



# **WHISTLE BLOWING PROGRAM**

**(Version 6.0)**

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**1. DOCUMENT CONTROL SHEET**

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<b>Approved By</b>	Board of Directors

## 2. OVERVIEW

MCB Bank is committed to continually operate at the highest standards of conduct in our business. We are the trustees of public funds and it is our core value to serve our community with integrity. We endeavor to earn and uphold the trust of all our customers, suppliers and other stakeholders by serving and dealing with them ethically, lawfully and professionally. As we are the custodians of public money it is the responsibility of each and every one of us to ensure that we fulfil this commitment in our day to day working lives. Hence, all of the Bank's directors including the CEO and employees (hereinafter referred to as "personnel") must always adhere to all applicable laws, regulations, rules, policies and our core values.

The Bank has adopted a Code of Conduct that establishes specific expectations regarding the behavior of its personnel reflecting fairness, transparency and accountability; and is committed to maintaining an effective internal control environment to prevent and/or detect improper activities. Effective internal controls can also ensure accuracy of Bank's financial reporting and related disclosures. However, even the best system of internal controls cannot provide absolute safeguard against irregularities. Intentional or unintentional violations of laws, regulations, policies and procedures may occur. The Bank has a responsibility to investigate and address allegations of suspected fraudulent, wrongful or improper activities.

This Whistle Blowing Program serves to provide a channel for the Bank's staff and outside parties such as shareholders, vendors, customers etc. to raise concerns, expose irregularities, help uncover financial malpractices, prevent frauds & forgeries, eliminate personnel harassments, improper conduct or wrongdoing and attend to grievances of those associated without any fear of reprisal or adverse consequences.

This Program has been formulated with an aim to further improve governance and quality of Bank's operations. It also embeds rewards for complainants /whistle blowers that help in unearthing & combatting wrongdoings/malpractices and mainly covers the cases that escaped the existing normal procedures and systems.

The employees and outside parties are encouraged to use the guidance provided in this Program for reporting any wrongdoing / improper conduct. This Program also provides assistance to individuals who come across any wrongdoing or improper conduct and are desirous of highlighting it without being identified. It is not designed to question financial or business decisions taken by the Bank nor should it be used to reconsider any matters which have already been addressed under other policies / procedures. Employee related complaints received by the Whistle Blowing Unit will be resolved through Human Resource Management Group (HRMG) and customer complaints will be resolved through Service Quality Division (SQD) of the Bank. However, if customers / staff are not satisfied with resolution of SQD / HRMG then these complaints may be raised to the Whistle Blowing Unit for further handling.

### 3. **OBJECTIVE**

The objective of the Whistle Blowing Program is to address the concerns of Bank's staff and outside parties such as shareholders, vendors, customers etc. about irregularities, impropriety, financial malpractices, frauds & forgeries, personnel harassment and improper conduct or wrongdoing without any fear of reprisal or adverse consequences in order to strengthen the Bank's reputation and its overall performance.

### 4. **SCOPE**

The Whistle Blowing Program covers deliberate and voluntary disclosure of individual or organizational impropriety by a person who has or had privileged access to data, information or event about an actual, suspected or anticipated wrongdoing within or by an organization that is within its ability to control. The Program encompasses investigations to be conducted either directly by the management or through Audit & Risk Assets Review Group, against complaints received by the Whistle Blowing Unit regarding any irregularity, impropriety, financial malpractice, fraud & forgery, personnel harassment, improper conduct or wrongdoing. The Whistleblowing Program is applicable to the entire Bank including its overseas operations.

## 5. DEFINITIONS

### a. Allegations

This refers to accusing before proving with evidence.

### b. Fraud

This denotes an intentional twisting of the truth or concealment of facts. Employees might be guilty of fraud, for example, if they indulge in wrongful or criminal deception intended to result in financial or personal gain. Employers might be guilty of fraud, for example, if they maliciously lie about the advantages or disadvantages of the jobs they are offering, or as guise to illegally discharge employees. Fraud typically falls under tort or criminal law.

### c. Improper Conduct or Wrongdoing

For the purpose of this Program, improper conduct or wrongdoing is defined as:

- corrupt conduct;
- fraudulent activity;
- substantial mismanagement of MCB resources; or
- non-financial allegation of misconduct;

that would, if proven, constitute:

- a criminal offence; and
- present reasonable ground(s) for dismissing or dispensing with, or otherwise terminating, the services of personnel who was, or is, engaged in that conduct; or taking other disciplinary action.

### d. Malicious

Intent to cause harm without justification and regard for legal rights.

### e. Vexatious Allegation

Allegation which is intended to annoy / harass someone.

### f. Protected Disclosure

For the purpose of this Program, protected disclosure is defined as:

"Any communication in good faith based on reasonable grounds that discloses or demonstrates an intention to disclose information that may evidence a wrongdoing or improper conduct".

**g. Whistle Blowing**

For the purpose of this Program, Whistle Blowing is defined as:

"The deliberate, voluntary disclosure of individual or organizational malpractice by a person who has or had privileged access to data, information or event about an actual, suspected or anticipated wrongdoing within or by an organization that is within its ability to control."

**h. Whistle Blowing Unit**

An operationally independent Unit established within the Audit & RAR Group for receiving, handling and monitoring allegations, complaints and concerns raised by the complainant / whistleblower.

**i. Whistleblower**

For the purpose of this Program, a Whistleblower is defined as: "any employee, director, related officer, contractor, service user, shareholder, vendor, customer or any member of public, who makes or attempts to make a disclosure of an irregularity, financial malpractice, fraud, forgery, personnel harassment, improper conduct or wrongdoing."

**j. Suspected Party**

For the purpose of this Program, Suspected Party is defined as:

"A party who is likely to be guilty as per the whistleblower".

**6. INDEPENDENCE OF WHISTLE BLOWING UNIT**

In order to ensure independence of the Whistle Blowing Program, a dedicated Whistle Blowing Unit has been established within Audit & RAR Group of the Bank, under the umbrella of Board's Audit Committee. The Head of this Unit will report to Department Head – Monitoring & Whistle Blowing Department, who will report to the Group Head – Audit & RAR.

**7. PROCEDURES FOR LODGING COMPLAINTS****I. PARTIES TO WHISTLE BLOWING**

Following are the parties to the Whistle Blowing Program:

- a. Any employee, as Complainant.
- b. Any outside party, including shareholders, accountants, vendors, customers etc., as Complainants.

- c. Whistle Blowing Unit, handling complaints, allegations, concerns etc.
- d. Suspected Parties.

## **II. WHISTLE BLOWING ACTIVITIES & DISCLOSURES**

Following are to be reported to the Whistle Blowing Unit;

- a. Allegations of Suspected Fraudulent act, Wrongdoing, or Improper conduct by the Bank's Personnel.
- b. Allegations of Suspected Wrongdoing or Complaints relating to any area within the Bank.

Reports are to be made in writing to ensure a clear understanding of the issues being raised. Such reports should be factual rather than speculative, and contain as much specific information as possible and evidences (if any), including name(s), date(s), place(s), event(s); and complainant's perception of why he/she suspects the fraudulent act, wrongdoing, or improper conduct.

## **8. COMMUNICATION CHANNELS FOR LODGING COMPLAINTS**

Employees or outside parties with concerns or complaints may report such concerns or complaints through the Bank's hotline, fax, e-mail, website or regular mail as stated below:

- Hotline / Landline Numbers: + 92 (0) 42 35776639-41
- Fax Number: + 92 (0) 42 35776638
- Email: [wbu@mcb.com.pk](mailto:wbu@mcb.com.pk)
- Website: [www.mcb.com.pk/customer\\_services/whistle-blowing](http://www.mcb.com.pk/customer_services/whistle-blowing)
- Postal address: Monitoring and Whistle Blowing Department, Audit & RAR Group, MCB Bank Limited, 3rd Floor, Principal Office, 15 Main Gulberg, Jail Road, Lahore, Pakistan.

Concerns and complaints received through any of these means shall be forwarded to the concerned person(s) within the organization.

## **9. HANDLING OF COMPLAINTS BY WHISTLE BLOWING UNIT**

- a. The nature of each complaint will be determined and accordingly classified into category(ies) mentioned in this Program.

- b. Every complaint received by the Whistle Blowing Unit must be logged into a tracking system and assigned a code. This code will be used in all subsequent processes including investigation and reporting of the allegation/complaint. Access to information regarding identity of the complainant will be restricted to authorized personnel only.
- c. Every complaint will be assessed by the Head of Whistle Blowing Unit with a view to decide whether it meets the criteria laid down in the Whistle Blowing Program for an investigation to be conducted.
- d. Initial inquiries / assessments will be made to determine whether an investigation is warranted, and the form that it should take. Some concerns may be resolved through agreed action without the need for a formal investigation.
- e. If any complaints are received involving personnel harassment, they will be referred to Bank's Human Resource Management Group (HRMG) for their appropriate action(s) in accordance with the Policy for Protection of Women against Harassment or other relevant policy.
- f. The cases warranting investigation should be forwarded to the respective Division of Audit & RAR Group for further action.
- g. An investigation will only be conducted if the allegation / information is sufficiently specific and contains adequate corroborating evidence to warrant an investigation.
- h. Investigations shall be conducted by competent and independent personnel, who should observe ethical and professional standards.
- i. The complainant shall be sent an acknowledgement at the earliest, preferably within 48 hours by the respective unit.
- j. Action(s) taken by the Bank will depend on the nature of the complaint and the results of the investigation. The final investigation report will be forwarded to Head of HRMG in case disciplinary action is required against the delinquent staff for necessary action. Copy of this report will also be endorsed to concerned Group Head. However, if considered necessary, the report will also be shared with the President.

## 10. **CONFIDENTIALITY**

Confidentiality of the complainant's identity, the nature of the complaint, and the suspected person's identity must be strictly maintained.

**11. FALSE ALLEGATIONS OR COMPLAINTS**

This Program also governs actions to be taken in case of deliberate false complaints. This is not meant to discourage or limit the rights of individuals from lodging complaint(s) against alleged malpractices or wrongdoings. The Bank recognizes that, in some instances, it may not be possible to determine whether a report is warranted. Employees should not be reluctant to report information because they are uncertain of who will be believed and whether the allegation can be proved. However, it is expected from all employees to refrain from rumor mongering, irresponsible behavior and false allegations and if staff makes an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against them. If, however, staff makes malicious or vexatious allegation(s)/complaint(s) disciplinary action may be taken against them and penalties may be imposed.

**12. PROTECTION AND REWARDS FOR COMPLAINANTS****a. Commitment to protecting complainants**

MCB Bank is committed to the protection of genuine complainants against action(s) taken in reprisal for the making of protected disclosures.

**b. Keeping the complainant informed**

The Whistle Blowing Unit will ensure the complainant is kept informed of action taken in relation to his or her disclosure as per complaint handling procedures.

**c. Complainants implicated in improper conduct or wrongdoing**

The Bank acknowledges that the act of Whistle Blowing should not shield complainants from the reasonable consequences flowing from any involvement in improper conduct or wrongdoing. A person's liability for his or her own conduct is not absolved by the person's disclosure of that conduct. However, in some circumstances, such admission may be a mitigating factor when considering disciplinary or other action.

**d. Harassment or Victimization**

The Bank recognizes that the decision to report a concern can be a difficult one to make because of the fear of reprisal from those responsible for the malpractice/misconduct. The Bank will not tolerate harassment or victimization and will take action, which could involve disciplinary proceedings, to protect complainants when they raise a concern in good faith.

Retaliation against an individual, who, in good faith, has made a complaint, disclosed information relating to a complaint or otherwise participated in an investigation relating to a complaint, is prohibited regardless of the outcome of the investigation. Complaints of alleged retaliation also are to be directed to the Whistle Blowing Unit. The Bank shall not discharge, demote, suspend, threaten, harass or in any manner discriminate against an employee based upon any lawful actions of such employee with respect to reporting in good faith of complaints or participation in a related investigation. However, an employee's right to protection from retaliation does not extend immunity for any complicity in the matters that are the subject of the complaint or an ensuing investigation.

**e. Rewards**

Complainant may be awarded monetary benefit / career advancement depending upon the nature and gravity of the complaint / disclosure. Board's Audit Committee will be the final authority to decide such reward. However, only those complainants will be rewarded who will report such allegation by disclosing their complete identity and would also help in investigating the matter through providing necessary information/proof(s)/evidence(s), if asked for by the Investigator / Head of Whistle Blowing Unit.

**13. DISCIPLINARY ACTIONS AND PENALTIES**

Where it is proved that an employee committed breach of the policies and/or Code of Conduct of the Bank or the complainant is guilty of a false allegation(s)/complaint(s) against any other employee or any other act or improper conduct or wrongdoing or insubordination, the matter shall be referred to HRMG for disposal as per Disciplinary Action Policy of the Bank.

**14. RIGHTS & RESPONSIBILITIES OF THE SUSPECTED PARTIES**

- The suspected party(ies) of a Whistle Blowing investigation has/have the right to consult with a person or persons of their choice. This may involve representation from his/her/their colleague(s) from the Bank, if permissible under law.
- The suspected party(ies) has/have a responsibility not to interfere with the investigation. They are not to withhold, tamper, or destroy evidence or influence, coach or intimidate witnesses. Unless there are compelling reasons to the contrary,

subjects should be given the opportunity to respond to material points of evidence contained in an investigation report.

- The suspected parties are bound to answer / respond to the queries made by the investigator and appear in person if called for by the investigator.
- It is the responsibility of every employee of the Bank to extend full cooperation during the investigation. Any instance of non-cooperation shall be dealt with in accordance with Bank's human resource policies / procedures.

#### **15. REPORTING & RECORD KEEPING REQUIREMENTS**

- At the conclusion of a Whistle Blowing investigation, a written report that provides the findings of the investigation, including a summary of the evidence and a conclusion as to whether or not the allegations are substantiated, should be completed and logged into the Board's Audit Committee's tracking report.
- Board's Audit Committee shall have the authority to, at any time, obtain briefing regarding any investigation of a complaint and any related findings.
- A summary of tracking report documenting all Whistle Blowing allegations and actions taken to resolve them must be submitted to the Board's Audit Committee at least bi-annually and subsequently to the Board of Directors on an annual basis.
- Record of all response letters, complaints and underlying documentation shall be properly maintained.
- Record of complaints as well as investigation reports must be retained by the Whistle Blowing Unit for at least ten years or more if required by any law and/or regulation or is reasonably anticipated to become the part of a pending or threatened lawsuit or investigation.
- The Whistle Blowing Unit must ensure compliance of the Bank's Record Management Policy.

#### **16. OTHER CONSIDERATIONS**

- The Bank should keep records in good condition to protect evidence, ensure credibility and avoid claims of discrimination.
- It should be made sure that evidence is collected and analyzed by someone with sufficient time, tools and expertise. Expert opinion may also be called wherever deemed necessary.

- The Whistle Blowing Unit should not rush to judgment. The subject of allegation involves rights which are to be safeguarded. Every person should be given ample opportunity to present his / her case and defend the allegation against him / her.
- Consideration should also be given to costs, and whether focus is prosecution, recoveries, restitution, or termination.
- The Bank's findings / investigation reports and relevant record should not result in a public record unless required by law.

**17. DISCLOSURE TO EXTERNAL BODIES**

In case of employees being the complainants, they are not allowed to disclose their concerns to any of the external bodies unless required by law. Breach of this clause will subject the employee to disciplinary action.

**18. ANONYMOUS COMPLAINTS**

Anonymous complaints should be discouraged. Such complaints may not attract any action. However, Group Head Audit & RAR may decide, whether any action is required on any such complaint(s).

**19. MONITORING & REVIEW OF THE PROGRAM**

Board's Audit Committee is responsible for monitoring the effectiveness as well as compliance of the Whistle Blowing Program. This Program will be reviewed once in two years or earlier on need basis, especially if warranted due to any change(s) in legal and/or regulatory requirements.

**20. EFFECTIVE DATE**

The Whistle Blowing Program (version 6.0) will be effective from the date of its approval by the Board of Directors i.e. February 08, 2017.

**21. GLOSSARY**

Audit & RAR	Audit & Risk Assets Review
SQD	Service Quality Division
HRMG	Human Resource Management Group
BAC	Board's Audit Committee
CEO	Chief Executive Officer