
Corruption prevention in the midst of a crisis?

Workshop 1: Whistleblowing

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Abstract:

Whistleblowing - [a] Bringing an activity to a sharp conclusion as if by the blast of a whistle (Oxford English Dictionary); [b] Raising a concern about malpractice within an organisation or through an independent structure associated with it (UK Committee on Standards in Public Life); [c] Giving information (usually to the authorities) about illegal or underhand practices (Chambers Dictionary); [d] Exposing to the press a malpractice or cover-up in a business or government office (US, Brewers Dictionary); [e] (origins) Police officer summoning public help to apprehend a criminal; referee stopping play after a foul in football.

All organisations face the risk of unknowingly harbouring malpractice - whether it be bribery, fraud, corruption or other wrongdoing. Encouraging good whistleblowing arrangements is one effective way to mitigate this risk. Yet, what are the problems facing those who witness malpractice at work and how do corporates encourage their staff to speak up without fear of reprisal? How do corporates overcome the perception that blowing the whistle is an inherently dangerous exercise? Or when the idea of becoming a whistleblower is seen as akin to being a snitch, grass, or traitor? Would we be in a better financial position globally if whistleblowing had been better managed and encouraged in the financial sector?

In a recent global survey on fraud, it was found that 40.2% of frauds were detected by tip offs – at least 49% of which came from employees¹. This means employees are more effective at uncovering fraud than audit or any other control system. As with the establishment of robust anti-corruption procedures, the development of good whistleblowing arrangements is now widely seen as good for business, stakeholders and the wider public.

In this presentation I will explain the work of Public Concern at Work (PCaW), the public disasters in the UK that were the catalyst for the start-up of the charity and how whistleblowing is relevant to all organisations, not just those few who are corrupt or criminal. I will consider the statistics from our helpline and those coming out of the Employment Tribunal following 10 years of legal protection for whistleblowers in the UK under the Public Interest Disclosure Act (PIDA). I will also touch upon the key practical issues facing lawmakers looking at how to protect those who blow the whistle and consider how the UK law deals with these issues.

¹ Pg 17, *Report to the Nations on Occupational Fraud and Abuse*, Global Fraud Survey 2010, ACFE

Given the declaratory effect of any law – has there been a change of culture towards whistleblowing in the UK, if so, how is this measured? What are the best practice principles that have been developed a decade on from having good legal protection? Are there any gaps in the protection and how can these be addressed? I will attempt to answer these questions.

The presentation will also look at more recent anti-corruption developments in the UK including the new UK Bribery Act, which will introduce new obligations on companies to ensure they have sufficient processes in place, including whistleblowing, to prevent corruption, and efforts by the Council of Europe and Transparency International to define and implement international principles for whistleblower protection.

The presentation will conclude with some specific guidance on principles for effective whistleblowing arrangements including those encapsulated in the British Standards Institution (BSI) “Whistleblowing arrangements Code of Practice” developed by PCaW in partnership with BSI. The document explains the key principles in whistleblowing and highlights good practice on leadership, the policy, communication, implementation, audit and review. The Code of Practice incorporates and builds on the guidance from the Committee on Standards in Public Life (CSPL) and 16 years of our experience in public interest whistleblowing.