



LAPO Microfinance Bank Ltd.
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Whistle Blowing Policy

Administration Information			
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Approval Page

This document is hereby approved by the Board of Directors on 10th November, 2016, and the company seal is hereby affixed hereto in authentication of the said decision.

LAPO MICROFINANCE BANK LTD
APPROVED BY: Dr. Osarenren Emodupe
SIGNATURE: 
DATE: 10th November, 2016



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1. INTRODUCTION

1.1 General

Whistleblowing policies are generally intended to make it easier for members of staff to be able to report irregularities in good faith, without having to fear that their action may have adverse consequences.

The Whistleblowing Policy of LAPO Microfinance Bank Limited (hereinafter called “the Bank”) is a key element for safeguarding its integrity. It is aimed at enhancing the Bank’s transparency and underpinning its system for combating practices that might damage its activities and reputation.

Protecting the integrity and reputation of the Bank requires the active support of all members of staff, who are required to report incidents of suspected fraud, corruption, collusion, harassment, coercion and other serious infringements of the rules and policies of the Bank. Members of staff must also cooperate in investigations into such incidents. By creating an environment of trust and maximum protection for the members of its staff, the Bank wants to encourage them to cooperate in full. It is putting in place the necessary arrangements that will ensure that members of staff who report irregularities in good faith are afforded the utmost confidentiality and most effective protection against any retaliation or reprisals, whether actual or threatened, as a result of their whistleblowing.

1.2 Purpose

The Bank is committed to achieving and maintaining high standards of ethical, moral and legal business conduct. In line with this and the commitment to open communication this policy aims to provide an avenue for employees and other stakeholders to raise concerns with reassurance that they will be protected from reprisals or victimisation for whistleblowing in good faith.

1.3 Basic Principles

The basic principles of the Bank’s Whistleblowing Policy are as follows:

- 1.3.1 The persons concerned must have a choice between a number of channels for whistleblowing and communication; in certain circumstances, they must be able to bypass the main channels for whistleblowing if these prove inappropriate;
- 1.3.2 Employees must not under any circumstances be subject to reprisals for whistleblowing;
- 1.3.3 Employees who report incidents in good faith must be protected and their identity must as much as possible remain confidential;

- 1.3.4 The reported incidents shall be verified in the appropriate manner and, if they are confirmed, the Bank shall take all necessary steps to identify appropriate remedies;
- 1.3.5 The basic rights of any person implicated by the reported incidents must be respected, whilst ensuring that the procedures provided for are effective.

1.4 Scope of the Policy

This Whistleblowing Policy and Procedure (the “Policy”) applies to all employees of LAPO Microfinance Bank Limited, and other stakeholders who may have genuine concerns about the operations of the Bank. It also applies to the Bank’s part-time, temporary and contract employees and to all its directors and representatives, including but not limited to the Bank’s clients, consultants, agents and advisors, wherever they are located and whether they work for the Bank on a full or part-time basis. For the purpose of this document all persons referred shall be known as “stakeholders”.

2. ISSUES COVERED UNDER THE POLICY

The policy is intended to cover matters of serious impact on the Bank and shall include but not be limited to the following:

- i. Any type of fraud or financial malpractice;
- ii. Rendition of false returns;
- iii. Falsification of records;
- iv. Forgery (use of certificates, false declaration of age e.t.c);
- v. Endangering health or safety of the environment;
- vi. Commission of offence by Bank officers;
- vii. Obstruction of internal/external regulators and auditors;
- viii. Leakage of confidential data;
- ix. Bribery and corruption;
- x. Sexual or physical abuse;
- xi. Unprofessional conduct;
- xii. Non-disclosure of interest;
- xiii. Stealing/theft of the Bank’s assets/customers funds;
- xiv. Abuse of authority;

- xv. Concealment of any malpractice;
- xvi. Breach of Code of Corporate Governance issued by the Central Bank of Nigeria (CBN Code)

3. SAFEGUARDS

Harassment or victimisation of the complainant will not be tolerated. Harassments or victimisation in any form or manner against genuine whistle blower is taken seriously and will be treated as gross misconduct, which if proven, will be given the necessary disciplinary action.

4. CONFIDENTIALITY

Every effort shall be made to protect the complainant's identity.

5. REPORTING OBLIGATIONS

- 5.1 Employees are under obligation to report any suspected or presumed incidents of illegal behavior in the activities of the Bank or of serious misconduct or serious infringement of the Bank's rules, policies or guidelines, or any action that is or could be harmful to the mission or reputation of the Bank (hereinafter "irregularities")
- 5.2 Such incidents may involve staff, clients, promoters, contractors, suppliers, beneficiaries or any other persons or entities that participate or seek to participate in activities financed by the Bank.
- 5.3 Employees are under obligation to cooperate in any official investigation, audit or similar request.
- 5.4 No staff of the Bank may use his/her position to prevent other employees from exercising their rights or complying with their obligations as indicated above.

6. REPORTING PROCEDURES

- 6.1 All LAPO MfB employees will be provided with an internal Ethics hotlines/hotmail. The Ethics line provides an avenue for employees and other stakeholders to confidentially and anonymously report all incidents relating to the various categories of unethical conduct listed in item 2.
- 6.2 All reports will be transcribed unto call sheet memoranda and transmitted to designated officers within LAPO MfB for appropriate investigation.

- 6.3 Reports of any allegation relating to fraud, theft of company asset and human resource related matters shall be submitted to the specified Principal Officers.
- 6.4 Whistle blowing matters relating to breach of Code of Corporate Governance for Microfinance Bank Operation in Nigeria and other types of unethical conduct shall be reported to the specified Principal Officers.
- 6.5 Where the matter relates to a report against a Director(s) and the Managing Director, irrespective of the type of incident, it shall be reported to the Chairman of the Board.
- 6.6 In general, the report of the investigation should be sent to the Chief Compliance Officer for report rendition purposes.
- 6.7 Whistle blowers are not required to disclose their identities to LAPO MfB and external service provider (where applicable). In the event of the whistle blower willfully disclosing his/her identity, it shall remain undisclosed until the complainant provides written consent to LAPO MfB or the external service provider (where applicable). These measures are necessary in order to maintain the confidentiality and anonymity of whistle blowers.
- 6.8 Provided the allegation has been made lawfully without malice, the employment position of the person making it will not be adversely affected. It is the responsibility of Executive Management to ensure that whistle blowers are protected from victimisation.
- 6.9 The person or persons against whom the allegations are made shall be informed of the allegation and the evidence supporting it and must be allowed to comment in writing before investigations are concluded.
- 6.10 If on preliminary investigation, the allegation is adjudged to be wholly without substance or merit, the allegation shall be dismissed and the person making the allegation will be so informed through the ethics line service.
- 6.11 Where an allegation is found to be valid, Executive Management shall constitute a Disciplinary Committee to review the matter and apply appropriate sanctions on the erring staff.
- 6.12 Where necessary, the matter shall be reported to the law Enforcement Agency or appropriate Regulatory Bodies for any further sanction or prosecution.

6.13 All allegations, including those dismissed after preliminary examination, and the result of their investigation must be reported to the Audit Committee and the Board through the Environmental, Social & Governance Committee.

6.14 If someone who has made a whistle blowing allegation remains dissatisfied with the outcome of the investigation, the issue should be escalated to the Chairman of the Board of Directors. The whistle blower shall be encouraged to contact the Chairman of Board of Directors.

7. PROTECTION FOR WHISTLEBLOWERS

7.1 Any whistle blower who reports an irregularity, provided that this is done in good faith and in compliance with the provisions of this policy, shall, be protected against any acts of retaliation.

7.2 For the purposes of this policy, "retaliation" is defined as any action or threat of action which is unjustly detrimental to the whistleblower because of his/her report, including, but not limited to, harassment, discrimination and acts of vindictiveness, direct or indirect, that are recommended, threatened or taken against the whistleblower. "Good faith" can be taken to mean the unequivocal belief in the veracity of the reported incidents, i.e. the fact that the whistle blower reasonably believes the transmitted information to be true.

7.3 Whistle blower, who makes a report in bad faith, particularly if it is based knowingly on false or misleading information, shall be subject to disciplinary measures.

7.4 The protection of a person reporting an irregularity shall be guaranteed first of all by the fact that their identity will be treated in confidence. This means that their name will not be revealed, unless the whistleblower personally authorises the disclosure of his/her identity or this is a statutory requirement, particularly if it is essential to ensure that the right of the persons implicated to be given a fair hearing is upheld. In such a case, the Bank shall be required to notify the whistleblower before revealing their identity. However, unauthorised leakage of information including the disclosure of the identity of the whistle blower identity shall be sanctioned.

7.5 Where an allegation is made in good faith and the reporter has a reasonable belief in the truth of the allegation and after due investigations it turns out that the allegation is untrue, there will be no indictment against such person.

7.6 Confidentiality of the whistle blower shall remain indefinite.

8. RETALIATION

The company views retaliation or any form of reprisal against any whistle blower who reports a violation as a very serious offence. All cases of retaliation shall be reported to the specified Principal Officers who after investigation shall refer such issues to the Disciplinary Committee for appropriate sanctions. Where the retaliation is done by top management, the whistle blower has the right to report to the Chairman of Board of Directors.

9. RIGHTS OF PERSONS IMPLICATED

The rights of any employee implicated by reports of irregularities under the whistle blowing policy shall be treated with in line with the Bank's Human Resource policy

10. ANONYMOUS ALLEGATIONS

This policy allows whistle blowers to remain anonymous at their option. Concerns expressed anonymously will be investigated, but consideration will be given to;

- The seriousness of the issues raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources.

However, stakeholders should remember that if a whistle blower remains anonymous, it will be much more difficult for the Bank to investigate the matter and to give him/her feedback. We assure all whistle blowers that all matters reported to the specified Principal Officers shall be held in strict confidence and the highest level of confidentiality shall be maintained at all times. The Bank shall, to the extent possible under the law, make every effort to protect the confidentiality of anyone reporting a violation or suspected violation and anyone who gives useful information in the process of investigations.

11. MALICIOUS ACCUSATIONS

The Bank shall not condone any form of abuse of this policy by way of malicious accusations against an Employee, Director or Third party in an attempt to harm or discredit the Employee, Director or Third party. In the instances where the malicious accusation is generated by Counterparty, the Bank shall review its business relationship with such Counterparty and terminate any agreement between it and the Counterparty.

12. WHISTLE BLOWING CHANNELS

A disclosure can be made through the following whistle blowing channels:

- i. Through the Banks website – <http://www.lapo-nigeria.org>
- ii. Through the whistle blowing hotlines – 07051192207 / 07051192204 / 07051192268
- iii. Through the whistle blowing email address - whistleblowing@lapo-nigeria.org

13. ADMINISTRATION OF THE POLICY

- I. The Chief Compliance Officer has the overall responsibility for the operation and implementation of this policy. He/she ensures the maintenance of record of concerns raised and the outcome of the investigations.
- II. The Chief Compliance Officer, in the collaboration with the specified Principal Officers shall propose to Management Committee any necessary amendments to these provisions from time to time.