

THE INSTITUTE OF INTERNAL AUDITORS MALAYSIA

WHISTLEBLOWING POLICY

1. Background

Whistleblowing is a form of disclosure. It involves a Person (internal or external), i.e. the whistleblower raising serious concerns, preferably at an early stage, about risks of wrongful activities or reporting a wrongdoing.

The Institute of Internal Auditors Malaysia ("IIA Malaysia" or the "Institute") is committed to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs. IIA Malaysia expects wrongdoings such as fraud, corruption, serious financial impropriety and gross mismanagement to be reported, and it facilitates this through internal mechanisms as well as this Whistleblowing Policy (this "Policy") and its mechanism.

This Policy provides an alternative route for Persons of IIA Malaysia to raise concerns if the usual lines of communication are not available. Nothing in this Policy shall interfere with other established operational policies and processes.

2. Scope of Policy

The purpose and objectives of this Policy are:

- to facilitate the making of a disclosure as early as possible and in a responsible manner by putting into place internal procedures;
- to address disclosure in an appropriate and timely manner. When disclosure matters are addressed, they may be prioritised according to the nature or gravity of the alleged wrongdoing(s) or reported risk(s) and the magnitude of the repercussions;
- to protect a whistleblower from reprisal as a direct consequence of making a disclosure and to safeguard such person's confidentiality; and
- to treat both the whistleblower and alleged wrongdoer fairly. The whistleblower will be informed of the status of his/ her disclosure. The alleged wrongdoer will be informed of the allegations (though not necessarily at the start of the investigation) and given an opportunity to respond to the allegations. The identities and personal information of the whistleblower and the alleged wrongdoer shall be revealed only to persons involved in investigations or any other processes on a "need-to-know" basis only.

3. Who Can Disclose

Any of the following Persons can make a disclosure:

- IIA Malaysia's Governors and members of all Committees and Secretariat;
- people performing services for IIA Malaysia, including contractors and service providers;
- members of IIA Malaysia; and
- members of the public.

4. What to Disclose

A disclosure may be made if it relates to one or more of the following wrongdoings by any person in the conduct of IIA Malaysia's business or affairs:

- acceptance of favour;
- bribery, corruption or fraud;
- criminal offence;
- misuse of IIA Malaysia's funds or assets;
- gross mismanagement within IIA Malaysia;
- serious financial irregularity or impropriety within IIA Malaysia;
- serious breach of IIA Malaysia's Code of Conduct;
- an act or omission which creates a substantial or specific danger to the lives, health, or safety of IIA Malaysia's Governors, members of all Committees or Secretariat, the public or the environment;
- failure to comply within the provisions of other Acts of Parliament where the wrongdoer, knowingly, disregards or does not comply with such provisions; and
- knowingly directing or advising a person to commit any of the above wrongdoings.

This Policy excludes grievances, complaints or concerns about:

- matters which are trivial or frivolous or malicious or vexatious in nature or motivated by personal agenda or ill will;
- matters pending or determined through IIA Malaysia's disciplinary proceedings; and
- matters pending or determined through any tribunal or authority or court, arbitration or other similar proceedings.

5. When to Disclose

A whistleblower should come forward with any information or document that he or she, in good faith, reasonably believes and discloses a wrongdoing, which is likely to happen, is being committed or has been committed.

The whistleblower needs to demonstrate that he/ she has reasonable grounds for the concerns. However, the whistleblower is not expected to first obtain substantial evidence of proof beyond reasonable doubt when making a disclosure. If he/ she knows as a matter of fact that there are serious risks that a wrongdoing is going to take place, such genuine concerns should be raised at that early stage.

Disclosure should be made within one (1) month of coming upon such information or document. Delaying the disclosure may be detrimental to the whistleblower as well as any investigation and makes it harder for IIA Malaysia to address and resolve the concerns.

6. How to Proceed

- a) A disclosure can be made in writing, orally or via email.
- b) A disclosure shall include the following particulars:
 - the whistleblower's name, employer, designation, current address and contact

- numbers;
- basis or reasons for his/ her concerns, including as many details of the wrongdoing as reasonably possible, for instance, its nature, the date, time, and place of its occurrence and the identity of the alleged wrongdoer;
 - particulars of witnesses, if any; and
 - particulars or production of documentary evidence, if any.
- c) A whistleblower may choose to make the disclosure anonymously. However, IIA Malaysia's ability to investigate and act on the alleged wrongdoing will be limited to the extent of the contents of the whistleblowing report. If the contents disclosed are deemed insufficient, an investigation may not be carried out.
- d) The Prescribed Person (refer to Section 12 of this Policy) will screen and assess the disclosure, and respond to the disclosure within **one (1) week** from the day the Prescribed Person receives the disclosure.
- e) A response to a disclosure includes, but not limited to, any of the following:
- rejection of the disclosure;
 - directing the concerns or any part thereof for consideration under other internal procedures or disciplinary procedures, if appropriate and applicable;
 - resolution without recourse to an investigation;
 - directing investigations of the disclosure and any persons involved or implicated;
 - suspending the alleged wrongdoer or any other implicated person from work to facilitate any fact-finding or to avoid whistleblower's exposure to a threat or harm;
 - designating any persons from within or outside of IIA Malaysia to conduct any investigation;
 - obtaining any other assistance (for instance, external auditors or legal advice); and
 - referral to the police or any other appropriate enforcement authority.

7. Being informed and having the opportunity to be heard

The whistleblower will be informed of the status of his/ her disclosure as far as reasonably practicable. For an investigation process which exceeds a two (2) months period, a periodic update will be given to whistleblower, informing he/ she that the investigation process is still ongoing.

The alleged wrongdoer may be asked to attend a meeting to discuss the allegations and must take all reasonable steps to attend the meeting. He/ she will be given an opportunity to answer the allegations at the meeting, and his/ her own answers will be recorded in the minutes of the meeting.

The whistleblower, and if applicable, the alleged wrongdoer will be notified in writing of the decision on the wrongdoing (e.g. whether the wrongdoing occurred or not; or whether the alleged wrongdoer is guilty or not), and the basis thereof.

This Section will not be applicable for disclosures that are made anonymously.

8. Handling of an Investigation

The Prescribed Person shall undertake a preliminary assessment on whether the disclosure warrants an investigation. In the event an investigation is required, the Executive Director, President and Audit Committee Chairman ("AC Chairman"), shall jointly decide on the personnel to undertake the investigation (unless any of this person is involved in the

allegation). The investigation and related proceedings shall be undertaken by personnel who are independent and objective from the function and personnel being involved in the alleged wrongdoing.

Executive Director, President and AC Chairman (unless any of this person is involved in the allegation) shall provide direction on how to carry out the investigation. Upon the conclusion of an investigation, the outcome shall be reported to the Audit Committee ("AC") to decide on the corrective action.

No information concerning the status of an investigation shall be given out. The proper response to any inquiry is: *"I am not at liberty to discuss this matter"*.

The whistleblower should be informed of the following:

- do not contact the suspected individual in an effort to determine facts or demand restitution; and
- do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Prescribed Person or the AC Chairman in-charge of managing the whistleblowing disclosure.

9. Consequences of Wrongdoing or Wrongful Disclosure

If the whistleblower has or is found to have made a disclosure not in accordance with the requirements of this Policy (for instance, dishonest, mischievous or malicious complaints), the corrective actions to be taken against the whistleblower will be determined by the Board, which may include, disciplinary measures, formal warning or reprimand, demotion, suspension or termination of employment or services with IIA Malaysia or monetary or other forms of punishment.

10. Protection under this Policy

Upon making a disclosure in good faith, based on reasonable grounds and in accordance with the procedure pursuant to this Policy:

- the whistleblower shall be protected from reprisal within IIA Malaysia as a direct consequence of his/ her disclosure; and
- the whistleblower's identity shall be protected, i.e. kept confidential, unless otherwise required by law or for purposes of any proceedings by or against IIA Malaysia.

The identities and personal information of the whistleblower and the alleged wrongdoer may be revealed to persons involved in investigations or any other processes on a "need-to-know" basis.

A reprisal means disciplinary actions, which may include, alone or in combination, a warning or letter of reprimand, demotion, loss of merit increase, loss of bonus, suspension without pay or termination of employment.

If the Person of IIA Malaysia, in good faith, reasonably believes he/ she is being subjected to harassment, victimisation or reprisal as a direct consequence of having made a disclosure under this Policy, the Person may consult the Prescribed Person(s) in confidence. Essentially, the complaint shall be processed in a similar manner as a whistleblowing disclosure and is subject to similar requirements. The Institute does not permit retaliation of any kind against the whistleblower for complaints submitted hereunder that are made in good faith. Any such reprisal shall in itself be considered a serious breach of this Policy.

11. Monitoring and records

In general, all disclosures pursuant in this Policy are to be made to the Prescribed Persons detailed in **Section 12**. The Executive Director is responsible for ensuring compliance with this Policy and shall ensure report consisting of confidential complaints is prepared, which include the following information:

- number of complaints;
- types of complaints;
- nature of process or resolution; and
- whether the allegation was founded or not.

This report will be presented to the Board of Governors ("Board") of IIA Malaysia on an annual basis. The Board shall be apprised of disclosure matters which are serious in nature or of grave repercussions.

All records pertaining to the complaints shall be retained for a period of not less than seven (7) years.

12. Prescribed Person

Executive Director

Phone: 603 – 2181 2020

Email: geetha@iiam.com.my

All disclosure shall be made directly to the Executive Director except in the following circumstances:

- where the wrongdoing involves the Executive Director, Governor or Committee member; or
- where the wrongdoing does not involve the persons mentioned above but the whistleblower, in good faith, reasonably believes that there will be a cover-up or that the Executive Director is personally conflicted (for instance, the alleged wrongdoer is a close friend of the Executive Director).

For the above scenario, whistleblower can make the disclosure directly to the **President of IIA Malaysia** reachable at IIAMPresident@iiam.com.my

In the event where:

- the wrongdoing involves the President of IIA Malaysia; or
- the wrongdoing does not involve the President but the whistleblower, in good faith, reasonably believes that there will be a cover-up or that the President is personally conflicted (for instance, the alleged wrongdoer is a close friend of the President);

The whistleblower can make the disclosure directly to the **Audit Committee Chairman** reachable at ACChair@iiam.com.my

This Policy is approved by the Board of IIA Malaysia on 28 May 2020.