



## **Petra Microfinance Bank Plc Whistle Blowing Policy**

# **PETRA MICROFINANCE BANK PLC. WHISTLE BLOWING POLICY**

**July 2020**



# Petra Microfinance Bank Plc Whistle Blowing Policy

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# Petra Microfinance Bank Plc Whistle Blowing Policy

## 1. INTRODUCTION

The Whistle Blowing (WB) Policy mandates Petra Microfinance Bank Plc (the Bank) to render returns to the Director, Other Financial Institutions Supervision Department on all related breaches on a semi-annual basis not later than 7 days after the end of the relevant period. It emanates from the CBN and establishes adequate whistle blowing procedures and guidelines for Banks and other financial institutions.

Whistle blowing is the act of reporting of alleged unethical conduct of employees, management, directors and other stakeholders by an employee or other person to appropriate authorities.

The whistle blowing policy aims to create an environment where employees, vendors, service providers, customers and other stakeholders are able to raise concerns on misconduct, irregularities or malpractices, without fear of harassment and/or victimization and with an assurance that their concerns will be taken seriously and investigated, and the outcome duly communicated.

Employers and employees are key stakeholders and therefore expected to play a vital role in deterring and detecting malpractices, wrongdoing or irregularity. The process of WB can be initiated either internally or externally. Employees are internal whistle blowers who report incidents of misconduct in an organization involving a peer/colleague, a supervisor or indeed a top management official. On the other hand, external whistle blowers who are mostly customers/suppliers report wrong doings of employees to the Chief Internal Auditor and/or the Managing Director/Chief Executive Officer respectively.

For purpose of this policy, All Non-Executive Directors of the Bank are categorised as internal whistle blowers.

This policy aims to abate the fear of reprisal by way of harassment or victimization at the hands of the organization or group of people accused.

## 2. OBJECTIVES OF THE POLICY

The aims and objectives of this policy are to:

- set out the Bank's written, formal whistle blowing policy, consisting of responsible and effective procedures for disclosure or reporting of misconduct and impropriety so that appropriate remedial action can be taken if concerns are deemed legitimate;
- encourage staff and other relevant stakeholders to report unethical or illegal conduct of employees, management, directors and other stakeholders to appropriate authorities in a confidential manner without any fear of harassment, intimidation, victimization or reprisal;
- Encourage timely reporting of alleged malpractices/misconduct;
- Provide a means for discreet and confidential channel for escalation of concerns without fear of reprisal;
- Ensure consistent and timely institutional response to reported improprieties and awareness by whistleblowers of their options/rights;
- Ensure appropriate oversight by the Board of Directors / Regulators;
- Serve as a means of formal deterrent against malpractices, irregularities or misconduct;
- Protect the rights of the Bank and that of its shareholders; and
- Promote the development of a culture of openness, accountability and integrity.

## 3. SCOPE OF THE POLICY

This policy and procedure manual is designed to enable employees and other relevant stakeholders report acts of impropriety to appropriate authorities. The report should however not be based on mere speculations, rumours or gossip but on personal knowledge of verifiable facts or circumstances to indicate that the reportable misconduct has occurred.

All staff are protected from victimisation, harassment or disciplinary action as a result of any disclosure,



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where the disclosure is made in good faith and is not made maliciously or for personal gain. In making a disclosure through whistle blowing, the individual should exercise due care in reporting his concern. If, however, an individual makes malicious allegations, and particularly if he or she persists with making them, no action shall be taken. This is in accordance with section 4.4 of the CBN Guidelines on whistle blowing.

Reportable misconduct include without limitation to the following:

- All forms of financial malpractices or impropriety such as fraud, corruption, bribery or theft;
- Actions detrimental to Health and Safety as stated in the Bank's staff manual;
- Any form of criminal activity;
- Improper conduct or unethical behaviour that undermines universal and core ethical values such as integrity, respect, honesty, accountability, fairness etc.
- Failure to comply with regulatory directives, administrative or internal policy framework;
- Failure to comply with legal obligations or statutes;
- Other forms of corporate governance breaches;
- Insider abuse;
- Non-disclosure of interest;
- Sexual or physical abuse of any staff, customer, applicant, service provider and other relevant stakeholders; and
- Attempt to conceal any of the above listed acts.

This policy impacts all employees of the Bank, regardless of grade, location or function. However the policy does not cover individual staff grievances and other employee related matters already covered in the staff hand-book of the Bank.

#### 4. **POLICY STATEMENT**

The Bank is committed to the highest standards of ethics, honesty, openness and accountability. In line with this commitment and in order to enhance good governance, transparency and safeguard the integrity of our Bank, this Whistle blowing Policy and Procedure Manual is intended to provide:

- a) An avenue for raising concerns related to any illegal or unethical behaviour such as fraud, corruption and other misconduct;
- b) Assurance that those who disclose such information will be adequately protected, and that action would be taken on the disclosure; and
- c) The accused will be given a fair hearing and representation as the case may be.

#### 5. **BOARD AND MANAGEMENT COMMITMENT TO THE POLICY**

The Board of Directors and Management of the Bank are committed to promoting a culture of openness, accountability and integrity, and will not tolerate harassment, victimization or discrimination of the whistle blower provided such disclosure is made in good faith with reasonable belief that what is being reported is true.

Therefore employees, stakeholders, and members of the public can raise legitimate concerns, without fear of and are given assurance that such concerns would be adequately addressed.

The Bank's whistle blowing policy is therefore fundamental to the Bank's professional integrity. In addition, it reinforces the value it places on staff to be honest and respected members of their individual professions. It provides a method of properly addressing *bona fide* concerns that individuals within the organization might have, while also offering whistleblower's protection from victimization, harassment or disciplinary proceedings.

Whilst the Bank encourages disclosure of identity by the whistleblower, where possible, it also appreciates disclosure under anonymity with re-assurance that such identity would be protected at all stages in any internal matter, except with the consent of the individual or in circumstances where the Bank is unable to resolve the concern without revealing such an identity: for instance, if external legal action flows from the disclosure and the employee's evidence is required in court.



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If an allegation is made in good faith but not confirmed by subsequent investigation, no action will be taken against the person concerned.

### 6. WHO SHOULD BLOW THE WHISTLE

Any individual who has observed reportable misconduct can report his / her concerns to appropriate authority as prescribed by this Policy provided they are made in good faith, and the disclosure is true and reasonable.

All staff should ensure that appropriate steps are taken to disclose any wrongdoing or malpractice of which they become aware as non-action/concealment will be deemed as complicity. The disclosure should be made to an appropriate authority.

#### Types of Whistle Blowing

There are two categories of whistleblowers namely:

- Internal whistleblowers – Employees, All Non-Executive Directors of the Bank, who are expected to report incidents of misconduct involving peers, supervisor/superior or top management staff to appropriate authority.
- External whistleblowers – Customers, suppliers, service providers, and other members of the public who report wrong doings of employees to the Head, Internal Control (HIC), and where the HIC is involved, report should be made to the Managing Director, If the concerns affect Managing Director, the Chairman Board Audit and Risk Management Committee (BARMC) must be notified, with copy to the Chairman of the Board.

### 7. WHISTLE BLOWING PROCEDURE

This Whistle blowing Procedure provides a mechanism for reporting any unlawful conduct at work and reassurance that exposing wrongdoing would not pose any risk to the whistleblower.

The whistleblower should however make it clear that they are making their disclosure within the scope of the whistle blowing policy in order to ensure that the Head, Internal Control (HIC), conducts the investigation within the ambit of the policy and more importantly, protect the identity of the whistleblower if required.

#### Internal Whistle Blowing Procedure

An internal whistleblower may raise concerns either by declaration or anonymously through any of the following:

- Formal letter or email to the Head Internal Control, with a copy to the Managing Director.
- Call or text dedicated phone number [Head, Internal Control].
- Dedicated whistle blowing e-mail: [whistleblowing@petramfbank.com](mailto:whistleblowing@petramfbank.com)
- Electronically log on to [www.petramfbank.com](http://www.petramfbank.com) and click on the whistle blowing portal to report the misconduct.

Changes to any of the channels detailed above would be promptly communicated to all Stakeholders by the Bank through the approved channels after which the policy would be amended accordingly.

Where the concern is received by staff other than the Chairman BRAMC, the MD or the Head Internal Control, the staff to which the concern is directed shall be required to document and immediately forward the concern(s) to the Chairman BARMC, with copy to the HIC.

If the concerns affect the HIC, the Chairman BARMC must be notified, with copy to the MD/CEO, and if the Chairman BARMC is involved, the Chairman Board of Directors would be notified.

#### Internal Whistle blowing Reporting Format

The concern(s) shall be presented in the following format:

- Background of the concerns (with relevant dates);



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- Reason(s) why the whistleblower is particularly concerned about the situation; and
- Supporting evidence for the allegations, if available, that would be helpful in the investigation process.

### Investigating Process of Concern(s) Reported by an Internal Whistle Blower

The HIC shall within two business days of receipt of the concern from the whistle blower:

- Acknowledge receipt of the issue(s) raised; and
- Commence review to ascertain validity of claim and also determine whether the concerns fall within the scope of whistle blowing or not.

The purposes of investigation are to:

- Establish if a wrongdoing has occurred based on the concern(s) raised, and if so, to what extent; and
- To minimize the risk of further wrongdoing, prevent any further loss of assets, damage to the reputation of the Bank and if possible protect all sources of evidence.

The HIC shall, upon conclusion of the investigation, submit a detailed report to the Board Audit and Risk Management Committee (BARMC) for appropriate actions in line with the approved policies of the Bank.

Disciplinary sanctions must however be ratified by the Establishment and Governance Committee (EGC) or the Board of Directors depending on the grade of the staff involved and in line with the staff Disciplinary Policy/Procedure as stated in the Staff Manual.

Where necessary, the HIC will keep the whistleblower informed of progress and the outcome of the investigation, within the constraints of maintaining confidentiality or observing legal restrictions generally.

If dissatisfied with the outcome of the investigation, a whistleblower may have recourse to the Chairman, Board of Directors which will not affect the fundamental right of the internal whistleblower to seek redress in the court of law.

Furthermore, the HIC shall periodically submit a summary of reported cases and outcomes to the Chairman, BARMC.

### External Whistle Blowing Procedure

External whistleblowers could be customers, suppliers, service providers and other members of the public who report wrong doings of employees to the Chairman, BARMC or the HIC. An external whistle blower may raise concerns either by declaration or anonymously through any of the following:

- Formal letter to the Chairman, BARMC, with copy to the HIC;
- Call or text dedicated phone number. [HIC];
- Dedicated whistle blowing e-mail: [whistleblowing@petramfbank.com](mailto:whistleblowing@petramfbank.com)
- Electronically log on to [www.petramfbank.com](http://www.petramfbank.com) and click on the whistle blowing portal to report the misconduct.
- Changes to any of the channels detailed above would be promptly communicated to all stakeholders by the Bank through the approved channels.

Where the concern is received by staff other than the Chairman, BARMC or the HIC, the staff to which the concern was directed shall be required to document and immediately forward the concern(s) to the Chairman BARMC, with copy to the HIC.

If the concerns affect the HIC, the Chairman BARMC would be notified, with copy to the MD/CEO and if the Chairman BARMC is involved, the Chairman Board of Directors would be notified.



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### Reporting Format

An external whistleblower shall follow the following procedure while presenting the concern(s) in the following format:

- Background of the concerns (with relevant dates);
- Reason(s) why he/she is particularly concerned about the situation; and
- Supporting evidence for the allegations, if available, that would be helpful in the investigation.

### Investigating Process of Concern(s) by an External Whistle Blower

The HIC shall within three (3) days of receipt of the concerns from the whistle blower:

- Acknowledge receipt of the issue(s) raised; and
- Carry out preliminary review to ascertain validity of the claim and also determine whether the concerns fall within the scope of whistle blowing or not.

The purposes of investigation are to:

- Establish if a wrongdoing has occurred based on the concern(s) raised, and if so to what extent; and
- To minimize the risk of further wrongdoing, prevent any further loss of assets, damage to the reputation of the Bank and if possible protect all sources of evidence.

If preliminary investigation shows that the concerns falls within the whistle blowing reportable concerns, then further investigation shall be carried out. If otherwise, the HIC shall refer the matter to the appropriate authority for further action. If criminal activity has taken place, the matter may be referred to the police, and where necessary, appropriate legal action taken. The HIC in addition to notifying the police must bring the matter to the attention of Management.

The HIC shall, upon conclusion of the investigation, submit a detailed report to the Chairman, BARMC for appropriate actions in line with the approved policies of the Bank.

An employee who receives concerns from external whistleblower and fails to pass same to the appropriate authority with 24 (twenty four) hours, shall be subjected to disciplinary actions by the Management and Board of the Bank, in line with the Banks Staff Manual and Code of Conducts.

Adequate protection shall be provided for such employee as stated in section 4.5 of CBN Guidelines for whistle blowing for Banks and Other Financial Institutions in Nigeria, which states “No bank or other financial institution shall subject a whistleblower to any detriment whatsoever on the grounds that he/she has made a disclosure in accordance with the provisions of these Guidelines.”

Where necessary, the HIC will keep the whistleblower informed of progress and the outcome of the investigation, within the constraints of maintaining confidentiality or observing legal restrictions generally.

If dissatisfied with the outcome of the investigation, a whistleblower may have recourse to the Chairman, Board of Directors, which will not affect the fundamental right of the whistleblower to seek redress in the court of law.

Furthermore, the HIC shall periodically submit a summary of reported cases and outcomes to the BARMC.

### 8. TIME LIMIT FOR INVESTIGATION

In line with the policy of the Bank, Petra MFB Plc is committed to prompt resolution of all concerns or issues raised within a period of one month. In the event that the investigation of whistle blowing complaint was not concluded promptly, the HIC must keep the Chairman BARMC abreast of progress, with copy to the MD/CEO.



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### 9. PROTECTION/COMPENSATION FOR WHISTLE BLOWER

The Bank has an obligation to adequately protect the whistleblower. Therefore reprisal against any employee who in good faith reports a concern about illegal or unethical conduct will not be tolerated.

The Bank is also committed to maintaining confidentiality to the fullest extent possible and provides assurance that all reports will be subject to appropriate investigation and conclusion through an efficient process.

Therefore, whistleblowers are encouraged to disclose their names when filing reports to enhance credibility. However, anonymous disclosures may be considered on the following discretionary basis:

- i) The seriousness of the issues;
- ii) The significance and credibility of the concerns; and
- iii) The possibility of confirming the allegation.

Whistleblowers, either internal or external, may be rewarded depending on the gravity of the case. Compensation may also be provided to whistleblowers who may have suffered loss in the course of the process. This is however at the discretion of the Board of Directors. In addition, a whistleblower may seek further redress from CBN on issues within the scope of this policy.

### 10. REPORTING

The Bank shall render semi-annual reports on compliance with the provisions of the whistle blowing guidelines along with corporate governance compliance status returns, to the Director, Other Financial Institutions Supervision Department, not later than 7 days after the end of the relevant period.

#### Reports to Board Audit and Risk Management Committee

The HIC shall provide to the Chairman, BARMC with a summary of cases reported and the result of the investigation on an ongoing basis.

### 11. WIDER DISCLOSURE

A whistle blower whether internal or external may elect to disclose directly to any of the following regulatory bodies that have oversight on the activities of the Bank.

S/N	REGULATOR	ADDRESS
1	Central Bank of Nigeria (CBN)	<b>Tinubu Square, Custom Street, Marina Road, Lagos.</b>  Central Business District, P.M.B 0187 Garki Abuja. Phone:09-46237401 - e-mail: <a href="mailto:anticorruptionunit@cbn.gov.ng">anticorruptionunit@cbn.gov.ng</a>
2	Nigeria Deposit Insurance Corporation (NDIC)	<b>23A Marina Road, Mamman Kontagora House, Lagos</b>  Plot 447/448 Constitution Avenue Central Business District P.M.B. 284, Garki Abuja Phone: (09) 460 1380 - 9 (09) 617 1380 – 9 email: <a href="mailto:info@ndic.org.ng">info@ndic.org.ng</a> <a href="mailto:helpdesk@ndic.org.ng">helpdesk@ndic.org.ng</a>
3	Securities and Exchange Commission (SEC)	<b>3, Idigo Street, Opposite ICON House, off Adeola Odeku Street, VI, Lagos.</b> <b>SEC Towers, Plot 272, Samuel Adesujo Ademulegun Street, Central Business District P.M.B:315 Garki Abuja</b> Phone:+234 (0) 94621159 email: <a href="mailto:sec@sec.gov.ng">sec@sec.gov.ng</a>

### 12. EMBEDDING A STRONG WHISTLEBLOWING REGIME IN PETRA MFB

While regulation and best practice in corporate governance requires entities irrespective of their size and location to have a whistle blowing policy, the Bank believes that simply having a whistle blowing policy is not enough to create a culture



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in which employees are genuinely encouraged to disclose unethical behaviours. In an attempt at creating an enabling environment which ensures that whistle blowing regime is effective the Bank have adopted the following measures:

S/N	MEASURES	REMARK
1	Board and Management Committee	The Board and Management of the Bank. clearly support and sponsor whistle blowing policy. This include respecting the policy and dedicating a senior management staff (Head Internal Control) as the advocate for whistle-blowing, who is authorized to implement and undertake investigations.
2	Communication & Training	All employees in the Bank are made aware of the existence of a whistle blowing policy at the employment stage and through regular compulsory training by the Bank, Management staff and emails. All staff members are also made to sign an annual declaration after carefully reading the policy.
3	Proper Investigation & Action	All whistle blowing disclosures or concerns must be investigated promptly and properly, and appropriate action taken upon conclusion of investigation. Furthermore, all whistle blowing investigations shall be kept confidential.
4	Feedback on effectiveness of policy	Regular survey on the effectiveness of the policy will be conducted at regular intervals preferably by the Internal Auditor. Such questions to gauge employee satisfaction or survey shall include: <ul style="list-style-type: none"> <li>▪ Have you read the whistle blowing policy?</li> <li>▪ If yes, when last did you read the policy?</li> <li>▪ Do you know who to contact to make disclosure?</li> <li>▪ Do you feel you work in an open environment in which you are encouraged to speak up and you can safely voice any concerns without fear of reprisal?</li> <li>▪ What would you change about how the policy operates?</li> <li>▪ Are you comfortable with the name (“Whistle blowing”) of the policy?</li> <li>▪ If No, what other name will you suggest?</li> </ul>

Please Note –

- ✓ Reward system to encourage a strong and effective whistle blowing culture will be institutionalized in the Bank.
- ✓ Departments can be accessed on the average number of man hours training that the team attended on whistle blowing training.

### 13. OWNERSHIP AND FREQUENCY OF REVIEW

This policy document remains the property of the Bank and shall be subject to review every two (2) years or as may be deemed necessary. All suggestions for review and or amendments shall be forwarded to the Board of Directors for necessary action.



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### 14. DEFINITION OF TERMS

Whistle-blower	A whistle-blower is any person(s) including the employee, management, directors, depositors, service providers, creditors and other stakeholder(s) of an institution who reports any form of unethical behavior or dishonesty to the appropriate authority.
Appropriate authority.	Could be the Chairman Board Audit and Risk Management Committee, Chairman, Board of Directors, Managing Director, Head Internal Control; The Central Bank of Nigeria, depending on who is being whistle blown.
Good faith	Means that the employee has a reasonably held believe that the disclosure made is true and has not been made either for personal gain or any ulterior motive

### 15. STAFF DECLARATION

I have received Petra MFB Plc. Whistle blowing Policy, which I have read and understood.

NAME:-----

STAFF NO:-----

BRANCH/LOCATION:-----

SIGNATURE:-----

DATE:-----

Please return this page to Human Resources Department.



## Petra Microfinance Bank Plc Whistle Blowing Policy

### 16. WHISTLEBLOWER REPORT FORM

Please provide the following details for any suspected serious misconduct or any breach or suspected breach of law or regulation that may adversely impact the Bank. Please note that you may be called upon to assist in the investigation, if required.

Note: Please follow the guidelines as laid out in the Whistle blowing Policy

#### REPORTER'S CONTACT INFORMATION

(This section may be left blank if the reporter wish to remain anonymous)

NAME

DESIGNATION

Employee / Other stakeholder? Please specify

CONTACT NUMBER

E-MAIL ADDRESS \*

#### SUSPECT'S INFORMATION

NAME

DESIGNATION

Employee / Other stakeholder? Please specify

CONTACT NUMBER

E-MAIL ADDRESS

#### WITNESSES'S INFORMATION (if any)

NAME

DESIGNATION

Employee / Other stakeholder? Please specify

CONTACT NUMBER

E-MAIL ADDRESS

**COMPLAINT:** Briefly describe the misconduct / improper activity and how you know about it. Specify what, who, when, where and how. If there is more than one allegation, number each allegation and use as many pages as necessary.



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### 17. CONTINUATION OF WHISTLEBLOWER REPORT FORM

1	What misconduct / improper activity occurred?*
2	Who committed the misconduct / improper activity?*
3	When did it happen and when did you notice it?*
4	Where did it happen?*
5	Is there any evidence that you could provide us?
6	Are there any other parties involved other than the suspect stated above?
7	Do you have any other details or information which would assist us in the investigation?
8	Any other comments?
	Date:
	Signature:

#### Reviewer & Approval

This Whistle blowing Policy and Procedure has been reviewed and approved by the undersigned

Position	Name	Signature	Date
Chairman, Board of Directors			
Chairman, Board Audit and Risk Management Committee			
Chairman Audit & Compliance Committee			



## **Petra Microfinance Bank Plc Whistle Blowing Policy**