

Whistle Blowers Reports An Increase in Calls



While crime surveys indicate a general decrease in the use of external hot lines, the average number of calls received by Whistle Blowers clients has increased over the last 18 months. The PriceWaterhouseCoopers (PWC) Global Economic Crime Survey which is published every two years shows just how crucial it is to provide both employers and employees with a trustworthy and effective means of identifying and reporting commercial crime.

The 2014 survey indicated that economic crime remained a serious challenge to business leaders, government officials and private individuals in South Africa with 69 percent experiencing some form of economic crime in the last 24 months. It also showed one of the most disturbing increases in this sort of crime in South Africa since 2009.

The survey got the finding that whistle blowing may be under threat in South Africa with a suggested steady decline in the effectiveness of whistle blowing systems and internal tip off systems. The survey also indicated that there was a definite indication that senior management was committing more fraud and that employees were possibly less willing to blow the whistle if the fraudster was more senior than they were.

In our experience, it does not seem that there was an increase in the number of senior managers committing crimes. However, where senior management was involved, the value of crimes appeared to be higher. I would not be surprised if this was the situation at companies that did not implement this programme correctly. The majority of our clients would respond differently. This is where education and training comes in. An employee would naturally be afraid to report the boss. But this fear will no longer be there if they are comfortable that the external service provider will protect their identity and they can get trustworthy assistance. A potential whistle blower will take the brave step of making the call a lot easier if he knew and trusted the process prior to making the call.

Employees who blow the whistle need to have peace of mind and trust that, should they wish to remain anonymous, their identity will be protected at all costs. They need to know that all reports will be dealt with professionally and that we are there for them should they feel uncomfortable or fear intimidation or reprisal.

Again, despite crime surveys identifying which crimes were most often reported, we receive a large number of calls varying from minor incidents to large scale fraud and corruption with no particular crime more prevalent.

There was no particular category of individual or employee who was most likely to report a crime. In our experience, a whistle blower is an employee who is honest and doesn't agree with irregularities that are taking place in his or her company. A whistle blower can also be a third party who is affected by the irregularities, such as a contractor or even a family member of an employee. The third category of whistle blower is the grudge caller - a syndicate member that has been short changed, a disgruntled employee, supplier or contractor. Often this type of call exposes serious irregularities - however caution is always taken when receiving this information and information is always thoroughly investigated.

Over the years, there had been a number of changes in the whole whistle blowing process. Whistle blowing is totally different now due to the evolution of corporate governance and strict adherence to ethics policies at all levels within companies.

This was directly related to another finding of the PWC survey – that 82% of South African respondents (globally: 62%) indicated that their organisations had implemented a formal whistle-blowing system. Only 6% of South African respondents (globally: 26%) indicated that their organisation's whistle blowing mechanism had not been utilised in the 24 months preceding the survey. Half of respondents rated their organisation's reporting mechanism as being either 'effective' or 'very effective'.

Whistle blowing mechanisms need to be continually improved and the positive aspects of whistle blowing at both company and employee level need to be better publicised. Whistle blowing is not only about negative feedback. It is also about positive feedback. Whistle blowers are saving companies large amounts of money daily and are exposing not only fraud and corruption but operational weaknesses as well as protecting their companies' brands.

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<http://www.hrfuture.net/news/whistle-blowers-reports-an-increase-in-calls.php?Itemid=812>