



Whistle-Blower regime

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To: Audit Committee

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Presentation overview

1. “***Whistle-blower***”- background & operation
2. Management and oversight options.
3. Current legislation – Global & Canada
4. Cost vs. benefits.
5. Questions

1. “Whistle blowing” - background

A **whistleblower** is a person who exposes any kind of information or activity that is deemed illegal, dishonest, or not correct within an organization.



The term originated with reference to a referee's action to indicate an illegal or foul play.

The whistle may be blown “by anyone” for:

**Fraud,
Waste or
Abuse**

That they may be aware of.....

Whistle blower hotline operation

A. Receiving communication

B. Assess/Triage

C. Investigate/Inquire

D. Conclude/Close

E. Periodic/Annual Reporting

A. Receiving communication

Complaints/concerns may be collected:

1. Internally at CGS by a designated individual or
2. Externally by an independent external service provider.

In a safe, secure way providing options to communicate by:

- Telephone,
- Email,
- Mail and
- Over the internet by accessing secure site.

B. Assess/Triage

**Fraud,
Waste or
Abuse of
CGS
resources?**



Whistle-blower
Investigation



Fair practices

Crime

HR issues

**Frivolous
issues**



Refer to HR/
provide feedback
to whistle blower.

C. Investigate/Inquire

- Conduct preliminary investigation to confirm,
- Assess seriousness of allegation,
- Provide suitable updates and plan investigation,
- Arrange for investigation resources,
- Conduct investigation,
- Draft report and present findings to appropriate authority for action.

D. Conclude & Closure

**Update Result of investigations in
complaints database**

&

Closure

E. Periodic/Annual Reporting

Provide periodic/annual report highlighting complaint:

- Statistics of complaints and disposition
- Type of remedial actions initiated
- Source – Public, employee, anonymous
- Method of submission – Internet, call, email etc.
- Follow up pattern of complaints
- Department/division statistics
- Measurement of loss and recovery
- Recommendations

2. Management and oversight options

In-house

External service provider

Factors:

1. Assessment of Cost vs. Benefit – initial cost of set up & operations
2. New system challenges – e.g. establishment, operation and marketing
3. After system has stabilized, routine complaints may be investigated by respective departments in consultation with AG/Legal & HR.
4. Need to balance confidentiality and protect privacy of complainants
5. Provide feedback and updates to anonymous complainants or seek further details on facts.

3. Current Legislation

GLOBAL:

1. Numerous legislations continue to evolve in the US, Dodd-Frank Act (2010), Supreme Court Decisions expanding protection to whistle blowers. The benefits of rewarding whistle blowers for successful convictions has yielded major tips.
2. Emerging debate around providing incentives to whistle blowers for tax issues and security fraud.
3. The number of complaint calls to UK's Financial Conduct Authority (FCA) has progressively increased annually.

3. Current Legislation

Canada:

1. The Treasury Board of Canada Secretariat “***Guidelines for Audit Committees in Crown Corporations and Other Public Enterprises***” provides recommendations and additional responsibilities to Audit Committees to oversee Whistle-blowing (by employees) mechanisms and
 - a. Establishment of ethics policy that covers employees and Board,
 - b. Protection mechanisms to manage disclosures by employees
2. ***Public Servants Disclosure Protection Act*** for disclosure of wrongdoings in the federal public sector and protection of persons who disclose wrongdoing– 2005.
3. Whistleblowers Protection Act, 2014 – BC
4. Toronto – since 2002. Policy issued in 2001. Hotline initially piloted for 6 months.
5. Mississauga – Policy issued in 2014
6. Ottawa – 2005.

4. Costs vs. Benefits

Costs

- Cost to establish and maintain a system.
- Certain individuals may be 'shopping' around for their concerns/complaints and may eventually withdraw their complaints.

Benefits

- First hand information from individuals on system weaknesses and other issues.
- An organization becomes aware of such individuals.
- Complaints and pattern of complaints over time provide a good basis for organizational improvement.
- Benefits of rewarding whistle blowers for successful convictions has yielded major tips.

Whistle-Blowing

Questions?