



## WHISTLE BLOWING POLICY

**CONFIDENTIAL DOCUMENT  
(STRICTLY FOR INTERNAL USE ONLY)**



## DOCUMENT HISTORY

Document Name	<b>DTBK Whistle Blowing Policy</b>
Version	<b>DTBK\HR\</b>

### Reviewed and Recommended By:

Head of Department/ Unit:	<b>August 2010</b>
Head of Risk Sign off:	<b>August 2010</b>
Head of Audit Sign off:	<b>August 2010</b>
Head of Compliance Sign off:	<b>August 2010</b>

### Approved By:

Board Nomination and Human Resource Committee(BRNC):	<b>August 2010</b>
Board Risk Management Committee(BRMC):	<b>August 2010</b>
Board of Directors(BOD):	<b>August 2010</b>

Amendment History:	<b>Commenced August 2010</b>
	<b>September 2011</b>
	<b>December 2011</b>
	<b>December 2012</b>
	<b>August 2013</b>
	<b>August 2014</b>
	<b>September 2015</b>
	<b>September 2016</b>

## **DTB WHISTLE BLOWING POLICY (WBP)**

### **1. BACKGROUND**

The Bank's Whistle Blowing Policy (WBP) aims to inculcate a sense of responsibility amongst employees and to encourage them to be good stewards of both the Bank's resources as well as to protect the interest of all the stake holders of the Bank and its subsidiaries i.e. shareholders, the government/ regulators etc. Within these broad guidelines, management will encourage staff to exhibit integrity, honesty and ethical values and commitment that facilitates compliance with the Bank's Policies and Procedures. The country's Laws, CBK regulations and DTB Policies and Procedures must be adhered to in our quest to promote high moral values that will enhance stakeholder confidence in the way we handle the resources they have entrusted upon us.

DTB Whistle Blowing Policy (WBP) has been developed within an environment of increasing reports of frauds and pilferage within the banking sector. However, the proposed Whistle Blowing Policy only applies to DTB's operations and any report that shall be made available to management must strictly be those issues that are likely to impact negatively against the interest of Diamond Trust Bank. The Bank's Whistle Blowing Policy is not submitting or making public or sharing any confidential information regarding DTB's business strategy or any information that may compromise the Bank's business interest to a third party.

As a Bank, we take cognizance of the fact that what may appear to be small infractions if not handled immediately is likely to lead to financial loss to the Bank and its stakeholders and could also lead to employees' job loss. Therefore, DTB Whistle Blowing Policy has been developed to set out broad guidelines that will enable employees who have information regarding financial impropriety, unethical, dishonest, discriminatory or illegal practices to come forth and to report to management without fear of retribution or recrimination. The policy is meant to make the workplace healthier and more conducive, where problems are handled expeditiously and professionally as and when they are detected in their early stages.

This policy must be read in conjunction with:-

- Human resources policy including the Bank's code of conduct.
- DTB Anti-Fraud policy
- ICT Security Policy

### **2. DEFINITIONS**

#### **a) A whistleblower**

This is a person who exposes any kind of information or activity that is deemed illegal, **unethical**, or not correct within an **organization** that is either private or public

#### **b) Unethical and Improper practices**

The information of alleged wrongdoing can be classified in many ways: violation of company policy/rules, **law, regulation**, or threat to public interest/national security, as well as fraud, and **corruption**.

The following are the objectives of the Bank's Whistle Blowing (WBP) policy:

- To offset destructive behaviour with compatible productive behaviour. Since fraud involves dishonesty, secretiveness, and antagonistic behaviours, the Bank shall find ways to reward positive behaviour that are compatible with honesty, openness, and co-operation.
- To facilitate a process that encourages employees to freely and voluntarily come forward in good faith to share with management any information they may have regarding any wrongdoing that may be detrimental to the Banks' smooth operations, its stakeholders as well as its employees.

- To facilitate a process that encourages 3rd parties (suppliers or other) to freely and voluntarily come forward in good faith to share with management information they may have regarding wrong doing via an appropriate channel easily accessible on the Bank's website.
- To foster an atmosphere of mutual workplace respect and proper business behavior that are vital to the integrity and success of the organization in implementing a structurally sound and business effective whistle blowing policy.
- To ensure that a process is in place to allow employees to report alleged improper conduct without fear of retribution or recrimination.
- To promote an integral process for sustainable work culture of zero tolerance to inappropriate behaviour, fraud, corruption, harassment, illegal acts, cheating, unsafe working conditions, etc.
- To protect the Bank against financial loss that is likely to arise through impropriety, infraction of policy and regulations and gross misuse of Bank's resources through pilferage etc.

When staff report any wrongdoing, such staff should be assured that they will not incur any retaliation or negative treatment as a result of the report. The identity of an employee, who offers any information regarding financial impropriety, or loss or any matter likely to lead to financial loss due to unethical, dishonest, discriminatory or illegal practices, shall be protected. However, it will be an offence punishable by a reprimand or even a dismissal for anyone who deliberately makes a false report or takes discriminatory or retaliatory actions against the person who made a genuine report to management culminating in apprehension of the culprit or remedy against loss to the Bank.

### **3. IDENTIFICATION PROCESS**

The Bank's Whistle Blowing Policy aims to address issues that may relate to;

- Asset misappropriation (cash theft or skimming)
- Bribery or Corruption (economic extortion, illegal gratuity and conflict of interest)
- Embezzlement
- Fraud
- Breaches of internal policies and procedures
- Breach of fiduciary duty, regulatory or legal requirements
- Breaches of financial accounting and auditing obligations
- Unethical, dishonest, discriminatory or illegal practices including but not limited to sexual favours or sexual harassment
- Discrimination of any nature against DTB staff or its customers. The Bank's Whistle Blowing Policy shall also apply to any illegal activities, either criminal or civil, failure to implement banking policies and unprofessional conduct
- Other risks or dangers at work e.g. breaches of IT security
- Attempts to conceal any of the above.
- Encourage confidence among stakeholders in raising matters of improper conduct.
- Provide a reporting mechanism/channel that shall protect the whistleblower from reprisal or other consequences of making a disclosure.
- Safeguard the confidentiality of the whistle blower.

The Bank's Whistle Blowing policy shall also apply to any illegal activities, either criminal or civil, failure to implement banking policies and unprofessional conduct.

### **4. TIME FRAME**

When employees engage in negative and unproductive or fraudulent activities/conspiracy, there is a tendency that these behaviours will fester and escalate into bigger problems if not firmly handled when detected. Therefore the time-frame within which issues should be reported is critical. It is important that staff (Whistleblowers) report incidents immediately they are detected to facilitate quick investigations and resolution.

An employee who detects any incident that is likely to impact negatively against the Bank's smooth operations and fails to report such incidents, and it is established that the staff had knowledge of such activity, and that timely reporting could have led to aversion in their early stages; will be treated as guilty and be considered part of the conspiracy for such acts of commission/omission and may be liable to summary dismissal.

## **5. WHISTLE BLOWING PROTECTION POLICY**

This policy aims to raise awareness of whistle blowing and to eliminate the possibility of reprisal and detrimental action against whistleblowers at DTB. The measures documented in this policy endeavor to improve the operation of the whistle blowing process, eliminate the risk of reprisal and detrimental action against whistleblowers and to improve the integrity of the organization as a whole through transparent policies and effective procedures.

The whistle blowing policy allows for the protection of the employee who, in good faith, reports what he/she perceives to be an infraction to receive no negative treatment for his/her honesty and reporting of his/her observations. The policy removes any restrictions from any junior employees to freely submit any information against upper level management or higher ranking board members regarding negative and unproductive or fraudulent activities/conspiracy against the Bank. No witness shall be required to identify, or provide information that might lead to the identification of, a person who assisted or disclosed information to the WBRC. However, any employee who makes malicious reports against another employee for the purpose of creating turmoil to undermine another staff or cause injury to that person will be guilty of malicious damage and may face severe disciplinary action including summary dismissal.

## **6. IMPACT OF WHISTLE BLOWING POLICY**

The impact and success of the whistle blowing policy will be realized by the Bank if all staff conduct themselves in an ethical and honest manner in ensuring that they become custodian of the Bank's resources and business interest. It is expected that the Policy will enhance an environment in which staff are expected to give full account of the resources under their charge and they must exhibit the highest standards of ethics, integrity and honesty.

This environment will equally be reciprocated by management when they encourage greater accountability through responsive and equitable recognition of employees who consistently exhibit a high degree of honesty and are dedicated in the discharge of their work. In this regard, management will ensure the work environment offers staff equal opportunity to grow their career through progressive employment policies. Whereas an employee may make an honest mistake since management cannot expect total perfection, gross negligence occasioning loss to the Bank will be firmly dealt with. DTB employees are required to conduct themselves with the highest level of integrity, honesty, mutual trust and respect for ethics. Therefore, the Bank's Whistle Blowing Policy is meant to inculcate within our staff high values that will translate to commitment in delivering effective customer services and accountability to the stakeholders who have entrusted their funds with the Bank.

## **7. REPORTING PROCEDURE & DISCLOSURE**

A sound reporting system that instills confidence in employees and promotes trust in the integrity and effectiveness of the WBP is vital to the successful design and operation of the whistle blowing process. DTB has designed a process that will facilitate the disclosure of suspected improper conduct that may be detected by staff in the course of duty.

## **7.1 THE WHISTLE BLOWING REVIEW COMMITTEE (WBRC)**

There shall be a Whistle Blowing Review Committee (WBRC) made up of but not limited to any 3 of the following:

- The Head of Risk & Compliance, the Head of Audit, , the Head of HR; Head of Finance & Planning, Head of ICT, Head of Legal and the Head of C Products and Marketing.
- The WBRC shall appoint a chair from amongst its ranks.
- The secretary to the committee shall be the Head of Legal and in his/her absence the Head of Human Resources.
- The disclosure of suspected improper activity or detrimental action (as defined by this policy) may be made to the WBRC.
- The employee may also choose to report directly to the Group CEO, The Board Chairman or any Director of the Board or Head of Forensics & Security or any other Senior Officer.
- Appropriate record must be made of the concerns raised and the outcome of whistle-blowing investigations as undertaken by the WBRC, Head of Forensics & Security and/or Head of Audit.

## **7.2 THE WBRC TOR**

The WBRC shall receive record, investigate, and recommend action in respect of all reports received from the Whistle Blowers to ensure the WBP is effective and in particular:

- To receive, process and to act on staff reports.
- To record all disclosures made by staff.
- To resolve all disclosures through a structured investigation process that will ensure timely feedback is provided to the employee raising the concern.
- To report on all data processed and make recommendations as appropriate to the Group CEO and or any other authorities as may be deemed appropriate on quarterly or on a regular basis as may be directed.

## **7.3 RECOGNITION & AWARD FOR WHISTLE BLOWERS**

After conducting the necessary investigations and successfully concluding a WBP case, the Whistle Blowing Review Committee (WBRC) will make recommendations to Management to recognize the efforts made by the staff concerned (whistle blower). The following will form part of but not limited to the recognition and award scheme for whistle blowers:-

- A recommendation letter signed by the CEO.
- A gift voucher.
- Cash award (based on the magnitude of the case and risk involved)
- Eligibility for the employee of the year award.

However, each case will be treated on its own merit and confidentiality will apply where it is deemed important to protect the whistle blower.

## **7.4 THE PROCESS FOR DISCLOSURES**

There may be circumstances when an employee may feel he/she is unable to raise a concern with their own manager or the members of the WBC especially where staff feels their concerns may or will be ignored or that they may be considered a “troublemaker”. On the other hand, an employee may believe that his/her manager is actually involved in some form of malpractice. In such circumstances, the WBP aims to provide such staff with various channels to raise their concerns without feeling of inhibition as follows:

#### 7.4.1 Discreet Disclosure

An employee who is contemplating making a disclosure but is concerned about contacting (or being seen with) a WBRC or any Senior Management Team (SMT), may wish to contact any member of the (WBRC) or (SMT) remotely to arrange a meeting in a discreet location usually away from the work environment.

#### 7.4.2 Anonymous Disclosure

In some exceptional circumstances, the whistleblower may wish to remain anonymous. In this case, the assessment and investigation of the disclosure may be more difficult without the ongoing authority and cooperation of the whistleblower; however, the allegation will still be investigated if the WBRC believes the allegation is serious enough to warrant 'anonymous investigation'. To facilitate this, DTB will implement the following processes:

- DTB will provide, for the benefit of whistleblowers wishing to remain anonymous, the ability to make a disclosure to the WBRC or any member of the SLT through the DTB *Bank Website* or email address: *Whistleblower. Anonymous @dtbafrica.com*. The recipients of the email shall incorporate the Whistle Blowing Review Committee (WBRC), Head of Forensics & Security and MD/CEO of the Bank.
- The site will be designed to ensure that the identity of the whistleblower is not divulged to any party involved in the process. The Whistleblower site shall be accessed through your local DTB Website.

#### 7.4.3 Anonymous (Registered) Mail

DTB will take receipt of registered mail through the postal system that allows the whistleblower to remain anonymous by withholding their name and contact details. Registered mail should be sent to any member of the WBRC with an indication of Private and Confidential on the envelope. This mail will be delivered to the WBRC member unopened.

#### 7.4.4 Other Disclosure Methods

The other methods by which whistleblowers may make a disclosure to management range from a phone call to a casual chat, to a written disclosure posted on the Bank's intranet - *Whistleblower site*.

It should be noted that the disclosure of suspected improper activity or detrimental action can be made through formal or informal channels:

**(a) Formal;** these are:

- A personally written formal disclosure; A formal meeting with the **WBRC**;

*Anonymous disclosure using either:*

- Anonymous email address; anonymous (registered) mail; a phone call maintaining a sense of formality; or a formal email.

**(b) Informal:** There are also many informal ways to make a disclosure, which might include:

- An informal meeting with the **WBRC** or any member of the **WBRC**;
- A casual phone call; casual discussion; casual email.

An employee should feel free to take any route they are comfortable with to make a disclosure as enumerated above or direct to the Group CEO or to any senior manager who, in their view, is sufficiently independent to receive their report.

## 8. RECEIVING AND ASSESSING DISCLOSURES

When receiving and assessing disclosures the Whistle Blowing Review Committee (WBRC) will ensure the following:

- That the report is made in accordance with the Whistle Blowing Policy.
- That the disclosure relates to an employee of DTB.
- That the disclosure relates to a matter touching on the interest of DTB.
- That if the disclosure involves third party acting in cahoots with employees, then such cases may also be referred to BFIU, Kenya Police, or to other independent authorities or consultants for investigation as may deemed appropriate by the (WBRC) or senior management team (SMT)
- That the person making a disclosure has reasonable grounds to believe that the alleged conduct has occurred and whether the whistleblower is an employee of DTB.
- That the alleged misconduct is either improper or is detrimental to the interest of the Bank and in which case action will be taken to investigate the disclosure and the (WBRC) will ensure that the whistle blower is protected against any reprisal for making the disclosure.

### 8.1 INVESTIGATING THE DISCLOSURES

Where assessment of the disclosure reveals the need for an investigation, the **Whistle Blowing Review Committee (WBRC)** will hand over the matter to the Head of Forensics & Security to carry out the investigation.

The objectives of an investigation will be:

- To collate information relating to the allegation as quickly as possible. This may involve taking steps to protect or preserve documents, materials and equipment;
- To consider the information collected and draw conclusions objectively and impartially;
- To maintain procedural fairness in the treatment of witnesses and the person who is the subject of the disclosure;
- To protect the identity of the whistleblower; and
- To make recommendations arising from the conclusions drawn concerning remedial or other appropriate action to the relevant Management Committees, Group CEO, Board Audit Committee, Board Nomination and Remuneration Committee or any such appropriate authorities as may be determined by the Group CEO.

Before commencing an investigation, the **Whistle Blowing Review Committee** shall review the key issues and identify the officer that will be tasked to conduct the investigations. The Committee shall set a date by which the investigation report is to be concluded and will describe the resources required or available to the investigator to complete the investigation within the time set. The Group CEO or the appropriate and relevant authority shall review and approve the investigation and if reasonable, an extension of time requested by the investigator should this be necessary. The terms of reference will require the investigator to make regular reports to the **Whistle Blowing Review Committee** of progress and such reports should be delivered to the Group CEO or the relevant Board Committee for further direction.

## 9. COLLATING AND PUBLISHING INVESTIGATION REPORT

The investigation reports compiled by the **Whistle Blowing Review Committee** will be maintained in a register in which the information generated will form part of the Bank's risk profile on frauds and other irregularities reported through the Bank's Whistle Blowing Policy. The register will be confidential and will not record any information that may reveal the whistleblower identity.

The register will contain the following information:

- The number and types of disclosures made during the year;
- The number and types of disclosures investigated by the **Whistle Blowing Review Committee** ;
- The number and types of disclosures referred by DTB to e.g. BFIU, Kenya Police, or to other independent authorities or consultants for investigation;
- The number and types of investigations taken over from DTB by independent investigators;
- The number and types of disclosed matters that were declined for investigation;
- The number and types of disclosed matters that were substantiated for investigation and the action taken on completion of the investigation; and
- The findings of the investigations and any recommendations made as a result of the investigation.

Statistics such as (but not limited to) those above will be published in a report to the board of directors on a quarterly or annual basis. The Board may however, instruct that a report to be produced on demand if and when it deems necessary.

## 10. POLICY REVIEW

This policy shall be reviewed annually or earlier where warranted.

## 11. CONCLUSIONS

In conclusion, we reiterate that the Bank will not tolerate fraud and corruption or any activity that will compromise ethical standards and values that we believe in as a Bank. Whereas we encourage all staff to conduct themselves in a manner befitting DTB values, vision and acceptable work ethos, management will deal firmly without fear or favour against any staff who engages in any unethical or fraudulent activities or who deliberately flouts procedures and regulations that may bring financial loss to the Bank. Within this context, the Bank's Whistle Blowing Policy should encourage employees who become aware of possible wrongdoings to report to management with a full assurance that their reports will be treated seriously and that they will be protected from any retribution or recrimination.