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Deloitte Asia Pacific

**2023 Asia Pacific
Conduct Watch Survey Report**



**MAKING AN
IMPACT THAT
MATTERS**

since 1845

Foreword



In 1778, ten United States Naval officers, including Richard Marven and Samuel Shaw, blew the whistle on their commanding officer, Esek Hopkins, after witnessing his mistreatment of British prisoners of war. It was the first documented whistleblowing case in history, with both Marven and Shaw jailed for speaking up. The case was subsequently brought to the US Continental Congress, which unanimously passed the nation's first whistleblower protection law.

Today, the terms “whistleblowing” or “tip-offs” are synonymous with the act of reporting wrongdoing. At the core of an effective whistleblowing program is the availability of trusted channels of communication for employees and other stakeholders to report issues without fear of repercussions.

In today's environment of rapid changes in the workplace and remote working, alongside increasing financial pressures, societal expectations and media attention, there is growing focus globally and in Asia Pacific on how whistleblowing programs can act as a means to improve corporate governance, provide a safe space for employees and gain better insights through more timely detection.

Deloitte launched this inaugural Asia Pacific Conduct Watch survey to gather insights into prevailing organisational attitudes and capabilities relevant to whistleblowing in the region.

We had a fantastic response, with over 500 responses received. Respondents represented public, private and not-for-profit organisations of different sizes and industries.

We would like to thank everyone involved, especially to all survey respondents. I hope that you will find this report insightful, propelling you to further action as you and your organisations deal with the challenges of today and tomorrow.

Oo Yang Ping

Global and Asia Pacific Conduct Watch Leader
Deloitte



About this survey

From 31 March to 1 May 2023, Deloitte canvassed the opinions of business leaders across Asia Pacific* with oversight of whistleblowing programs via an online survey. The goal of the survey was to gather insights into organisational capabilities and attitudes towards whistleblowing. Drawing from our own experience in providing independent whistleblowing services for over two decades to over 300 organisations, the survey was designed to provide insights into strategy and culture, policies and procedures, implementation and execution, and reporting and monitoring.

Reflecting the diversity of the region, the survey was available in multiple languages, including Japanese, Korean, Simplified Chinese and Traditional Chinese.



* Participating geographies include Australia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, New Zealand, the Philippines, Singapore, Taiwan, Thailand, and Vietnam.

Contents





Executive Summary



Whistleblowing is a **high priority for the majority of organisations** in Asia Pacific, with **expanding purpose and usage** reflecting evolving work practices and societal norms. However, **Boards need to step up** and take responsibility for whistleblowing in their organisations to drive the change in mindset needed.



Organisations still struggle with developing appropriate **measures to assess the effectiveness of whistleblowing programs** and deciding **what to report internally and externally**.



Almost all organisations represented in the survey have **whistleblowing policies**, with many including key elements expected. While **awareness and communication** appeared to be adequate, the methods used were mostly passive and a more proactive approach may be worth considering.



The majority of **challenges faced by organisations** are related to trust by employees and other stakeholders in the whistleblowing program. Given these challenges and evolving demands on businesses, adequate consideration should be given to the benefits of engaging an **external whistleblowing services provider**.

Likewise, more can be done to leverage greater use of digital **reporting channels** to protect anonymity while allowing communication between the investigations team and the whistleblower. Many organisations did not have reporting channels for external stakeholders, and there remains significant room for improvement by **extending the scope of whistleblowing channels** to include third parties.



There is room for improvement in the **receiving and handling of disclosures**, which includes clearer processes, greater accountability and more transparent communication to ensure that disclosures are addressed in a timely manner. Adopting more **robust case management systems** allows organisations to develop a clear audit trail while providing intelligence into notable behaviours and patterns.





Profile of respondents

Over 500 responses were received across Asia Pacific



Over **200** survey responses were completed in a language other than English.



74% of respondents were key decision makers for whistleblowing programs within their organisations.



C-Suite executives and Boards of Directors



Heads of Internal Audit, Compliance, Investigations, Legal, Risk and Human Resources



Organisations represented in the survey include:

Organisations from more than ten major sectors including:



Industrial products



Financial services



Consumer business



Construction



Life sciences and healthcare



Technology, media and telecommunications



Professional services



Public sector



Transportation and logistics



Utilities

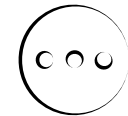
Organisations of various ownership structures.



44%
Public listed



48%
Private



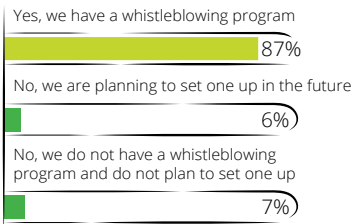
8%
Other

Organisations operating in multiple countries/regions with various numbers of employees.



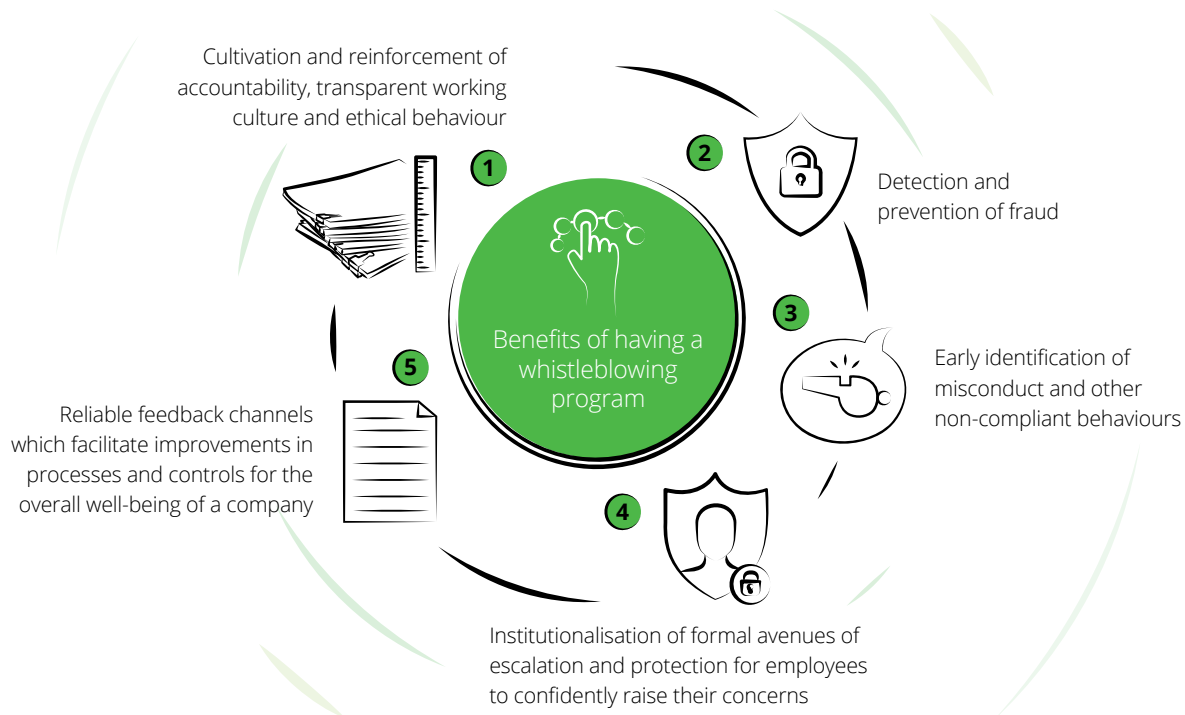
The size of the circles represent the number of respondents.

Does your organisation have a whistleblowing program?



93% of our respondents have, or plan to have a whistleblowing program in the future.

The remaining 7% do not plan to have a whistleblowing program. The majority of these respondents were from private companies with less than 1,000 employees. The reasons provided for not having a whistleblowing program were that management did not see a need for one, their organisations were too small, there was a lack of resources and expertise and there were no specific legal/regulatory requirements to have one.



Setting the scene

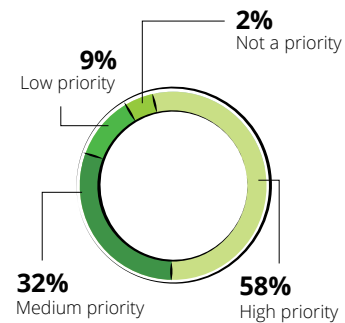


Raising the bar for whistleblowing in Asia Pacific

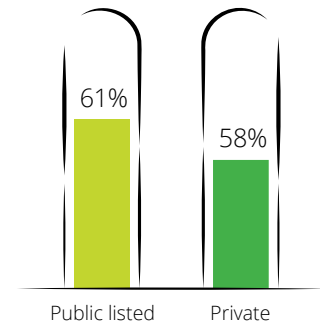


How much priority does your organisation place on whistleblowing?

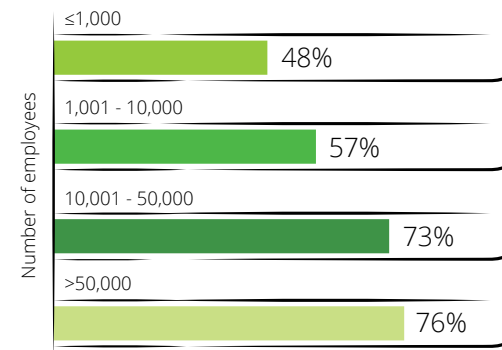
Whistleblowing as a priority in an organisation



Whistleblowing as a high priority in public and private sectors



Whistleblowing as a high priority for organisations of different sizes

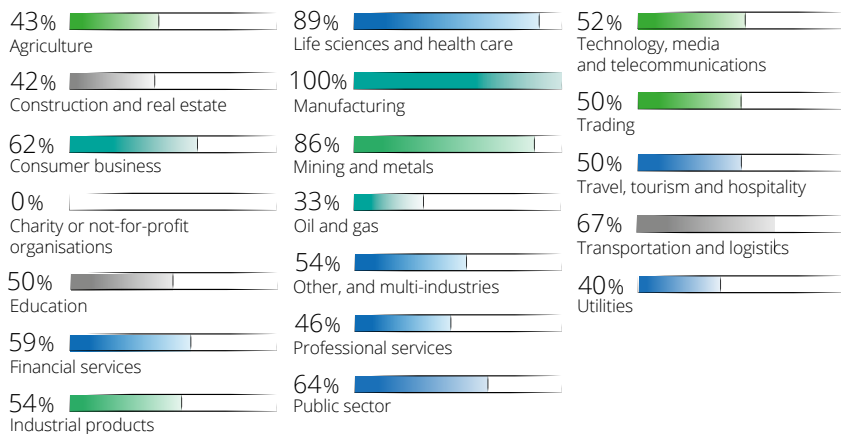


Overall, 58% of respondents stated that whistleblowing is a high priority in their organisation, with the majority of both public listed companies and private organisations recognising the importance of whistleblowing.

Across industry sectors, whistleblowing was considered a high priority by the majority of respondents in most industries, though there were some notable exceptions.

Given the expanding scope of whistleblowing, the proportion of organisations that consider whistleblowing a high priority increased in tandem with the number of employees within an organisation.

Whistleblowing as a high priority for organisations in different industries



Deloitte perspective

In recent years, whistleblowing has gained increasing importance and priority in the Asia Pacific region. With a growing recognition of the role whistleblowers play in exposing wrongdoing and promoting transparency, governments, organisations, and the public are placing greater emphasis on establishing robust whistleblowing frameworks as they strive to address public sector corruption, environmental violations, and human rights abuses.

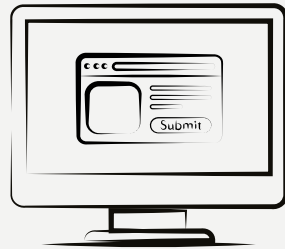
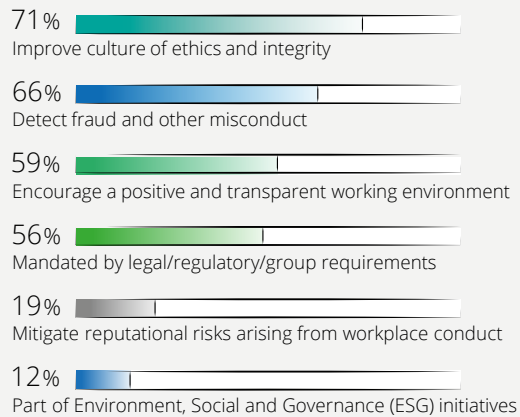
The Asia Pacific region has witnessed several high-profile cases of corporate scandals and corruption, which have highlighted the need for effective mechanisms to uncover and address misconduct. As a result, governments across the region are enacting or revising legislation to protect whistleblowers and encourage reporting.

As our survey has shown, organisations operating in the Asia Pacific region recognise the value of fostering a culture of integrity and accountability. They are implementing comprehensive whistleblowing programs to detect and address potential risks and misconduct.

Respondents include those who have, or plan to have a whistleblowing program in the future.

The growing horizons of whistleblowing

What are the top three purposes of the whistleblowing program within your organisation?



Respondents include those who have, or plan to have a whistleblowing program in the future. Respondents were allowed to choose more than one response.

Detecting fraud and other misconduct remains a key purpose for having a whistleblowing program (66%). This is consistent with other industry data¹.

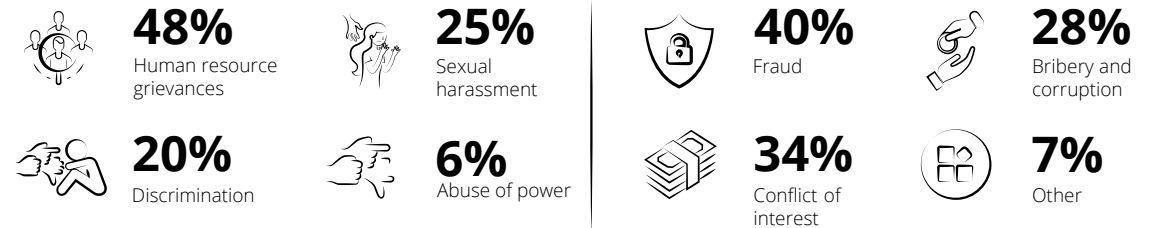
However, changing work practices and cultural norms have impacted the purpose and use of whistleblowing programs with 71% of respondents citing “improving the culture of ethics and integrity” as the main purpose of having a whistleblowing program.

For organisations where whistleblowing was considered a high priority, improving culture made up an even higher percentage, with nearly 80% of respondents citing it as the main purpose for the program.

¹ ACFE Report to the Nations 2012 to 2022, <https://www.acfe.com/fraud-resources/report-to-the-nations-archive>
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What trends have you observed in the types of disclosures reported over the last two years?



Respondents include those who have a whistleblowing program. Respondents were allowed to choose more than one response.

Looking at the disclosure types received, respondents also highlighted significant trends relating to people issues, including sexual harassment and bullying. This emphasises the evolving role that whistleblowing plays in organisations in addressing broader issues in the workplace and the community.

Deloitte perspective

There has been a noticeable increase in the use of whistleblowing beyond traditional fraud and misconduct to address other broader issues. This shift reflects a growing recognition of the impact that individuals can have in bringing attention to systemic problems and promoting positive change. Whistleblowers play a crucial role in uncovering information, revealing corrupt agendas, and shedding light on issues that might otherwise go unnoticed or unaddressed.

Public support for whistleblowers has also been on the rise, with many recognising their role as courageous truth-tellers who risk personal and professional repercussions to serve the greater good. As noted in this report, governments are enacting or revising legislation to protect whistleblowers and encourage reporting.

For organisations, especially those in the corporate sector, this represents both an opportunity and a challenge. Organisations willing to take the lead in implementing robust whistleblowing frameworks are able to build the trust of employees and other stakeholders, and gain insights into potential misconduct and other risks that may damage the organisation. On the other hand, organisations which choose to put their head in the sand may find it increasingly harder to win the marketplace and the war for talent.

More Boards need to take responsibility for whistleblowing

Who has overall responsibility for the whistleblowing program for your organisation?



44%

Board of Directors and board committees



11%

Chief Executive Officer/
Chief Operating Officer/
Chief Financial Officer



21%

Head of Compliance



20%

Other heads
of departments

Less than half (44%) of respondents indicated that overall responsibility for whistleblowing in their organisations rested at the board level (Board of Directors, Audit Committee, Risk Committee, Whistleblowing Committee, Compliance Committee). For 21% of respondents, whistleblowing is seen as a compliance mandate, with responsibility lying with the Head of Compliance.

Even in organisations where whistleblowing was considered a high priority, 48% of respondents still indicated that overall responsibility for whistleblowing rested at the board level and 23% indicated that the responsibility lies with the Head of Compliance.

Likewise, for public listed organisations, 48% of respondents also indicated that the overall responsibility for the whistleblowing program rests at the board level, while 22% of respondents stated that the Head of Compliance has overall responsibility for their organisations' whistleblowing program.

Respondents include those who have, or plan to have a whistleblowing program in the future.

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Deloitte perspective

Whistleblowing should be the responsibility of the Board due to its pivotal role in promoting a culture of integrity, transparency, and accountability within an organisation.

Setting the "Tone at the Top"

The Board sets the tone for ethical conduct and establishes the organisation's values and expectations. By prioritising whistleblowing and demonstrating a commitment to address misconduct, the Board sends a powerful message throughout the organisation, encouraging employees to report concerns without fear of retaliation.

Ensuring governance and oversight

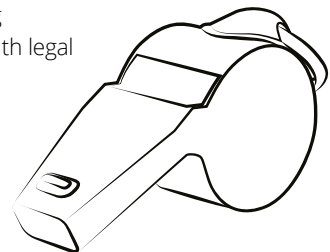
Boards have a duty to oversee the organisation's operations, risk management, and compliance efforts. Whistleblowing is a critical component of effective governance as it enables early detection and mitigation of potential risks. By taking responsibility for whistleblowing, Boards can actively monitor the effectiveness of reporting channels and the investigation processes.

Preserving reputation and trust

A robust whistleblowing program helps protect the organisation's reputation and builds trust with stakeholders. By taking ownership of whistleblowing, the Board demonstrates a commitment to ethical conduct, encourages transparency, and signals to stakeholders that the organisation values accountability and integrity.

Complying with legal and regulatory requirements

Many jurisdictions require Boards to establish mechanisms for reporting and addressing misconduct. By assuming responsibility for whistleblowing, Boards ensure compliance with legal obligations and create a framework that aligns with regulatory requirements.



Policies and practice



Policies are necessary but not sufficient for a robust whistleblowing program

Does your organisation have a whistleblowing policy?



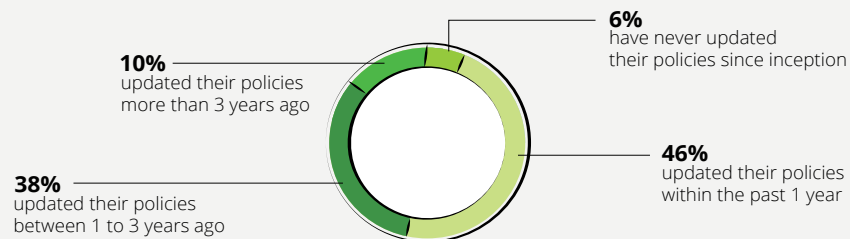
It is very encouraging that 96% of respondents indicated that their organisations had whistleblowing policies, which included one or more of the following elements:



Respondents include those who have a whistleblowing program. Respondents were allowed to choose more than one response.

By maintaining confidentiality, providing options for anonymity and explicit protection against retaliation, organisations are signalling that they take whistleblowing seriously and will support the whistleblower throughout the process.

Highlighting available types of reporting channels and clear processes for whistleblowing disclosures received builds trust and provides confidence to whistleblowers as they understand what is to be expected.



Having developed robust whistleblowing policies, it is equally important to review and update them on a regular basis.

Respondents include those who have a whistleblowing program.



Deloitte perspective

Written whistleblowing policies are essential for several reasons.

Organisational culture

Written whistleblowing policies contribute to fostering a culture of transparency, ethics, and accountability within the organisation. It sends a message that the organisation values integrity and encourages employees to act in accordance with those values.

Clarity and consistency

Written whistleblowing policies provide clear and consistent guidelines for employees on how to report concerns. They ensure that all employees have access to the same information and understand the proper channels and procedures for reporting.

Legal compliance

Whistleblowing policies help organisations comply with relevant laws and regulations regarding reporting and investigating misconduct. Having written policies demonstrates the organisation's commitment to addressing whistleblowing concerns.

Establishing accountability

Written policies set expectations for employees, managers, and the organisation as a whole. They establish a framework for accountability, making it clear that unethical behavior will not be tolerated and will be actively addressed.

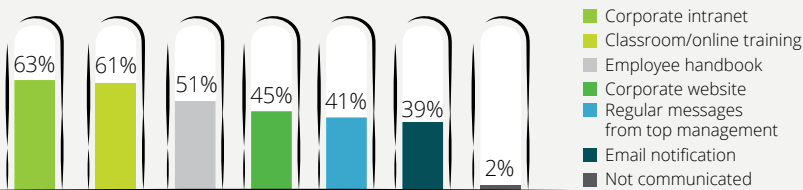
Guidance for decision-making

Whistleblowing policies provide guidance for employees on what constitutes misconduct or unethical behaviour. They help employees understand when and how to report concerns, ensuring consistency in the decision-making process.



Amplifying awareness and communication

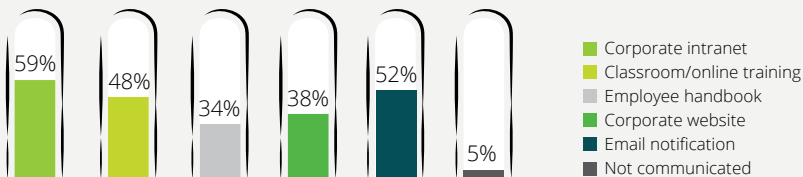
How are employees made aware of your whistleblowing policies and/or available channels for reporting?



Almost all respondents indicated that their organisations communicated their whistleblowing policies internally, with only 2% reporting that no communication was provided to internal stakeholders.

The two most common methods for communicating and raising awareness amongst employees were corporate intranet platforms and classroom/online training. However, more passive forms of communication (corporate intranet, corporate website, and employee handbook) were used more than proactive forms of communication like classroom/online training, regular messages from top management and email notifications.

Communicating policy changes



For whistleblowing policy updates and changes, it is even more important to take a proactive approach. There appears to be significant room for improvement in utilising active methods of communication to promote changes to policy. For example, active methods of email notifications and classroom/online training were cited only by 52% and 48% of respondents respectively.

Respondents include those who have a whistleblowing program. Respondents were allowed to choose more than one response.



Deloitte perspective

Communication and raising awareness of whistleblowing policies is essential to encourage employees to come forward with concerns and promote a culture of accountability. While it is often the most challenging part in implementing and maintaining a robust whistleblowing program, organisations may consider the following:

Awareness campaigns

Develop a comprehensive communication campaign to highlight the importance of whistleblowing and the organisation's commitment to address misconduct. Utilise various channels such as intranet portals, email newsletters, bulletin boards, and employee meetings to share information about whistleblowing policies.

Training and workshops

Conduct training sessions and workshops to educate employees about whistleblowing policies and procedures. Train employees on recognising misconduct, understanding the reporting process, and emphasising the protections provided to whistleblowers. Consider interactive formats to encourage participation and address specific scenarios or concerns.

Regular reminders

Consistently remind employees about whistleblowing policies and reporting channels. Use internal communications, such as newsletters, digital signage, or periodic email reminders, to

reinforce the message and keep it top of mind. Highlight success stories or positive outcomes resulting from whistleblowing to encourage participation.

Case studies and examples

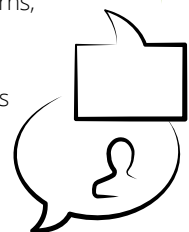
Share anonymised case studies or examples of how whistleblowing has made a positive impact within an organisation. Highlight instances where reporting misconduct led to positive changes, prevented harm, or protected the organisation's reputation. These real-life examples can demonstrate the value of whistleblowing and encourage others to come forward.

Collaboration with Human Resources and Compliance

Collaborate with Human Resources and Compliance departments to ensure that whistleblowing policies and procedures are integrated into onboarding processes.

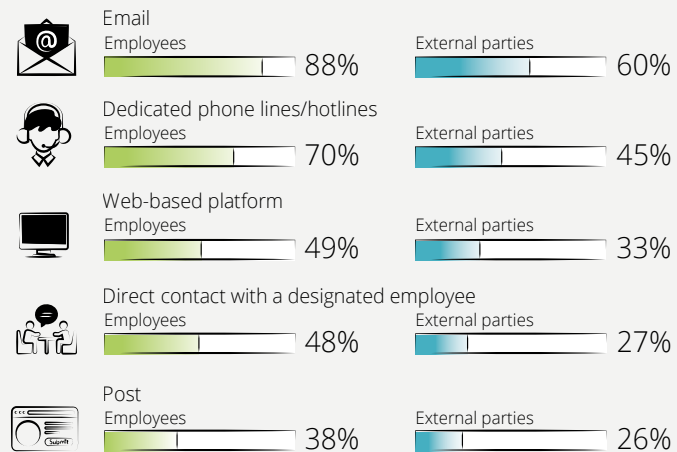
Leadership support

Seek visible support from senior leadership to reinforce the organisation's commitment to whistleblowing. Leaders can communicate the importance of speaking up, address any concerns, and emphasise the value of ethical behaviour. Encourage leaders to lead by example and demonstrate a willingness to listen and address reported concerns.



Establishing robust and accessible reporting channels

What reporting channels are currently available for whistleblowers to lodge a report?



Email was the most commonly available reporting channel for both internal (88%) and external (60%) parties. This is unsurprising given that it is relatively cheap and easy to set up.

Dedicated phone lines/hotlines were the next most commonly available channel, although less than half (45%) of respondents indicated that their organisation made it available as a reporting channel for external parties.

Interestingly, given the growing digitalisation of business processes especially over the last several years, there is relatively limited use of web-based platforms as a reporting channel. Only 49% of respondents indicated that a web-based platform was available for internal reporting, while its availability as a reporting channel for external parties was even lower at 33%.

Respondents include those who have a whistleblowing program. Respondents were allowed to choose more than one response.



Deloitte perspective

Having multiple reporting channels is important for a robust whistleblowing program as they provide accessibility, flexibility, and inclusivity in the reporting process. Different individuals may have varying preferences or constraints when it comes to reporting misconduct, and providing a range of channels caters to these diverse needs.

Traditionally, dedicated phone lines/hotlines were seen as one of the most effective channels as trained analysts can interview the whistleblower to obtain important details of the disclosure. The main drawbacks of phone lines/hotlines are the lack of trained resources to take calls, potential concerns by the whistleblower about their anonymity and the cost of providing a staffed hotline, especially over extended operating hours and multiple time zones.

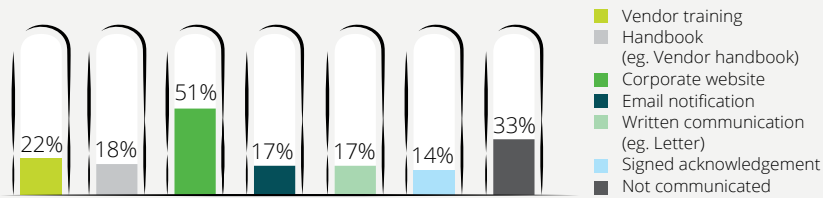
More recently, web-based platforms are increasingly used as reporting channels. The best platforms allow for customisation of various forms depending on the disclosure type, so that information is collected in a structured format. The ability for the whistleblower to upload attachments to support their disclosure is also helpful in an investigation. However, the most valuable feature of a platform is the investigation team's ability to communicate with an anonymous whistleblower via a secure messaging feature.

With the availability of web-based platforms, an email reporting channel is now considered sub-optimal at best. While it is the lowest cost option, disclosures received via email are unstructured and may include limited useful information, hampering an investigation.

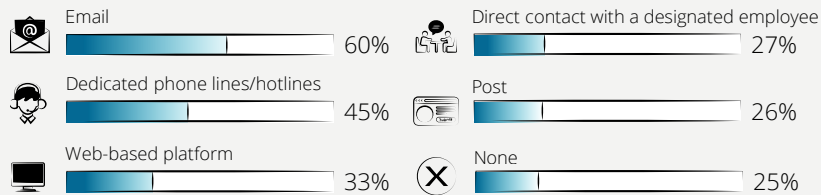


Extending whistleblowing to third parties

How are external parties made aware of your whistleblowing policies and/or available channels for reporting?



What reporting channels are currently available for external parties to lodge a report?



33% of respondents did not communicate their whistleblowing policy to external stakeholders. For those who did, the primary platform used to communicate was through their corporate website. Vendor training, written communications and signed acknowledgement were not widely practised.

Providing whistleblowing channels to third parties such as suppliers and agents is still limited.

25% of respondents indicated that no reporting channels were made available to external parties. 44% of these were from organisations with more than 1,000 employees. There were also fewer channels available for third parties to report disclosures.

Respondents include those who have a whistleblowing program. Respondents were allowed to choose more than one response.



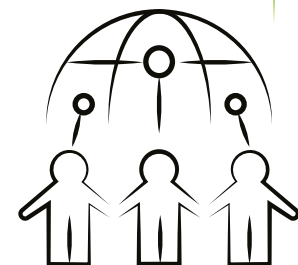
Deloitte perspective

Increasingly, laws and regulations drive a greater need to manage risk across the supply chain and this may require organisations to have mechanisms in place for external whistleblowing. Opening up reporting channels to external parties enables compliance with applicable laws and regulations, reducing the risk of legal and reputational consequences.

Allowing external parties such as customers, suppliers, or members of the public, to utilise whistleblowing channels opens the opportunity to receive information about potential misconduct that might otherwise go unnoticed. It broadens the scope of reporting and increases the chances of detecting wrongdoing that directly or indirectly affects the organisation.

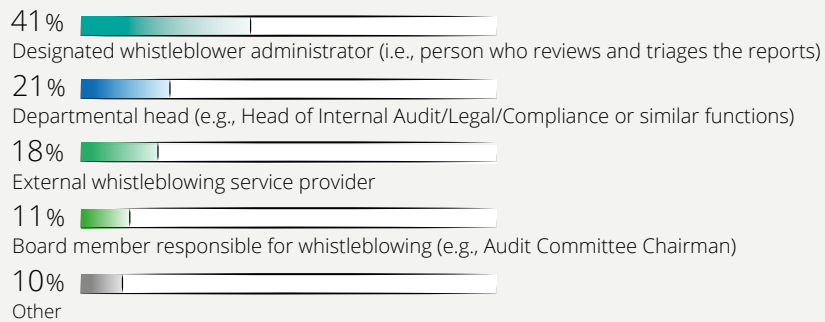
External parties can serve as an additional line of defence in detecting and mitigating risks. They may have different vantage points or be more attuned to certain types of misconduct. By allowing external parties to report concerns, organisations can identify issues at an early stage, preventing them from escalating into larger problems that could have severe consequences.

However, communicating the policy to external stakeholders presents a greater challenge, resulting in a significant percentage of companies neglecting such efforts. It is crucial to acknowledge that both internal and external stakeholders play equally vital roles in the effectiveness of the whistleblowing program. Striving for a balanced approach to communication ensures that all stakeholders, both internal and external, are well-informed and understand the policy's purpose and procedures. This inclusiveness promotes trust and reinforces the organisation's commitment to ethical practices.



Responsibly and effectively responding to whistleblowing disclosures

When a whistleblower submits a disclosure, who receives the disclosure on behalf of the organisation as the first point of contact?



How an organisation responds to whistleblowing disclosures is important in establishing trust and building confidence in the process. Having clear roles and responsibilities provides accountability throughout the process.

11% of respondents indicated that the first point of contact was the Board member responsible for whistleblowing, while 21% indicated that this was a departmental head.

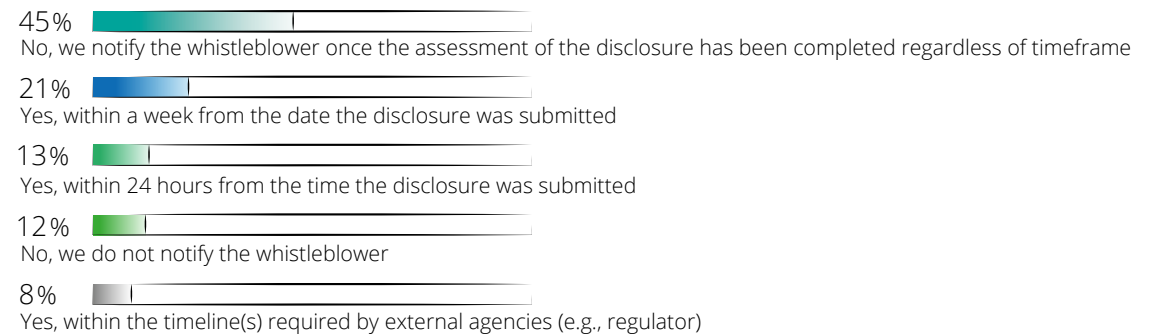
While it is important for the Board to take overall responsibility for the whistleblowing program in an organisation, organisations need to ensure that the designated person as the first point of contact is familiar with the whistleblowing process. This includes receiving and responding to disclosures to preserve the integrity and objectivity of the process.

Likewise, for both Board members and departmental heads who act as first points of contact, documenting interactions with the whistleblower, maintaining confidentiality and assessing credibility of disclosures can pose significant challenges to many organisations.

Respondents include those who have a whistleblowing program.

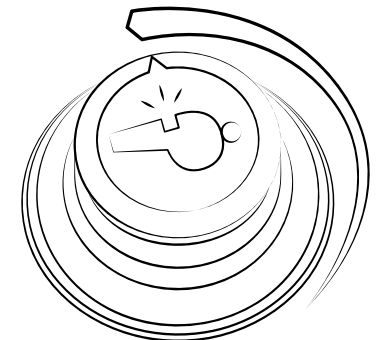


Are there targeted timelines in responding to the whistleblower (i.e., informing them of the status of the case)?



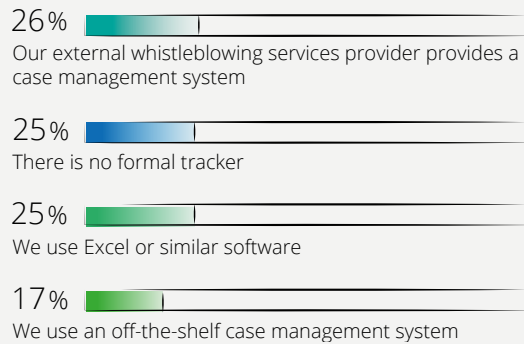
57% of respondents did not have an established timeline for responding to whistleblowers, although 45% indicated that they notify the whistleblower 'once the assessment of the disclosure has been completed'.

As the whistleblower is your initial source of information, it is important to have clear timelines in responding to them to establish and maintain communication and to gain further information. Conversely, if the whistleblower does not feel that their concerns are being addressed, they may escalate their concerns internally or even to external parties, and adversely impact an investigation.

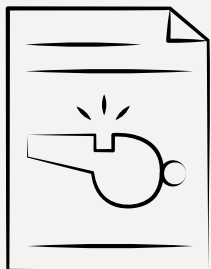


How are whistleblowing disclosures and follow up actions being managed and monitored?

There appears to be limited formality around the management and monitoring of whistleblowing cases.



The increased focus on whistleblowing as part of your corporate governance framework, especially when driven by legislation, raises the bar on the need to have clear audit trails of whistleblowing cases from receipt to closure.



Respondents include those who have a whistleblowing program.



Deloitte perspective

When receiving a whistleblowing disclosure, it is crucial to respond in a prompt, fair, and thorough manner. Organisations may consider the following:

Acknowledge receipt

Acknowledge receipt of the disclosure to the whistleblower. This acknowledgement should assure the whistleblower that their report has been received and will be taken seriously.

Maintain confidentiality

Stress the importance of confidentiality and assure the whistleblower that their identity will be protected to the extent allowed by law. Reinforce the organisation's non-retaliation policy and explain the steps taken to safeguard their anonymity.

Assess credibility

Evaluate the credibility of the disclosure. Gather all relevant information and evidence provided by the whistleblower, assessing the reliability and significance of the reported concerns. Cross-reference the information with other available data or sources, if applicable.

Determine severity and urgency

Assess the severity and urgency of the reported concerns. Determine if immediate action is required to mitigate risks or prevent harm. Consider involving relevant stakeholders, such as legal, compliance, or human resources, as appropriate.

Initiate an investigation

If necessary, initiate a fair and impartial investigation into the reported concerns. Assign qualified individuals or a dedicated team to conduct the investigation. Ensure that the investigation process is objective, transparent, and in compliance with legal requirements.

Maintain communication

Keep the whistleblower informed about the progress of the investigation, while maintaining the necessary level of confidentiality. Provide updates on any actions taken or outcomes achieved. Regular communication helps demonstrate the organisation's commitment to addressing the concerns raised.

Measuring and reporting



Measuring the effectiveness of the whistleblowing program is critical

Overall, 30% of respondents indicated that their organisations did not measure the effectiveness of their whistleblowing program, of which 39% responded that whistleblowing is a high priority in their organisation. Out of the 70% that measured effectiveness, 30% relied solely on the number of reports received to measure effectiveness.

Even in organisations where whistleblowing was considered a high priority, 20% did not measure effectiveness. Similarly, 28% of the remaining 80% that had measures relied solely on the number of reports.

Respondents include those who have, or plan to have a whistleblowing program in the future.

Deloitte perspective

It is critical that organisations measure the effectiveness of their whistleblowing program, to promote transparency, provide accountability and identify improvements.

Ideally, measurement should cover multiple aspects of the whistleblowing program, including:

Awareness

Are internal and external stakeholders aware of the whistleblowing program, policies and procedures?

Accessibility

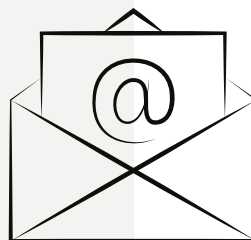
Are reporting channels accessible to potential whistleblowers?

Trust

Do whistleblowers trust that they will be protected and appropriate action will be taken?

Response

Are disclosures received appropriately followed up and investigated on a timely basis?



Deloitte perspective

While report volume is often used as measure for understanding the overall engagement and willingness of individuals to come forward, relying solely on this measure may be misleading as it does not take into account the reasons for the high or low volumes observed. Measures such as employee surveys may provide a more holistic view of how a whistleblowing program is perceived within an organisation.

It is also important to assess how an organisation deals with the disclosures it receives. These measures could include:



Response time

Measure the time it takes to acknowledge receipt of a report and initiate the investigation process.



Investigation completion time

Measure the average time taken to complete investigations to ensure timely and thorough examination of reported issues.



Substantiated reports

Track the percentage of reports that are substantiated through investigations, to help assess the validity and reliability of the whistleblowing program.



Anonymous reporting rate

Assess the proportion of anonymous reports received to understand the level of trust and confidence in the confidentiality measures provided.

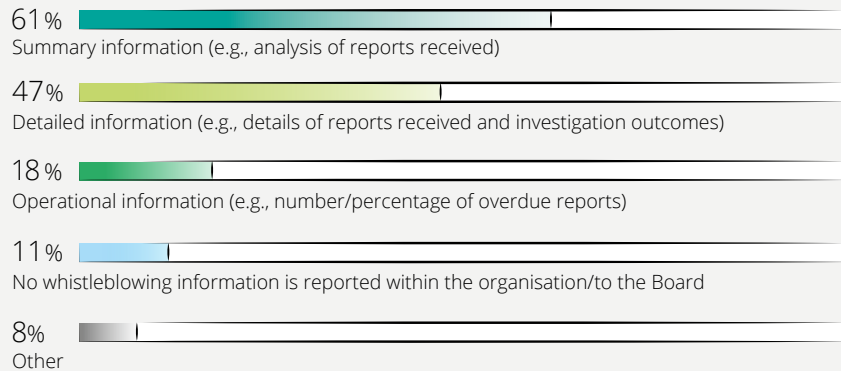


Outcome and resolution rate

Measure the rate of resolutions and outcomes of reported cases, such as disciplinary actions taken, policy changes implemented, or process improvements made.

Reporting to internal stakeholders and the Board

What management information related to whistleblowing is reported to the Board/within your organisation?



61% of respondents indicated that only 'summary information' was reported internally. 11% of respondents indicated that no whistleblowing information was reported at all, of which 41% indicated that whistleblowing was a high priority and 33% stated that whistleblowing was the responsibility of the Board or board committees. To put it simply, these organisations are not providing the Boards with sufficient information to exercise their responsibilities.

Respondents include those who have a whistleblowing program. Respondents were allowed to choose more than one response.

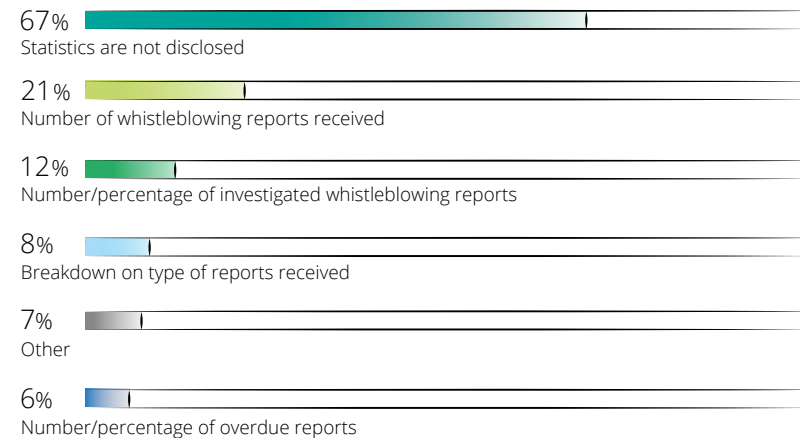
Deloitte perspective

Information with regard to whistleblowing disclosures should be communicated to parties who are responsible for the overall whistleblowing program in an organisation. These include details of reports received and investigation outcomes as well as operational information. This is especially so when the responsibility of whistleblowing lies with the Board, given that more often than not, execution of the program is delegated.



Reporting to the public and external stakeholders

What statistics are disclosed to the public (e.g., on corporate website or in annual report)?



67% of respondents indicated that their organisations did not disclose any whistleblowing statistics to the public. Where information was disclosed, the most common metric was the number of whistleblowing disclosures received.

Respondents include those who have a whistleblowing program. Respondents were allowed to choose more than one response.

Deloitte perspective

While public disclosure of whistleblowing information is not mandatory in many countries/ industries, it is fast becoming best practice for organisations to disclosure summary statistics to the public. This may include summary information on types of disclosures received, response and investigation completion times, anonymous reporting rates and substantiation and outcome statistics. This enhances transparency and builds trust in the organisation and its whistleblowing program.

Key challenges



Navigating obstacles and challenges

What are the top three challenges with your organisation's whistleblowing program?



Respondents include those who have, or plan to have a whistleblowing program in the future. Respondents were allowed to choose more than one response.



The most common challenges cited by respondents are related to employee awareness and concerns, indicating that more needs to be done to engage internally with employees through communication and training. Concerns around independence of the reporting process, lack of action on cases and fear of retaliation may point to deeper issues surrounding organisational culture and would require greater involvement from senior management and the Board to understand and address.

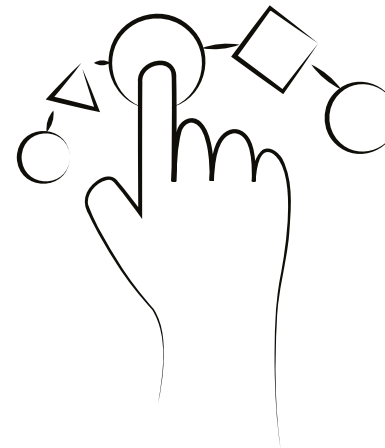
Respondents also cited the lack of whistleblowing resources to implement their whistleblowing program and review disclosures, which is compounded in situations where the organisation has to deal with disclosures in multiple jurisdictions and/or languages. Developing in-house resources may take some time, especially if the team is required to cover operations across multiple geographies.

While data security did not appear to be a common challenge cited by respondents, this issue is likely to become more prominent due to increasing cyber threats and corresponding data protection legislation.

Other challenges noted from the survey

Misuse of whistleblowing channels for trivial matters that may be more suitably addressed through other avenues. This can be addressed in part by regular training and communication about whistleblowing and other channels available. However, while so-called 'noise' can be a distraction from 'real' whistleblowing disclosures, it is also important that employees feel comfortable to come forward. There are also instances where seemingly trivial disclosures indicate a pattern of behaviour of more serious underlying issues, which could significantly impact employee morale or the organisation's reputation.

Insufficient information provided through whistleblowing channels, especially when the whistleblower remains anonymous, which hampers any subsequent investigation. The ability to communicate with a whistleblower, even (or maybe especially) when anonymous, is critical and can be enhanced by having a clear transparent process and a means of anonymous communication.



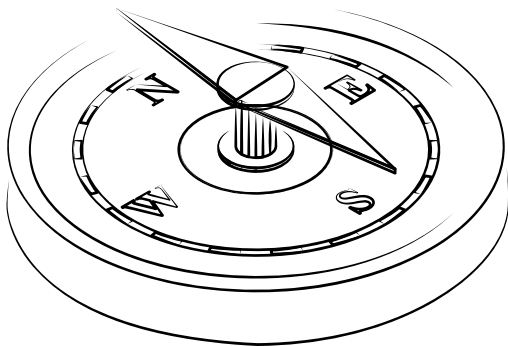
The way forward: Exploring the benefits of external whistleblowing providers

48% of respondents indicated that their organisations are relying on some form of support from external whistleblowing services providers, while 42% indicated that their whistleblowing program is run fully in-house. The rest of the 10% were not sure whether their organisations engage an external whistleblowing service provider.

Our own research has shown that the use of external whistleblowing providers in Asia Pacific, while growing, is still quite limited. This may be due to the perceived costs of engaging external parties and concerns over having third parties handle potentially 'sensitive' information.

Having said that, there is a growing appreciation of the benefits of using an external provider which can operate an independent and objective whistleblowing program with the requisite skills, tools and expertise. Utilising an external provider also results in enhanced trust in the program among stakeholders, improved organisational culture, reduced legal risks and enhanced compliance.

Respondents include those who have a whistleblowing program.



Some considerations in determining whether to engage an external whistleblowing services provider:



Independence from management

Do your employees and external parties perceive your whistleblowing program as independent? Organisations not only need to ensure that the whistleblowing process is in itself independent from management to avoid potential conflicts of interest, but also gauge how the program is perceived by its internal and external stakeholders.



Anonymity and confidentiality

Will your whistleblowers trust an in-house channel to protect their anonymity and confidentiality? Check whether the provider guarantees anonymity and confidentiality for whistleblowers. The provider should have robust systems and processes in place to protect the identity of individuals making reports.



Expertise and resources

Do you have available expertise and resources in-house? Assess the expertise and resources of the provider. Look for providers with experience in managing whistleblowing programs and evaluate their track record.



Reporting channels and accessibility

What reporting channels are you able to support in-house? Evaluate the reporting channels offered by the provider. Consider whether they provide multiple reporting options. The reporting process should be user-friendly, easy to navigate, and available in multiple languages if necessary.



Geographical and language coverage

Are you able to support multiple locations and languages in-house? If your organisation operates in different regions and/or multilingual environments, check whether the provider offers language support for whistleblowers to report their concerns in their preferred language. This helps overcome potential language barriers and encourages individuals to come forward.



Case management support

How do you track and monitor whistleblowing cases and investigations in-house? Consider whether the provider is able to provide a case management system to help you manage whistleblowing cases. This will improve efficiency and support regulatory compliance.

About Deloitte Asia Pacific

One door to the future

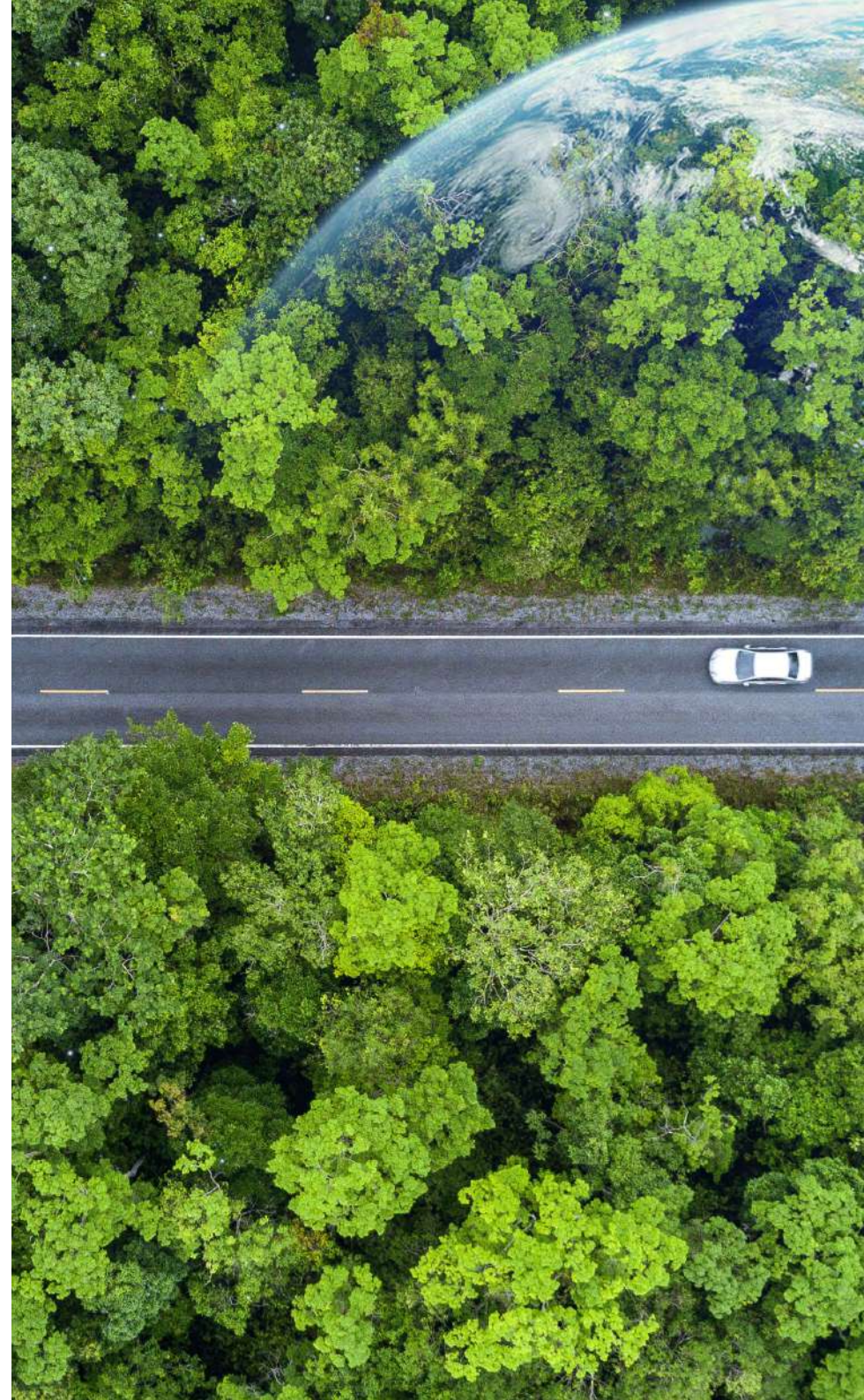
In the fastest growing and most complex region in the world, it's time to open the door to opportunity.

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We are committed to accelerate your transformation, realise your potential, and make your future. Together.



Conduct Watch

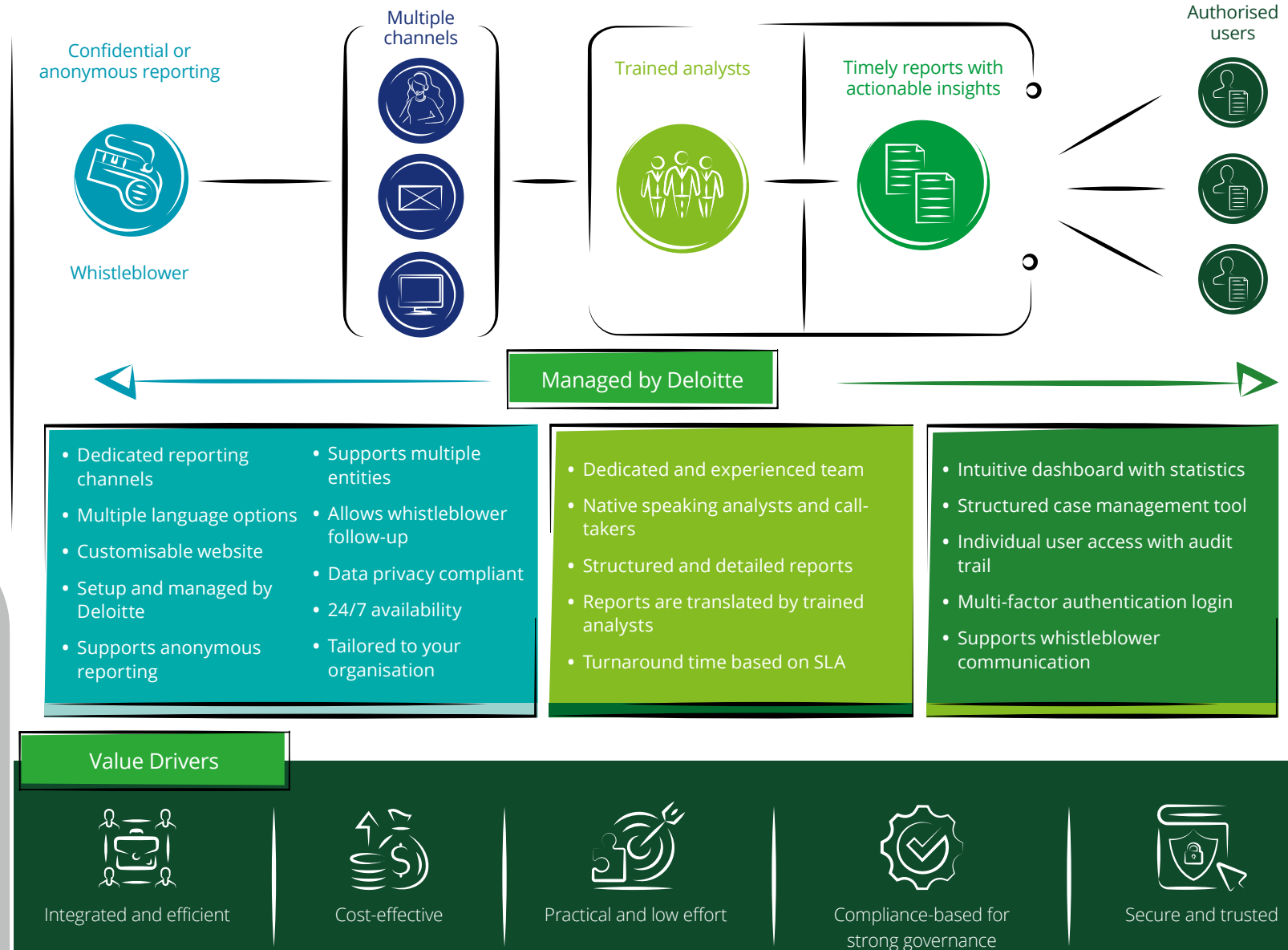
Deloitte's independent, cloud-based whistleblowing solution – used by over 300 clients globally

“An estimated one-third of fraud cases worldwide are exposed by Whistleblowers and tipster - more than auditors, security staff and the police combined.”

Source: Voices for change, Transparency International

How can Deloitte help?

The key benefit of externalising whistleblowing is the assurance of an independent and impartial process that protects whistleblowers and encourages the reporting of misconduct, leading to greater transparency, accountability, and the uncovering of wrongdoing within organisations.



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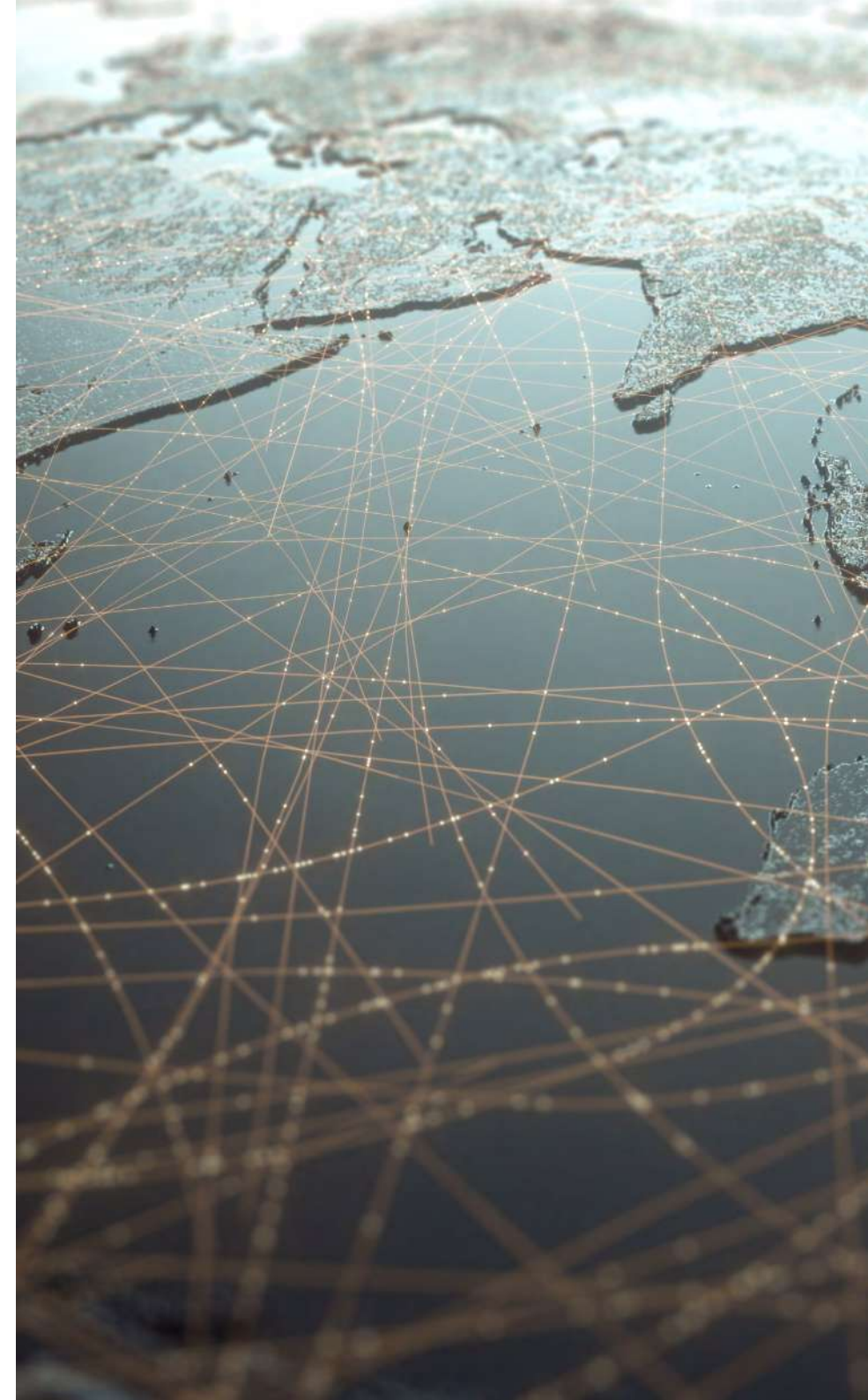
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Conduct Watch is Deloitte's digital whistleblowing solution. Integrated with data security and advanced case management features, it is used by over 300 clients.

Scan here for more information on Conduct Watch.





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