

Deloitte Asia Pacific

2023 Asia Pacific Conduct Watch Survey Report The Singaporean perspective



Foreword



On 1 January 2021, SGX RegCo mandated issuers to establish and publish their whistleblowing policies. This aligns with Singapore's efforts against corruption, reflected in the Prevention of Corruption Act 1960 and the Misuse of Drugs Act 1973. Updated guidelines on Individual Accountability and Conduct ("IAC") from 10 September 2021 further this objective. Monetary Authority of Singapore's ("MAS") issuance of a second consultation paper shows commitment to refining these guidelines with industry stakeholders. The IAC guidelines require financial institutions to establish whistleblowing channels, protect whistleblowers, review policies regularly, and ensure board oversight, enhancing accountability and ethical conduct in Singapore's financial sector.

Building on this commitment to corruption prevention, Deloitte launched the inaugural Asia Pacific Conduct Watch survey in April 2023. This initiative aims to gather insights into prevailing organisational attitudes and capabilities related to whistleblowing within the dynamic landscape of the Asia Pacific region. The response has been nothing short of phenomenal, with over 500 respondents representing a diverse array of public, private, and not-for-profit organisations across different sizes and industries.

We are product to present the Singaporean Perspective of the inaugural survey, delving into the cultural dynamics that shape whistleblowing perceptions within Singapore. We hope that this will offer valuable insights into how we can collectively strengthen our ethical foundations.

Thank you to everyone for your valuable contributions to this report. Your insights are crucial to fostering a culture of integrity and transparency, driving us towards exceeding ethical standards and creating a legacy of positive change.

Let's continue to be architects of a brighter, more virtuous tomorrow.

Oo Yang Ping

Global and Asia Pacific Conduct Watch Leader
Deloitte

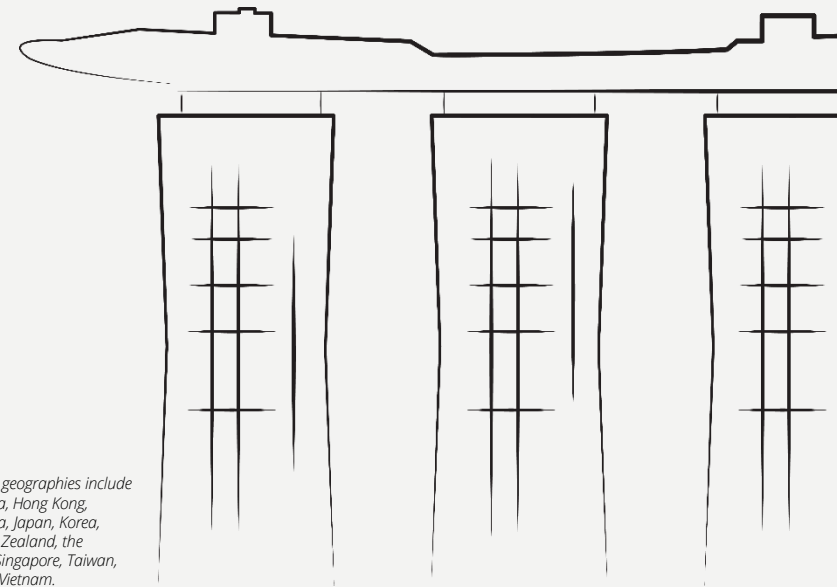


About this report

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.

In this report, we highlight our key findings from a Singaporean perspective, based on the responses provided by respondents based in Singapore.

Click [here](#) to access the full 2023 Asia Pacific Conduct Watch Survey Report.



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

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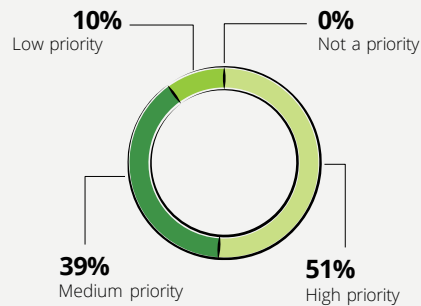


Singapore

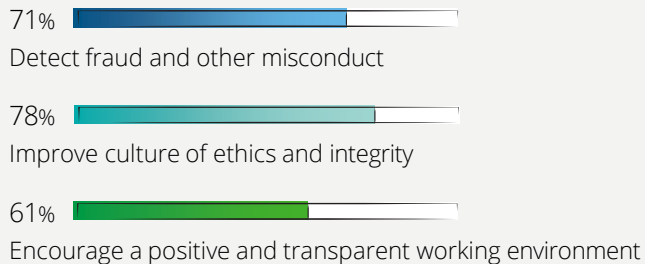


Fostering a culture of accountability within organisations

How much priority does your organisation place on whistleblowing?



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



Deloitte perspective

Overall, 51% of the respondents in Singapore are of the view that whistleblowing is a high priority in their organisations, which is slightly lower than the Asia Pacific region where 58% of the respondents shared similar view.

There is a further opportunity for organisations to better acknowledge the importance of whistleblowing within their operations and take affirmative steps to integrate whistleblowing mechanisms effectively. Embracing whistleblowing can enhance transparency, mitigate risks, foster a culture of accountability, and safeguard organisational integrity.

The top objectives of whistleblowing programs in Singaporean organisations closely mirror those in the broader Asia Pacific region. They emphasise improving ethics and integrity culture, detecting fraud and misconduct, and promoting a positive, transparent working environment.

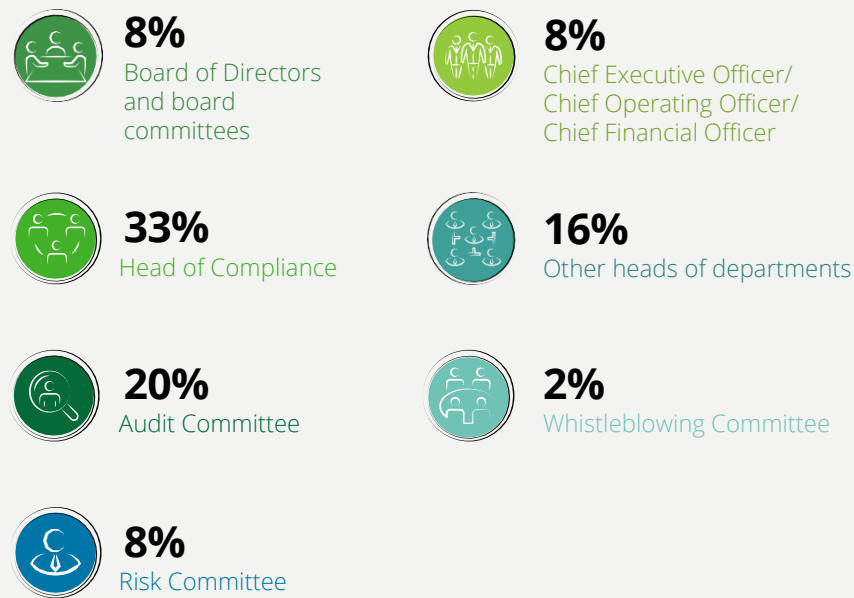
This alignment likely stems from similar regulatory frameworks and cultural values that aim to foster transparent, accountable, and ethical corporate cultures, going beyond mere regulatory compliance.

It is important to note that there are no mandatory requirements for establishing a whistleblowing system under local labour law in Singapore.



Upper management involvement promotes oversight over whistleblowing programs

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



Deloitte perspective

According to 53% of the respondents in Singapore, the overall responsibility for the whistleblowing program within organisations lies with the Head of Compliance and Audit Committee while the remaining respondents indicated that the responsibility falls with the Board of Directors and board committees, C-suites, Risk Committee and other Heads of Departments.

This may be due to the fact that the PACT Framework developed by the Corrupt Practices Investigation Bureau (“CPIB”)* identified that one of the key features of an effective anti-corruption policy is “compliance to regular monitoring and auditing” which is usually under the Compliance and Audit Committee’s purview. The MAS’ Code of Corporate Governance* also specified that the Audit Committee is responsible in reviewing policy and procedures for raising concerns on possible improprieties in financial reporting or other matters, ensuring the concerns are independently investigated, disclosing publicly and communicating the whistleblowing policy and those procedures to employees.

On the other hand, almost 80% of the respondents in Asia Pacific have stated that the overall responsibility rests with the upper management, i.e., 44% with board level (specifically the Board of Directors, Audit Committee, Whistleblowing Committee, Risk Committee and Compliance Committee), 21% with Head of Compliance and 11% with the C-suites.

Based on the above, Asia Pacific organisations have more higher management involvement in the whistleblowing program while organisations in Singapore have dedicated departments assuming responsibility for the whistleblowing program.

Having upper management’s involvement would promote a high-level oversight which signals a top-down commitment to ethical conduct and transparency.

*Sources: [PACT_2018.pdf \(cpib.gov.sg\)](#), [Annex C Revised CG Code.pdf \(mas.gov.sg\)](#)

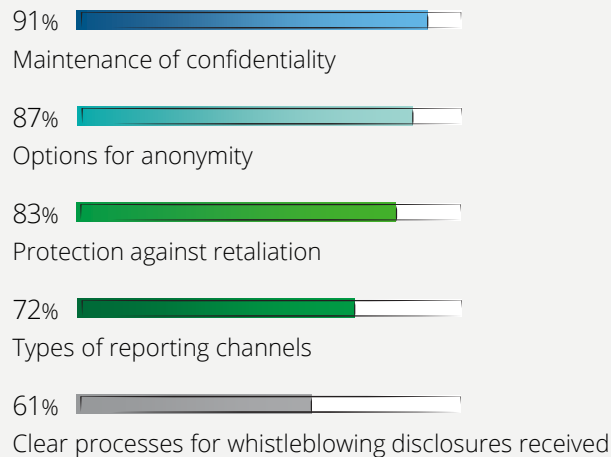


Formalising whistleblowing mechanisms with written policies



89% of respondents provided that they have an organisation whistleblowing policy.

What is included in the whistleblowing policy?



Deloitte perspective

In Singapore and the broader Asia Pacific region, the majority of organisations have adopted whistleblowing policies, with Singapore reporting slightly higher rates at 89% compared to 87% in the Asia Pacific. This widespread adoption reflects a recognition of whistleblowing's importance in promoting transparency, accountability, and ethical conduct.

Singaporean organisations place a strong emphasis on protecting whistleblowers, with high percentages for "maintenance of confidentiality," "options for anonymity," and "protection against retaliation" in their policies. This aligns with local laws such as the Prevention of Corruption Act 1960 and Misuse of Drugs Act 1973, which provide safeguards for informers/whistleblowers.

In contrast, Asia Pacific organisations focus more on whistleblowing infrastructure and awareness, with higher percentages for including "types of reporting channels" and "clear processes for whistleblowing disclosures received" in their policies compared to Singapore.

Both Singapore and Asia Pacific report minimal percentages of organisations without written whistleblowing policies, indicating a widespread acknowledgement of the importance of formalised whistleblowing mechanisms. Organisations can use these findings to benchmark their own policies, identify areas for improvement, and enhance their whistleblowing mechanisms.

Despite high adoption rates, the presence of organisations without written policies suggests that there is still room for improvement in ensuring that all organisations have formalised whistleblowing mechanisms in place.



Prioritisation of convenience and confidentiality in reporting and conflict resolution



Deloitte perspective

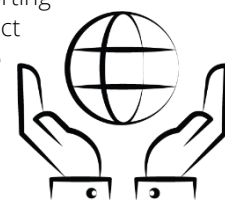
The survey highlights the availability of diverse reporting channels for both internal and external whistleblowing incidents. In Singapore, email (80%) and dedicated phone lines/hotlines (70%) are the most common internal reporting channels, while in the broader Asia Pacific region, email (88%) is more prevalent. Direct contact with a designated employee is less common in both regions but slightly higher in Asia Pacific (48% vs. 39% in Singapore).

Organisations in both Singapore and the broader Asia Pacific region prioritise electronic communication channels, such as email and dedicated phone lines/hotlines, for whistleblowing reporting. This focus on digital platforms suggests a recognition of the importance of convenience, anonymity, and efficiency in facilitating reporting processes.

In contrast, there are significant differences between Singapore and its Asia Pacific counterparts in terms of external reporting channels. Singapore has a lower prevalence of email, dedicated phone lines/hotlines, web-based platforms, direct contact with designated employees, and postal reporting options for external parties compared to the Asia Pacific region. Additionally, a higher percentage of organisations in Singapore do not offer any external reporting channels (48% vs. 25% in Asia Pacific).

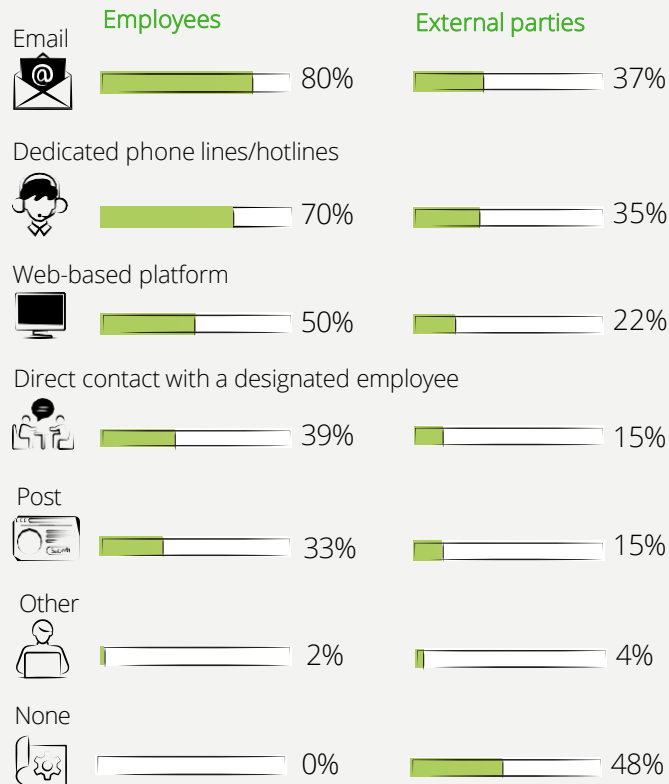
These findings suggest that organisations in Singapore may prioritise resource allocation towards internal reporting mechanisms, possibly reflecting a cultural preference for handling matters internally and resolving conflicts within the organisation rather than involving external parties.

To improve their ability to gather whistleblowing intelligence, companies in Singapore need to make their reporting channels more geared towards external parties (i.e., customers, vendors etc.). This could involve expanding the availability and visibility of external reporting channels, such as email, dedicated phone lines, web-based platforms, and direct contact with designated employees, to encourage individuals outside the organisation to come forward with information. Improving these channels can enhance transparency and accountability, ultimately strengthening the organisation's ability to detect and address misconduct.



13% of respondents reported that their organisations don't permit anonymous disclosures.


What are the top 3 reporting channels currently available for whistleblowers to lodge a report?




The need for timely follow-up actions and provision of updates to whistleblowers

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

 **28%**
Our external whistleblowing services provider provides a case management system

 **39%**
There is no formal tracker

 **13%**
We use Excel or similar software

 **11%**
We use an off-the-shelf case management system

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

15% Yes, within a week from the date the disclosure was submitted

7% Yes, within 24 hours from the time the disclosure was submitted

15% Yes, within the timeline(s) required by external agencies (e.g., regulator)

50% No, we notify the whistleblower once the assessment of the disclosure has been completed regardless of timeframe

13% No, we do not notify the whistleblower



Deloitte perspective

Both Singapore and the Asia Pacific region commonly utilise external whistleblowing service providers to manage and monitor whistleblowing cases, including follow-up actions. However, there are distinct differences in their approaches: Singapore shows a higher percentage of organisations lacking a formal tracker (39% vs. 25% in Asia Pacific). In contrast, the Asia Pacific region demonstrates greater use of digital tools like Excel or off-the-shelf case management systems (42% vs. 24% in Singapore).

Despite these differences, both regions employ miscellaneous methods for managing disclosures, indicating varying organisational practices and resource allocations.

While whistleblowing awareness is high in both Singapore and the Asia Pacific, there is a significant indication of a less structured approach to whistleblowing management in Singapore. This lack of structure could impact transparency and accountability.

In both Singapore and the Asia Pacific region, the majority of organisations notify whistleblowers once the assessment of the disclosure is completed, without adhering to specific timelines.

There are organisations in both regions aiming for timely responses ranging between 24 hours to a week, however, organisations in Singapore place more emphasis in monitoring and reporting contributed by the high regulatory environment.

These findings suggest a range of approaches to handling whistleblower disclosures, with room for improvement in communication practices, particularly regarding timely updates to whistleblowers.



Reporting and evaluating effectiveness of whistleblowing programs



Deloitte perspective

Whistleblowing programs in Asia Pacific and Singapore exhibit distinct yet overlapping trends in measurement and reporting practices.

In gauging program effectiveness, Asia Pacific organisations lean more towards evaluating report volume, possibly indicating a higher incidence of whistleblowing or a stronger reporting culture in the region. In contrast, Singaporean organisations prioritise other measures, showing a nuanced understanding of what constitutes program effectiveness beyond mere report numbers.

Both regions rely heavily on employee surveys to gauge awareness and trust in the whistleblowing process. However, a significant percentage of organisations in both areas do not measure program effectiveness, revealing a shared gap in monitoring and evaluation practices.

Similar to the Asia Pacific region, organisations in Singapore mainly report summary information related to whistleblowing to the Board/within the organisation, indicating a common practice of providing high-level analysis of whistleblowing activity to governance bodies or management.

A large percentage of organisations in Singapore and its Asia Pacific counterparts also include detailed information on the whistleblowing as part of the management information reported to the Board. This suggests a significant level of transparency, accountability and strong governance oversight in handling matters related to whistleblowing.

However, there is room for improvement, as a notable percentage of organisations in both regions do not report any whistleblowing information internally or to the board, indicating a gap in transparency and management oversight within these organisations.

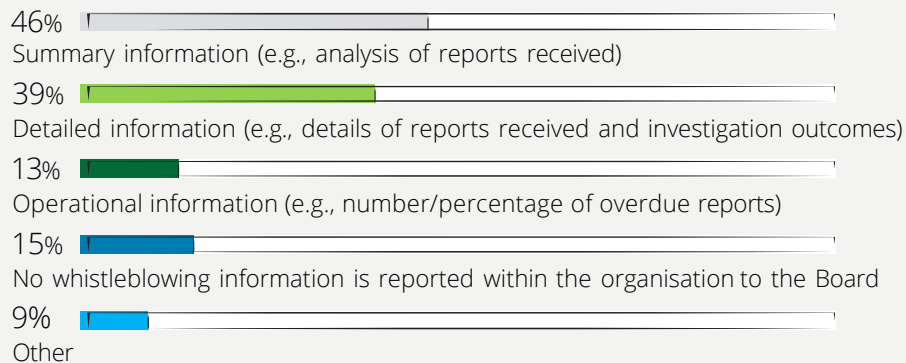


Out of the 65% who gauge their whistleblowing program's effectiveness, 75% utilise a blend of evaluation methods.

Measure of effectiveness: Types of measure



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



Importance of trust and confidence in the whistleblowing system

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

	Singapore		Asia Pacific
	57%	Concerns by employees over independence of reporting process	60%
	41%	Fear of retaliation against employees	42%
	51%	Lack of employee awareness of the whistleblowing program	58%



Deloitte perspective

The most difficult challenge cited by the respondents across both Singapore and Asia Pacific is employees' concerns on the independence of the reporting process, indicating a significant issue with perceived impartiality or trustworthiness in the whistleblowing system.

Lack of employee awareness of the organisation's whistleblowing program ranks as the second most significant challenge in both regions. This highlights the need for improved communication and training to enhance employee awareness and understanding of the whistleblowing program in place.

Another prominent challenge is the fear of retaliation against employees, suggesting a pervasive fear among employees of facing adverse consequences for reporting misconduct.

In comparing the top three challenges faced by organisations in the Asia Pacific region with those in Singapore, it is evident that Asia Pacific organisations experience slightly higher percentages across these challenges.

Despite the enactment of the Prevention of Corruption Act 1960 and Misuse of Drugs Act 1973, whistleblowers may perceive such efforts to be inadequate allowing the fear where reprisal against whistleblowers outweighs the need to report. This underscores the importance of robust communication and education efforts to inform employees about their rights and to instill confidence.



Key regulations in Singapore



SGX REGCO

SGX RegCo expanded its enforcement powers, requiring issuers to have a whistleblowing policy starting from 1 January 2021, to accelerate enforcement and bolster confidence in Singapore's capital markets. Issuers must establish and maintain a whistleblowing policy ensuring confidentiality and whistleblower protection, reporting it in their annual reports with details on compliance. Enforcement of these rules began in January 2022, empowering SGX RegCo to issue public reprimands and enforce specified conditions starting 1 August 2024, with actions being non-appealable. The aim is to enhance market integrity and investor protection, reinforcing confidence and deterring malfeasance.

MAS' GUIDELINES ON INDIVIDUAL ACCOUNTABILITY AND CONDUCT

The guidelines on Individual Accountability and Conduct ("IAC") came into effect on 10 September 2021, aiming to enhance accountability and ethical conduct within financial institutions. MAS has issued a second consultation paper seeking feedback on the guidelines' scope. In addition, MAS has also released its Response to feedback received on 6 June 2019, reflecting its commitment to incorporating industry feedback.

One key aspect of the guidelines is whistleblowing requirements:

Establishment of whistleblowing channels	Financial institutions must set up effective whistleblowing channels for employees to report misconduct, ensuring their protection and no retaliation.
Protection for whistleblowers	Whistleblowers must be protected from retaliation, including safeguarding their identities and ensuring no adverse consequences.
Regular review of whistleblowing policies	Institutions must periodically review their whistleblowing policies to ensure effectiveness and regulatory compliance.
Board oversight	Boards are responsible for overseeing the whistleblowing framework, ensuring channels are well-publicised and accessible.

Prevention of Corruption Act 1960

- Criminalises corrupt practices, including bribery, extortion, and abuse of power by public servants and individuals in the private sector.
- Imposes strict penalties, including fines and imprisonment, for offenders.
- Provides for the investigation and prosecution of corruption-related crimes, aiming to deter such behaviour and uphold integrity in public and private sectors.
- Includes measures to prevent corruption, such as requiring public servants to declare their assets, promoting transparency, and strengthening accountability mechanisms.



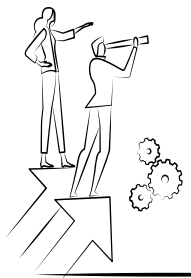
Prevention of Corruption Act 1960 and Misuse of Drugs Act 1973

- Addresses drug-related offenses in Singapore.
- Criminalises the possession, trafficking, and consumption of controlled substances, imposing severe penalties, including fines, imprisonment, and even the death penalty for serious drug offenses.
- The Act focuses on deterrence, rehabilitation, and enforcement, aiming to curb drug abuse and trafficking, safeguard public health, and maintain law and order.
- Includes provisions for treatment and rehabilitation of drug offenders, emphasising a holistic approach to tackling drug-related issues in Singapore.



Whistleblowing can significantly contribute to the effectiveness of these laws by enabling the detection and reporting of corrupt practices and drug-related activities. The introduction of regulations mandating whistleblowing policies, such as those by SGX RegCo and MAS, reflects a shift towards a more positive perception of whistleblowing in Singapore. These regulations signal that whistleblowing is not only accepted but also encouraged as a means to detect and address wrongdoing.

SGX RegCo and MAS' enforcement powers and the requirement for issuers to have whistleblowing policies further strengthen the application and enforcement of anti-corruption and drug-related laws throughout organisations in Singapore. These measures enhance market integrity, investor protection, and overall governance standards, reinforcing Singapore's reputation as a trusted and transparent business environment. Embracing whistleblowing as a tool for enhancing transparency and accountability aligns with Singapore's commitment to strong corporate governance and integrity, contributing to its standing as a global financial and business hub.



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Our Singapore practice has grown rapidly over the years to its current size of over 2,700 staff and more than 200 partners.

Deloitte Singapore enjoys the status of being one of Deloitte's centres of excellence in Asia for various service lines including International Financial Reporting Standards ("IFRS"), tax compliance and data analytics. This designation as a centre of excellence is in recognition of the depth of experience and quality of resources of our Singapore office that now joins the ranks of an exclusive list of such centres located in some of the world's largest capital markets.




410+
Risk Advisory




530+
Tax & Legal




500+
Consulting



890+
Audit & Assurance



200+
Financial Advisory



220+
Others

2,770+
Total



Making an impact that matters

Deloitte Singapore's desire to make a positive and enduring impact every day for our organisation and its stakeholders requires that:



We serve **clients** distinctively, bringing innovative insights, solving complex challenges and unlocking sustainable growth;



We inspire our **talented professionals** to deliver outstanding value to clients, providing an exceptional career experience and an inclusive and collaborative culture.



We contribute to **society**, building confidence and trust in the markets, upholding the integrity of organisations and supporting our communities.

These purpose-driven behaviours are guided by our network's shared values — lead the way, serve with integrity, take care of each other, foster inclusion and collaborate for measurable impact.



Conduct Watch

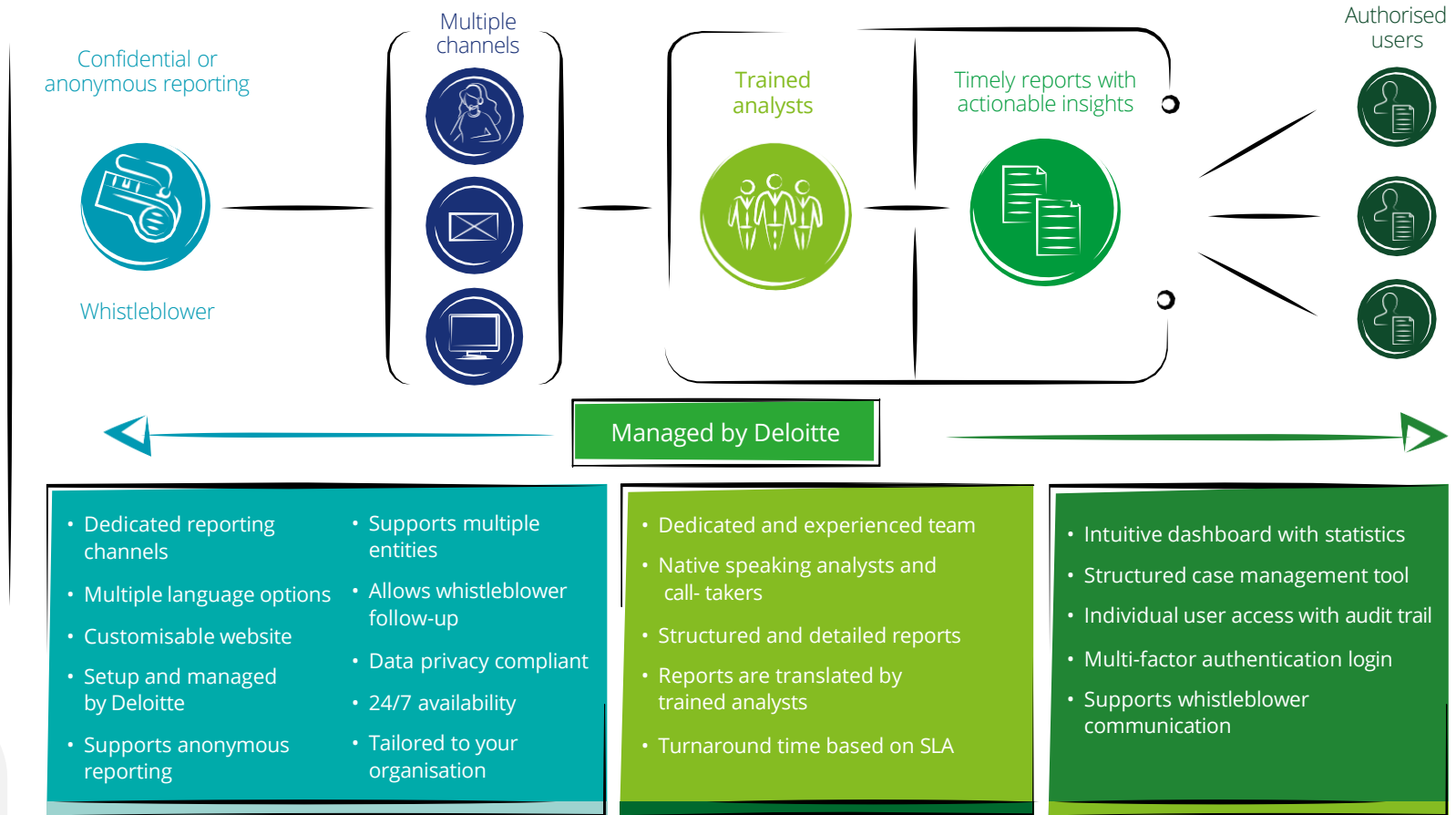
Deloitte's independent, cloud-based whistleblowing solution – used by over 350 clients globally

“An estimated one-third of fraud cases worldwide are exposed by Whistleblowers and tipsters - 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.



Value drivers

<p>Integrated and efficient</p>	<p>Cost-effective</p>	<p>Practical and low effort</p>	<p>Compliance-based for strong governance</p>	<p>Secure and trusted</p>
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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 350 clients.

Scan here for more information on Conduct Watch.





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