

SEDP-Simbag Microfinance Whistleblowing Policy

A. Objectives

These guidelines are issued in line with SEDP-Simbag Microfinance's commitment to uphold the highest moral and ethical standards among its staff as well as promote good governance at all levels of the organization pursuant to the Code of Ethics of SEDP-Simbag Microfinance Staff and similar applicable issuances.

The issuance of these guidelines aims to encourage SEDP-Simbag Microfinance staff with credible information to blow the whistle against fraud. To encourage whistleblowing, it seeks to provide protection and assistance to staff who voluntarily disclose their knowledge or give evidence about fraud.

B. Coverage

These guidelines shall cover all SEDP-Simbag Microfinance staff as defined under item D.4 hereof.

C. Responsibility

The Management shall be responsible for the management of this policy, including the investigation of reported concerns and submission of report/ recommendation.

The Internal Audit Unit (IAU) shall acknowledge whistleblower's report and forward concerns to related department/unit heads.

All staff who witnessed or became aware of any attempted, ongoing, or consummated act of fraud involving any staff shall be responsible to report the same at the earliest possible time.

D. Definition of Terms

1. Whistleblowing is the disclosure of and/or giving of evidence to information that a whistleblower reasonably believes constitutes fraud.
2. Whistleblower refers to an employee or group of employees who make protected disclosures involving commission of fraud, malpractices, or irregularities.
3. Fraud refers to any dishonest or deceitful act including but not limited to forgery, misappropriation of funds, profiteering as a result of inside knowledge, disclosing confidential information to outside parties, altering or damaging documents inappropriately, and accepting or seeking anything of material value from clients or related organizations.
4. SEDP-Simbag Microfinance staff shall refer to managerial and rank-and-file employees, whether regular, contractual, probationary and job order.
5. Protected disclosure refers to a deliberate and voluntary giving of information by a staff, whether written or verbal, of an actual or suspected act of fraud (as defined under item D.3 of these guidelines) committed by any staff, group of staff, or unit.
6. Retaliatory Action refers to negative or obstructive responses or reactions to disclosure of acts of fraud including, but not limited to, administrative or criminal proceedings commenced or pursued, reprisals or threats against the whistleblower and/or those staff supporting him/her or any of the whistleblower's relatives, such as but not limited to forcing or attempting to force any of them to resign, retire or transfer, giving negative performance appraisals, fault-finding, undue criticism, alienation, blacklisting, and other similar acts.

E. Reporting of a Whistleblower

As a first step, the Whistleblower should generally raise the concern to his/her immediate supervisor. This depends, however, on the seriousness and sensitivity of the issues involved as well as who is suspected of the malpractice. If the Whistleblower feels unable to approach his/her immediate supervisor, he/ she should make the report as follows:

- Thru Text/Call: Using and Following the Complaints Mechanism Hotline Guidelines.
- Thru Email: Fill out the Whistleblowing Report Form (see Annex A) and send it to **iao@sedp.ph**. You may use either your SEDP email address or your personal email.

For reports received thru the complaints hotline number, the whistleblower will still be requested to fill out/provide necessary information on the Whistleblowing Report Form.

All reported cases will be handled confidentially and thoroughly investigated.

F. Rights and Obligations of Whistleblowers

SEDP-Simbag Microfinance shall protect the Whistleblower against retaliation, discrimination, harassment, and adverse personnel action (e.g. termination, a decrease in compensation, poor work assignments), which result from their reporting in good faith a suspected or actual fraud. The right of a whistleblower for protection, however, does not extend to any personal wrongdoing that is alleged and investigated. Staff who retaliate against those who have raised genuine concerns under this policy will be subjected to disciplinary action.

The whistleblower has the option for either a closed-door or confidential session and can also choose to withhold his/her identity in public or to SEDP Management, except to the IAU and Board Audit Committee.

The whistleblower shall be aware that if a suspicion is reported and results in a prosecution or disciplinary hearing, their involvement as witnesses in those processes may be necessary unless other substantial and reliable evidence is available.

If, however, an investigation concludes that the Whistleblower made an allegation frivolously, maliciously, or for personal gain, or that he/she intentionally filed a false report of wrongdoing, disciplinary action will likely be taken against him/her.

G. Evaluation of Report

Whistleblowing reports are to be dealt with priority and the response method should be determined in a 1-3-5 scheme (concern directed within the day, investigation process within 3 days, and submission of report/recommendation within 5 days). However, the investigation process may be extended depending on the needs for evaluation.

The IAU shall acknowledge receipt of reports or disclosures received either thru text or email within the day sent, or if sent during weekends/ holidays, it should be acknowledged on the next working day. All validated whistleblower reports shall be reported by IAU to the Board Audit Committee on a quarterly basis.

Whistle Blowing Report Form

Please provide the following details for any suspected fraud. Please note that this report is under the guidelines of SEDP-Simbag Microfinance's Whistleblowing Policy (please see back page for reference).

Whistleblower Information	
Name and Signature:	
Designation	
Unit:	
Contact Number:	
Email address:	
Suspect Information	
Name:	
Designation	
Unit:	
Contact Number:	
Email address:	
COMPLAINT: Briefly describe the misconduct / improper activity and how you know about it. Specify what, who, when, where, and how. If there is more than one allegation, number each allegation and use as many pages as necessary.	

**All information disclosed and the identity of the whistleblower will be treated with confidentiality. The institution shall protect the whistleblower against retaliation, discrimination, harassment, and adverse personnel action which result from his/her reporting in good faith a suspected or actual fraud. The whistleblower has the option for either a closed-door or confidential session and can also choose to withhold his/her identity in public or to SEDP Management, except to the Internal Audit Unit and Board Audit Committee. If reported suspicion resulted in a prosecution or disciplinary hearing, his/her involvement as a witness in the process may be necessary, unless other substantial and reliable evidence is available.*