TRANSPARENCY INTERNATIONAL ITALIA

SME BUSINESS INTEGRITY KIT

02

REPORTING SYSTEMS AND POLICIES

PRELIMINARY CONSIDERATIONS

Whistleblowing is a legal tool that protects anyone who wishes to report possible **illegal activity** that they might have witnessed **inside their place of work**.

Any entity can establish a **specific procedure** for reporting illegal activity, guiding employees, who wish to do so, in how to report anomalies with complete **peace of mind** and in guaranteed **confidence**.

Within the context of legislation that is increasingly aimed at providing legal protection for employees who report on their employers, it is appropriate for the company to equip itself – based on international best practice – with tools of this type, given that employees are in the best position to become aware of any **irregularity**, that could have been **prevented** or **countered** if timely notice had been provided to the control bodies.

In order to deal with any reservations employees may have of using whistleblowing systems, there must be mechanisms that guarantee complete **confidentiality** as well as protection of the employee's **personal data**.

FREQUENTLY ASKED QUESTIONS >>

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WHO CAN REPORT AN ANOMALY?

The choice is left to the entity/company. Usually, in addition to **employees**, the company may invite **collaborators**, **business partners** and **suppliers** to report any irregularity.

WHAT IS THE POINT OF THE PROCEDURE? WHAT CAN YOU REPORT?

Also in this case, the choice is left to the entity. Usually, it covers any **behaviour** that constitutes - or could constitute - potential **breaches of law**, **regulations** or **internal corporate procedures**, including breaches of the Code of Ethics. To better explain the management procedure for reporting irregularities, it is often useful to supply some practical examples, indicating non-compliant behaviour, which might be the subject of a report.

WHAT TYPE OF INFORMATION NEEDS TO BE INCLUDED IN THE REPORT?

The procedure must specify that a report, even if done anonymously, is not a charge or an accusation and must be adequately **described**, based on **directly acquired elements or information**, in order to allow an appropriate response.

WHO SHOULD RECEIVE THESE REPORTS?

Based on the company's organisation, responsibility could be assigned to an **individual person** or to a **specific department** (e.g. Internal Audit, compliance manager, security manager, a member of the Supervisory Body, etc.). In any event, responsibility must be **independent** both at a budgetary level and a managerial one, with regards to the employer.

WHAT CHANNELS CAN BE USED TO REPORT ACTIVITY?

You can choose a **mailbox**, a dedicated **email address**, a **telephone number** or, where possible, an **IT platform** that can transmit the report and allowing dialogue with the person making the report in a confidential, secure way.

WHAT DOES THE PERSON WHO RECEIVES THE REPORT HAVE TO DO?

The person who receives the report does what is called a first screening in terms of **admissibility**, and, if admissible, will launch an **internal investigation**, potentially consulting with other corporate organisations whist keeping the identity of the person who made the report strictly confidential. A **report** must then be completed and sent to the employer for any internal measures to be taken. During this procedure, it's a good idea to provide **periodic feedback to the person who made the report** and, also periodically, it can be useful to communicate the results of the procedure and its operation.

IS IT POSSIBLE TO MAKE AN ANONYMOUS REPORT?

It is possible to the extent that people must be aware that any report must be as **detailed** as possible and that reports without precise information cannot be taken into consideration.

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WHAT PROTECTIONS ARE THERE FOR THE PERSON MAKING THE REPORT?

First of all, this person's **identity must be keep strictly confidential** from any person who might be the subject of the report but also from any third party. To this end, the necessary actions and initiatives must be taken against anyone who retaliates (or who threatens to retaliate) against a person making a report. It would be appropriate to **emphasize** the importance of the **principle of protecting the person who made the report** within the context of the company's Code of Ethics, where it exists.

WHAT PROTECTIONS ARE THERE FOR THE PERSON WHO IS THE SUBJECT OF A REPORT?

No disciplinary action whatsoever must be taken against any person just because a report has been made about them. Action only becomes pertinent when the report has been definitively verified internally.

COULD THE PROCEDURE INVOLVE SANCTIONS?

Not only could it but the procedure **should involve sanctions** against anyone who abuses the procedure with deliberately defamatory information; against anyone who receives a report and then does not proceed to adequately investigate it; against any potential other subject who refuses to collaborate with the person charged with verifying such reports; and against anyone who retaliates (or who threatens to retaliate) against a person making a report.

REPORTING TEMPLATE

The PMI Integrity Kit also provides a questionnaire template that helps you to report and that can be downloaded and filled in.