a written complaint shall be submitted to the Board. All information and documentary evidence shall also be attached.
4. If a Whistleblower feels that his/her life is at risk because of an expression of concern, the Board shall accord him/her a Whistleblower status by securing his safety and transferring such a staff to another job function within the bank, if need be.

## **VIII. COMMUNICATION TO CBN**

1. The Bank, through the Chief Compliance officer shall report incidents received directly to the CBN via their email address [anticorruptionunit@cbn.gov.ng](mailto:anticorruptionunit@cbn.gov.ng). The returns shall reach the Director, Financial Policy and Regulation Department not later than Seven (7) days after the end of each quarter. Also, the Chief Compliance Officer shall ensure that the investigation of a reported allegation is concluded and recommendations implemented within three weeks.
2. Any staff of the bank that provides valuable information for the successful foiling of fraud shall be adequately rewarded. Similarly, any staff who provides a false report against another staff or fails/ refuses to blow the whistle even when they are aware of an incident, shall receive appropriate sanctions when discovered.

## **IX. ROLES AND RESPONSIBILITIES**

### **A. ALL STAFF (EMPLOYEES AND THE WHISTLEBLOWER)**

Staff shall be responsible for:

- i. Understanding the contents of this policy and procedure document.
- ii. Encouraging anyone who wants to express a concern.
- iii. Knowing and carrying out their rights and obligations respectively.

### **B. SUPERVISORS (UNIT/ BRANCH/ GROUP /DIVISIONAL HEAD)**

All supervisors shall be responsible for:

- i. Making their staff aware of this policy and procedure
- ii. Encouraging a positive and open working culture for expression of concerns
- iii. Taking concerns seriously and guiding any staff who has a concern to report to the appropriate channel
- iv. Referring concerns that are raised to the Chief Compliance Officer immediately it is brought to their attention.

### **C. HEAD, CORPORATE AUDIT GROUP**

The Head, Corporate Audit Group shall be responsible for:

- i. Ensuring timely investigation of all reported cases.
- ii. Communicating findings to all parties involved.

- iii. Reviewing investigation reports for completeness and fairness before referral to CEO for approval.
- iv. Providing summary of cases reported and results of investigations to the Board Audit Committee.

#### **D. CHIEF COMPLIANCE OFFICER**

The Chief Compliance Officer shall be responsible for:

- i. Keeping a confidential log to assess effectiveness of policy and any emerging trends.
- ii. Providing periodic reports to the CEO and the Board on Whistle Blowing.
- iii. Ensure that the whistle blower is protected.
- iv. Communicating management's actions, investigations, resolutions and time frames to the Whistleblower.
- v. Acknowledging receipt of allegation reports to the Whistleblower
- vi. Reporting treated Whistle blowing issues every month to CBN
- vii. Drive the entire Whistle Blowing Process of the Bank to ensure effectiveness.
- viii. Rendering Quarterly reports on Whistle blowing to CBN
- ix. Liaising with Business Policy and Process Assurance (BPPA) to ensure that the policy on Whistle blowing is reviewed every three years.
- x. Advising CBN of the Bank's reviewed whistle blowing policy every three years.

#### **E. PERSONNEL MANAGEMENT COMMITTEE/STAFF DISCIPLINARY PANEL**

The PMC/SDP shall be responsible for:

- i. Communicating management's actions, investigations, resolutions and time frames to the Whistleblower through the Chief Compliance Officer.
- ii. Considering concerns fully and fairly and resolving issues as quickly as possible.
- iii. Communicating findings to all parties involved through the Chief Compliance Officer.
- iv. Reviewing investigation reports for completeness and fairness before referral to CEO for approval.
- v. Providing periodic reports to the CEO and the Board.

#### **F. BOARD OF DIRECTORS**

The Board shall be responsible for:

- i. Ensuring that all arrangements are in place to enable allegations/concerns to be treated confidentially.



- ii. Ensuring appropriate follow-up and feedback.
- iii. Ensuring that matters of financial impropriety are handled appropriately
- iv. Ensuring that appropriate sanctions are meted out to wrongdoers and that the Board considers whistle blowing as part of the system of Internal Control.
- v. Making information on penalties and sanctions as a result of retaliation, available to all staff. This would act as a deterrent.
- vi. Making Whistleblowers' contributions public after an investigation without mentioning names, but just to encourage others and build confidence in the program.

#### **G. COMPANY SECRETARY**

The Company secretary shall be responsible for:

- i. Communicating the policies and procedures contained herein to the Board of Directors.
- ii. Facilitating communication between the Board and the Bank personnel.

#### **H. FINANCIAL MANAGEMENT**

FINCON shall be responsible for;

- i. Ensuring the whistle blowing compliance status report is reflected in the Bank's annual audited financial statement.