



**WHISTLEBLOWING POLICY
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Policy Summary

Background	<p>Availing whistleblowing facilities helps to foster a culture of accountability, transparency and integrity. Whistleblower protection has become a worldwide concern leading to global recommendations such as the 2019 EUDirectives on whistleblowing. Organisations recognise the need to enhance better complaint capturing mechanisms that foster early detection of incidents, giving those involved an avenue to speak up.</p> <p>FSD Africa has instituted whistleblowing facilities that foster anonymity to protect those who report concerns. These are complemented by guidelines and procedures written in various manuals including the HR Policies and Procedures and due diligence questionnaires.</p> <p>Further to a Board meeting held in March 2020, the Directors recommended that a whistleblowing policy be created to complement the underlying procedures.</p>	
Related policies	<ul style="list-style-type: none"> • Safeguarding Policy (Section 7) including the procedures contained therein for responding to a safeguarding concern • Data Protection Policy (Section 3 and 4) • Code of Conduct • Anti-corruption and Integrity Policy and Procedures (section 2 and 5) • Disciplinary Policy and procedures • Terms of reference for Designated Safeguarding Officers 	
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	Director, Corporate Services	Done
	Director, HR and Talent Management	
	Compliance Consultant	
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	CEO	Yes
	NRC Chair	Yes
	Director HR and Talent Management	Yes
	CEO	Yes

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Document No:	HR -POL -002
Head of Department:	Hellen Kong'ong'o
Head of Department title:	Director HR and Talent Management
Email:	Hellen@fsdafrica.org
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Table of Abbreviations

Acronym	Abbreviation
FSD Africa	Financial Sector Deepening Africa
CFO	Chief Financial Officer
HR	Human Resource
CEO	Chief Executive Officer
NRC	Nomination and Remuneration Committee

1. Policy statement

FSD Africa is committed to providing a safe environment which fosters accountability, integrity and ethics. FSD Africa does not tolerate unethical behaviour. This includes but is not limited to fraud and corruption, sexual exploitation and abuse, bullying and harassment. It is important that the people who work with FSD Africa i.e. employees, partners, suppliers and beneficiaries feel safe to report concerns of suspected malpractice or any unethical conduct without fear of discrimination, victimisation or reprisal. FSD Africa has zero tolerance for actions or practices that undermine the safety of staff, partners or 'end-user' beneficiaries. FSD Africa takes all concerns of malpractice and unethical conduct seriously and commits to responding to them consistently and fairly in accordance with laid down investigation procedures.

It is important that people who work for FSD Africa feel comfortable raising issues. Some may fear they are being disloyal to colleagues; others might think it may affect relationships at work. People may also be worried about spreading a false alarm. For us at FSD Africa it is important that all our employees feel safe raising issues with us. All discussions are kept confidential and will never affect life at work. We would rather people raise issues at an early stage than wait for proof.

2. Purpose of the policy

This policy aims to:

- a) Encourage our employees and the third parties who interact with us or our programmes to raise concerns of malpractice at the earliest opportunity
- b) Inform our employees and third parties of the avenues of raising concerns and what to expect after they raise their concerns
- c) Assure those who raise concerns of protection from possible reprisal and victimisation
- d) Provide for a culture of zero tolerance towards fraud, corruption, bribery and any malpractice or wrongdoing
- e) Explain what qualifies as a whistle-blow and provides guidelines on how to report a concern
- f) Encourage stakeholders to bring out information helpful in enforcing good corporate governance practices
- g) Provides a platform to disclose concerns of malpractices within the organization
- h) Mitigate against any fraud, operational or regulatory risk that could lead to potential financial loss or damage to FSD Africa's reputation.

3. Scope of the policy

This policy applies to FSD Africa's (and its subsidiary FSD Africa Investments') staff, partners, suppliers, beneficiaries and third parties/associated persons to whom we have contractual or legal obligations.

FSD Africa considers reportable unethical behaviour or malpractice to include:

- a) Safeguarding concerns i.e. concerns of sexual exploitation, abuse and harassment (as are more extensively defined in the Safeguarding Policy)
- b) Failure to comply with FSD Africa's policies and procedures
- c) A criminal offence that has been committed, is being committed or is likely to be committed; this includes fraud, theft, corruption or money laundering
- d) Failure to comply with legal obligations
- e) A miscarriage of justice that has occurred or is likely to occur

- f) Dangers to health and safety
- g) Damage to the environment
- h) Deliberate concealment of any of the above malpractice or unethical conduct

4. Definitions

Whistleblowing is when an employee or associated third party such as a supplier or grantee, goes outside the normal management channels to report suspected wrongdoing at work, i.e. speaking out in a confidential manner. This can be done via internal processes set up by the organisation (internal whistleblowing) or to an external body such as a regulator (external whistleblowing).

As explained below, whistleblowing is different from raising a grievance, which employees should pursue using the Grievance Policy.

A **whistleblower** is an individual who alerts, via the appropriate channels, the organisation to serious malpractice or actions that endanger its employees or assets, including its reputation. The individual could be an internal party (e.g. an employee) or an external party (e.g. suppliers, grantees or the general public).

Wrongdoing at work is defined as improper behaviour being committed or likely to be committed, which includes but is not limited to the following:

- a) A criminal offence, including bribery, corruption, fraud, misuse of office or breach of government regulations/laws;
- b) Breach of any legal obligation;
- c) Endangering health and safety;
- d) Unethical practice in accounting, internal accounting controls, financial reporting and auditing matters;
- e) Conduct contrary to FSDA's ethical principles and values;
- f) The cover up of any of the above

Wrongdoing does not usually include personal employment grievances (such as bullying, unsatisfactory probation reports, performance evaluation, discriminatory work assignments, equal employment opportunities) or general complaints. These should be dealt with through the channels provided for in FSD Africa's HR Policies and Procedures. However, in cases where an employee genuinely considers the issue to be endemic within the organisation or their department, and no action has been taken in response to a complaint directed to HR, then a whistle blow may be appropriate.

5. Raising a whistleblowing concern

Staff who have concerns should normally raise them with their line manager. Staff are also encouraged to raise concerns to a more senior manager including the Chief Executive Officer, Chief Financial Officer or Director HR and Talent Management, should they feel unable or unwilling to speak to their line manager.

Third parties should report concerns to the FSD Africa manager in charge of the contract they are holding. They are also strongly encouraged to raise concerns to another senior manager within FSD Africa, including the Chief Executive Officer, should they feel unable or unwilling to raise the matter with the person with whom they normally interact.

If they are a member of the general public with no prior relationship with FSD Africa, they are encouraged to raise the matter with the Chief Executive Officer directly or through the anonymous tip-offs line (see below).

A whistleblowing concern can either be made confidentially or anonymously:

- a) **Confidential whistleblowing** - the whistle-blower's name is known but will not be disclosed, without their consent, unless required by law.

- b) **Anonymous whistleblowing** - the whistleblower does not identify themselves to anyone at any stage.

If a whistleblowing concern is made anonymously, enough information must be provided to facilitate a thorough investigation into the allegations. While a whistleblower has every right to remain anonymous, they are encouraged to identify themselves, if they feel comfortable to do so. It will not be possible for FSD Africa to provide a whistleblower with feedback or protection unless it knows his or her identity.

FSD Africa's whistleblowing hotline

FSD Africa's whistleblowing hotlines are managed by a trusted, independent, third party which guarantees confidentiality and ensures anonymity of the whistleblower. The free hotline provides an anonymous reporting channel for unethical behaviour in the workspace and combat occupational fraud and serves to strengthen the first line of defence in combatting any breaches to the Safeguarding Policy.

The free line is an independent, confidential whistle-blowing hotline service that operates 24 hours a day, 7 days a week and 365 days a year.

Employees can call;

0800 722 626 (call from Safaricom line. Available in Swahili & English)

+273 157 152 60 (international hotline that will attract calling tariffs)

Safeguarding concerns should be raised with the Designated Safeguarding Officers (refer to Safeguarding policy section 6). Should a complainant be unable to raise concerns with line management or the Designated Safeguarding Officers, they are encouraged to whistle blow using the following available channels, available 24 hours a day and 7 days a week:

Calling the following hotlines:

0800 722 626 (call from Safaricom line. Available in Swahili & English)

+273 157 152 60 (international hotline that will attract calling tariffs)

Emailing: fsdafrica@tip-offs.com

Website: www.tip-offs.com

E-mail: fsdafrica@tip-offs.com

Concerns of sexual harassment and/or any breach of FSD Africa's Code of Conduct may also be reported directly to FCDO through:

reportingconcerns@fcdo.gov.uk

Settlement agreements entered by FSD Africa staff do not prohibit them from raising concerns in the interest of the public.

6. Managing the concern

FSD Africa always commits to respond to all concerns received thoroughly and upholding confidentiality. A designated independent officer, usually the Chief Financial Officer, the Director HR and Talent Management or the Director Corporate Services, will be appointed by the Chief Executive Officer (or, if applicable, by the Chairman of the Board) to oversee the resolution of the concern fairly and objectively.

When reports are received from a confidential whistleblower, the designated independent officer will respond promptly to the whistleblower and where necessary seek more clarity on the concern.

“Promptly” means within two days. If the whistle blow concerns a safeguarding matter, the escalation provisions of that policy will apply.

It is important to protect the independence of the investigation. No staff member who may potentially be implicated in the whistleblowing matter should take part in the investigation. It is also critical that, where confidentiality has been promised, it should be respected.

Where specific inquiries need to be made in the area where the whistleblower works, the whistleblower should be forewarned so that he/she is prepared to answer questions along with everyone else. Keeping the whistleblower updated regularly and ensuring they can contact the designated independent officer if they have any questions, will help manage expectations pre-empt problems and ensure the process works efficiently. The independent Officer will be nominated by the Chief Executive Officer when the concern requires a third party’s involvement in management of the concern.

The investigation into the alleged matter should be completed within two months after the matter is disclosed and the designated independent officer leading the investigation should use best endeavours to ensure this timetable is met. If the matter is not closed within two months, the designated independent officer will inform the whistleblower in writing of the reason why the issue is yet to be closed and the time when the matter is likely to be closed.

Employees who deliberately breach the policy or tamper with the investigation process (e.g. tampering with documents/evidence) will be subject to disciplinary action in accordance with FSD Africa’s HR Policy, potentially leading to dismissal as this is considered serious misconduct.

The possible outcomes of the investigation include:

- a) Disciplinary action (up to and including dismissal) and or legal action against the wrongdoer depending on the results of the investigation.
- b) No action if the allegation proves unfounded.

Appeal

While the outcome any whistleblower is seeking cannot always be guaranteed, the designated independent officer will try to deal with their concerns fairly and in an appropriate way. However, if the discloser is unhappy about the outcome of the investigation, they should make a further report to the Safeguarding Director outlining their concerns and, thereafter, to the Chairman of the Board. If there is a good reason to do so and particularly if there is new evidence, the concern will be re-investigated.

FSD Africa will maintain a log of concerns received and their resolution.

The process of managing a safeguarding concern is outlined in the Safeguarding Policy. The process of managing fraud and corruption concerns is outlined in the Anti-Corruption and Integrity Policy and Procedures.

Antibribery Laws

Examples include the UK Bribery Act 2010 and the Kenya Bribery Act 2016.

These are criminal statutes that prohibit us from giving anything of value to anyone in exchange for assistance with our business at FSD Africa. FSD Africa operations extend across Africa and local legislation in relation to bribery may apply.

7. Protection of whistle-blowers

Persons who wish to raise concerns are encouraged to do so without fear of reprisal, discrimination or victimisation. FSD Africa will handle all reports from whistle-blowers with complete confidentiality to protect the whistleblower from any retaliation.

Any staff member who believes that they have been subject to interference, threats, reprisals, retaliation, coercion or intimidation because they have raised a concern under this reporting mechanism should inform their line manager, or another senior staff member immediately, or report the matter through the whistleblowing hotlines.

Victimising, discriminating or intimidating anyone who raises a concern is considered gross misconduct and will be subject to disciplinary measures. Breach of confidentiality will also be considered a disciplinary matter.

8. Malicious reporting

Employees are encouraged to make reports in good faith, having satisfied themselves, to a reasonable level, that the wrongdoing disclosed as a concern did in fact occur and believing that the information disclosed is substantially true. Reports made in good faith, even though unsubstantiated or unproven will not be considered malicious.

Employees who deliberately make malicious reports to the detriment of another will be subject to disciplinary measures. In addition, costs incurred by FSD Africa as a result of investigations carried out based on false allegations will be claimed by FSD Africa from the party who made the false and malicious allegations.

9. Responsibilities

9.1 All

Everyone covered within the scope of this policy is required to:

- a) Read, understand and comply with this policy
- b) To use the avenues mentioned in this policy to report any concerns they may have

Anyone who does business with or on behalf of FSD Africa must comply with the Whistleblowing Policy and all other related policies. This includes our employees, suppliers, and other partners in the region.

9.2 Managers

Managers are required to:

- a) Treat all concerns that come to their attention promptly and with complete confidentiality and impartiality, employing due care
- b) Ensure that the employees in their teams receive training on this policy during induction and on an annual basis thereafter
- c) Ensure that partners, such as grantees or suppliers, are made aware of their obligations under the policy and the avenues this gives them to make a whistleblowing complaint, should the need arise
- d) To provide necessary support to a whistleblower and other staff members, such as mediation and/or the rebuilding of trust, after a disclosure has been made

9.3 Director HR and Talent Management

- a) The Director HR and Talent Management will ensure that appropriate records of matters raised under this reporting mechanism are maintained.
- b) The Director HR and Talent Management will at least once annually report to FSD Africa's Board of Directors on the workings and effectiveness of the policy on whistleblowing and complaints and any reports received. These will be anonymised for confidentiality.

9.4 FSD Africa Board

The Board is ultimately responsible to provide oversight over the effective implementation of this policy. The FSD Africa's Board has delegated this task to the Finance Audit and Risk Committee, who will:

- a) Ensure that there are adequate systems processes and procedures to effectively govern the whistleblowing arrangements of FSD Africa.
- b) Ensure adequate resources are available for the implementation of this policy

10. Independent assurance

FSD Africa commits to having an independent assurance of its whistleblowing mechanism. This is to provide assurance over the integrity and efficacy of the whistleblowing process.

FSD Africa will appoint an independent auditor as well as undertake reviews through an Internal Audit process that will assess the extent to which risk management and governance practices are effective and that systems of control are functioning as intended, in line with perceived risk. This will be undertaken every two years.

11. Training and communication

FSD Africa will communicate this policy and its implementation to its staff, grantees and all who are covered within the scope of this policy. Communication will be done through various mechanisms including training. FSD Africa commits to train all employees on the contents of this policy. This will include underlying laws, handling of whistleblower complaints, whistleblower protection mechanisms.

All new employees must be sensitised on FSD Africa's whistleblowing policy during their initial orientation when joining the company. All other employees must be reminded of whistleblowing arrangements, at least once a year, through refresher trainings for them to continuously identify and disclose suspicions of malpractice, understand FSD Africa's requirements for whistleblowing, and the protection that must be provided to whistleblowers.

Communication can be facilitated through:

- a) FSD Africa's Whistleblowing Policy
- b) Newsletters and other promotional material such as posters
- c) Employee surveys
- d) Updates on the intranet
- e) Explaining whistleblowing arrangements when values or ethics are promoted
- f) Where appropriate, sharing lessons learnt from whistleblowing concerns or investigations

Records of training must be kept showing who received training, the training content and the date the training was received. Trainings on the Whistleblowing Policy shall be coordinated and conducted by the Director HR and Talent Management.

The Whistleblowing Policy shall be made available on the FSD Africa's intranet and website. FSD Africa will publish a statement on its Whistleblowing Policy on its website.

<https://www.fsdafrica.org/>

Website: www.tip-offs.com

12. External reporting

FSD Africa is subject to laws and regulations of the countries it operates in and is committed to fully comply with them. Any external reporting to regulators or other bodies will be made in line with these laws and regulations and any agreements signed by FSD Africa.

13. Data protection

FSD Africa will abide by the data protection act of Kenya and general data protection regulations in handling the whistleblowing concerns. FSD Africa respects confidentiality and has a responsibility to protect sensitive personal data. Information will only be shared on a *need to know* basis, that is, access to the information must be necessary for the conduct of one's official duties. Only individuals who have legitimate reasons to access the information can receive it. For more information, please refer to the Data Protection Policy.

14. Related policies

This policy should be read in conjunction with:

- a) Safeguarding Policy (Section 7) including the procedures contained therein for responding to a safeguarding concern
- b) Data Protection Policy (Section 3 and 4)
- c) Code of Conduct
- d) Anti-corruption and Integrity Policy and Procedures (section 2 and 5)
- e) Disciplinary Policy and procedures
- f) Terms of reference for Designated Safeguarding Officers

15. Review of this policy

The Director HR and Talent Management is responsible for ensuring that this policy is reviewed on a timely basis. This policy will be reviewed one year after operation and thereafter biennially.