



The Institute of Chartered Accountants of Pakistan

WHISTLE BLOWING POLICY

2023

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1. OVERVIEW

In order to enhance good governance and transparency, this policy has been developed to help employees, suppliers, contractors and members of the Institute report legal and ethical issues like fraud, corruption or any other unlawful conduct or dangers to the public or the environment. Specific examples could include:

- a. any fraudulent activity/ theft/ corruption;
- b. a substantial mismanagement of Institute resources;
- c. any other violation of Institute's Code of Conduct;
- d. misuse of Institute's fund;
- e. a civil wrong or criminal act;
- f. improper conduct in Institute's operations; accounting; internal controls; auditing; or financial reporting;
- g. an act detrimental to the interests of the Institute.

All employees, suppliers, contractors and members of ICAP are covered by this policy.

2. OBJECTIVE & SCOPE

The objective of this Policy is to set out the procedures for:

- i). lodging of complaints
- ii). handling of complaints by the Institute
- iii). reporting requirements
- iv). protection of whistleblowers, and
- v). periodic monitoring of the Policy.

The employees, suppliers, contractors and members are encouraged to use the guidance provided in this policy for reporting any wrongdoing / improper conduct.

It is emphasized that this policy is intended to assist individuals who believe they have discovered malpractice or impropriety. It is not designed to question financial or business decisions taken by the Institute nor it should be used to reconsider any matters which have already been suitably addressed.

This policy shall not apply to the personal grievances concerning an individual's terms of employment or disciplinary matters. This policy deals with concerns, which are specifically in the public interest or in the interest of the Institute.

3. PROCEDURE FOR LODGING COMPLAINTS

- 3.1. All complaints received on designated email or by the Institute should be reported to the Head of Internal Audit with a copy to the Chair Audit Committee and Chair of the Governance Committee.
- 3.2. In case a complaint is against Head of Internal Audit the same may be reported directly to Secretary, ICAP with a copy to the Chair Audit Committee and Chair of the Governance Committee.
- 3.3. All complaints are to be made in writing to ensure a clear understanding of the issues being raised. The complaints lodged with the Institute should give the background, nature of concern, relevant dates wherever possible, reasons for the concern and the names of individuals against whom the concern is being reported.
- 3.5 Whistleblowers may send their complaints through courier to the Head of Internal Audit at ICAP Karachi office or the complaints may also be emailed at whistle.blowing@icap.org.pk. This Whistle Blowing Policy may be accessed at the Institute's website.
- 3.6 It is preferable that all complainants should provide their names, mobile contact number, email address and position in the Institute where relevant. Anonymous complaint should be evaluated by the Head of Internal Audit in consultation with the Chair Audit Committee in order to determine whether the same contains any serious issues. Only those Anonymous complaints should be entertained which indicate a very significant concern or problem, otherwise, all anonymous complaints will be closed with no further action. The reasons for not proceeding on an anonymous complaint, should be recorded in writing and the same should be reviewed and agreed by the Chair Audit Committee before closing such complaints.

4. PROCEDURE FOR HANDLING COMPLAINTS

- 4.1. Each complaint received by the Head of Internal Audit is to be logged and assigned a code which will be used in the investigation and reporting of the complaint.
- 4.2. Initial inquiries / assessments will be made by Head of Internal Audit and a summary of the complaint along with supporting documents, if any, would be presented to the Chair Audit Committee who in consultation with the Head of Internal Audit would decide whether the case requires further investigation or not.
- 4.3. An investigation will only be conducted if the complaint is specific, otherwise all such complaints received should only be highlighted to the Chair Audit Committee on the premise that no investigation is required to be carried out. The need for confidentiality of all participants in the investigation must be honored to the extent possible.
- 4.4 *Head of Internal Audit will in consultation with the Chair Audit Committee nominate a person(s) either from the Internal Audit Department and/or any other Department to investigate the complaint. The nominated person(s) must be competent, independent, unbiased, objective, and ethical, and observe legal and professional standards.
- 4.5. A person who is investigating any complaint under this policy shall be empowered to get information from the relevant persons and hold necessary hearings. The concerned departments of the Institute shall also cooperate with him/her in all respects with regard to the investigation process. The investigation may take the form of interviews and examination of relevant documents or other evidence. The person against whom the complaint has been made shall have the right to be accompanied by a colleague during any investigative interview or hearing.
- 4.6. The investigation will preferably be completed within sixty (60) days from the lodging of complaint provided sufficient information is supplied on timely basis by the relevant persons that is necessary for disposal / conclusion of the investigation within the prescribed time. However, in exceptional circumstances this time duration may be extended for the reasons to be recorded in writing.
- 4.7. The recipient of the complaint shall inform to the whistleblower within 07 days, from the date of receipt of the complaint, acknowledging that the

complaint was received and informing that the matter will be dealt with as per Institute's policy. Disclaimer clause, attached as Annexure to this policy shall be made part of the communication with the whistleblower. Provided that no acknowledgement of the complaint shall be delivered to the whistleblower if the complaint is anonymous.

- 4.8 At the end of investigation, a written report that provides the findings, and basis of conclusion as to whether or not the allegations are substantiated is to be submitted by the Head of Internal Audit to the Chair Audit Committee with a copy to the Chair of the Governance Committee.
- 4.9 Depending upon the severity and significance of the underlying issues, the Chair of the Audit Committee may direct the Internal Audit department to issue the final report of investigation to the Secretary, ICAP for implementation and necessary action or otherwise direct to present the report to the Audit Committee for its consideration.
- 4.10 The Audit Committee will make its recommendations to the Council for future course of action on the complaint in case of all such concerns which have been presented to it by the Internal Audit department.
- 4.11 The final conclusion of the complaint shall be communicated by the Head of Internal Audit to the complainant unless the complaint is anonymous.
- 4.12 Head of Internal Audit will produce a quarterly report documenting all complaints and the actions taken to resolve them for the review of Audit Committee as a separate agenda item.
- 4.13 Records of all whistle blowing concerns, investigations, and reports are to be retained for at least 5 years.

5. CONFIDENTIALITY

Persons raising concerns as well as those involved in investigations must ensure that no disclosure of confidential information takes place at any stage during and after the process has been completed.

6. PROTECTION OF WHISTLE BLOWERS

6.1 The Institute is committed to the protection of genuine whistleblowers against any form of retaliation. No disciplinary action will be taken against any whistleblower even if the complaint is unsubstantiated, unless it can be

proved without any reasonable doubt that this facility was used for malicious purpose.

6.2 Confidentiality of the whistleblower's identity, the nature of the report, and the suspected person's identity is to be strictly maintained, therefore, the whistleblower is encouraged to put his name on the concern so that the designated investigation officer may consult him for evidence.

6.3 Any employee of the Institute found to have violated this Policy, or causing or aiming to cause any unfavorable action against the complainant will be subject to disciplinary action in accordance with the Institute's policies.

6.4 In case there is clear evidence that the complaint has been made for malicious purposes and without any valid grounds, the matter shall be referred to the Secretary, ICAP for taking appropriate action against the complainant as per the Institute's policies. In case it is revealed that a retaliation action is being taken by the person against whom the complaint is made, a separate inquiry on disciplinary grounds shall be recommended to the Secretary, ICAP against such person.

7. MONITORING & REVIEW OF POLICY

7.1 The Audit Committee is responsible for monitoring the effectiveness and compliance of the Whistle Blowing Policy.

7.2 The Audit Committee is authorized to review this Policy periodically, and make recommendations to the Council for necessary amendments therein in order to make it more effective and operational.

7.3 All employees, suppliers, contractors and members of the Institute are responsible for the success of this Policy and should ensure that they use it to disclose suspected wrongdoing. If an employee, supplier, contractor or member has any question about the content or application of this Policy, he or she may contact the Head of Internal Audit for obtaining necessary clarification.

7.4 This Policy will be available on the Institute's website and internal dashboard for easy access.

** Insertion of clause 4.4. approved by the Council in its 382nd Meeting held on March 30, 2024.*



Annexure

DISCLAIMER

The Institute is thankful to you for raising the concern. The Institute is committed to address your complaint in accordance with its Whistle Blowing Policy and to maintain confidentiality of your name and the information received from you. Please note that this is only an acknowledgement of receipt of your complaint and it does not confer any right upon you or any other person to take or demand any action against the Institute or its employees on the basis hereof.