



WHISTLEBLOWING POLICY

Business Unit	:	Internal Audit
Policy Reference	:	LBP-88
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Category	:	Category 1-Board

Effective Date	:	March 2018
Review Date	:	March 2019

Co-Owner:
Co-Owner
Supporter (CEO):
Approver (Chairman of the Board) :

Y.Ramrup	Signature		06/06/2018
K.Gugushe	Signature		08/06/2018
T.P Nchocho	Signature		15/06/2018
M.A. Moloto	Signature		28/06/2018

Does the policy require recurring communication?

YES FREQUENCY:

 Annually

 Bi-annually

 Quarterly

NO

Adoption statement:

This policy commences from the date of approval by the Chairman of the Board and replaces any previous similar policy. It is the responsibility of all employees to keep up to date and to be familiar with the content of this policy. Any queries regarding the matters pertaining to this policy can be discussed with the respective Line Manager or the Head: Internal audit. Violation of any Framework principles may lead to disciplinary action outlined in the Disciplinary Code and Procedure for Land Bank Group.

Review Tracker- History of the Policy

Date of review	Version	Details of review
September/October 2017	05	Complete review of policy

1 Objectives

- 1.1 The Land Bank Group is committed to ensuring that matters relating to fraud, corruption and other irregularities are reported and dealt with in accordance with the full extent of the law. The Land Bank Group acknowledges that in order to ensure that instances of fraud are dealt with, appropriate and effective systems of reporting such instances with the appropriate channels should be in place.
- 1.2 Land Bank Group is an agricultural development financial institution in South Africa. Government, and the public of South Africa, expect from Land Bank Group and its staff to demonstrate that the Bank manages its business efficiently, effectively and ethically to deliver the result expected.
- 1.3 Land Bank Group, through the Land Bank Board as well as the Board Sub-Committees has given a firm commitment to its shareholders that Land Bank Group will manage the results, tighten accountability and improve transparency and that all Land Bank Group staff will be responsible for their actions.
- 1.4 This Policy should be read in conjunction with the following policies in order to fully understand its content:
 - 1.4.1 Fraud Prevention Strategy;
 - 1.4.2 The Fraud and Corruption Policy;
 - 1.4.3 Code of Ethics and Business Conduct;
 - 1.4.4 Declaration of Interests Policy;
 - 1.4.5 Nominee Director Policy; and
 - 1.4.6 Forensic Investigation Methodology.

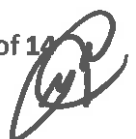
2 CONTEXTUAL BACKGROUND

- 2.1 The objective of this Policy is to set guidelines for the reporting of fraud, corruption and other irregularities by employees of the Land Bank Group, its service providers, stakeholders and the general public.
The Policy is intended to:

- 2.1.1 Provide a framework for Land Bank Group to prevent and detect fraud and corruption;
- 2.1.2 Inform employees on how to report allegations of fraud and remedies available for the protection of their identity and against harassment and retaliation; and
- 2.1.3 Support ethical work practices through individual behaviour and decision making.

3 SCOPE

- 3.1 Existing grievance procedures are in place to enable employees of the Land Bank Group to raise grievances relating to their employment. This Policy is intended to cover the disclosure of concerns that fall outside the scope of grievance procedures. These disclosures are addressed in the Protected Disclosures Act ("PDA") and are outlined below:
 - 3.1.1 That a criminal offence has been committed, is being committed or is likely to be committed;
 - 3.1.2 That a person has failed, is failing or is likely to fail to comply with any legal obligation to which that person is subject;
 - 3.1.3 That a miscarriage of justice has occurred, is occurring or is likely to occur;
 - 3.1.4 That the health or safety of an individual has been, is being or likely to be endangered;
 - 3.1.5 That the environment has been, is being or is likely to be damaged;
 - 3.1.6 Unfair discrimination as contemplated in the Promotion of Equality and Prevention of Unfair Discrimination Act, No. 4 of 2000; or
 - 3.1.7 That any matter referred to in the paragraphs above has been, is being or likely to be deliberately concealed.
- 3.2 This policy relates to disclosures made by employees to the Land Bank Group. In this regard, cognisance is taken of the fact that the PDA also provides for other reporting channels. It also applies to all allegations, attempts and incidents of fraud and corruption impacting or having the potential to impact the Land Bank Group negatively.



3.3 All employees of the Land Bank Group must comply with the spirit and content of the Policy.

3.4 It is expected of all Land Bank Group employees to approach their responsibilities, work and dealings with colleagues in accordance with Land Bank Group formal values. The values include: Meaningful Contribution; Empowerment; Organisational Synergy; Accountability; and Pro-activeness.

4 DEFINITIONS

List and describe all the words, acronyms that are used throughout the document.

Employees

Any person, including fixed term contractors, who work for the Land Bank Group and who receives or is entitled to receive any remuneration.

Corruption

The general offence of corruption as defined in the Prevention and Combating of Corrupt Act, is directly or indirectly accepting or agreeing or offering to accept any gratification from another person; giving or agreeing or offering to give any other person any gratification in order to influence that person directly or indirectly to exercise his powers, duties or legal obligations in a manner which is/amounts to:

- Illegal, dishonest, unauthorised, incomplete, or biased;
- Misuse or selling of information or material acquired;
- Abuse of positions of authority;
- Breach of trust;
- Violation of a legal duty or set of rules;
- Designed to achieve an unjustified result; and
- Any other unauthorised or improper inducement to do or not to do anything;



Fraud	The unlawful and intentional making of a misrepresentation which causes actual or potential prejudice to another.
Theft	The unlawful and intentional misappropriation of another's property or property which is in his/her lawful possession, with the intention to deprive the owner of its rights permanently.
Land Bank	The Land and Agricultural Development Bank of South Africa established in terms of the Land and Agricultural Development Bank Act (Act 15 of 2002).
Land Bank Act	Land and Agricultural Development Bank Act (Act 15 of 2002).
Land Bank Group	Land Bank and its subsidiaries.
Unethical behaviour	Means behaviour or business practices that are not in line with the Land Bank Group's values and underlying principles of good governance.

5 POLICY

What is whistle blowing?

- 5.1 Whistleblowing encourages and enables employees to raise serious concerns within the organisation rather than overlooking a problem or 'blowing the whistle' to parties outside the organisation.
- 5.2 Employees are often the first to become aware of illegal or unethical practices within an organisation. However, they may not express their concerns as they feel that speaking up would be disloyal to their colleagues, to the organisation, or would lead to retaliation or victimisation.

Who can blow the whistle?

- 5.3 Any employee of the Land Bank Group and all managers, the Land Bank Group's customers, services providers, the general public and other stakeholders who have a reasonable belief that fraud, corruption and other irregularities have occurred or are likely to occur in the Land Bank Group or outside the Land Bank Group that may negatively affect its business dealings.



What can you blow the whistle on?

5.4 While grievances should be reported through other channels, below are examples of concerns that should be reported using the whistle blowing channels (This is a mere guideline and not an exhaustive list):

- Corruption;
- Theft;
- Fraud;
- Dishonesty;
- Procurement irregularities;
- Unethical behaviour including violating company policies or procedures;
- Environmental violations;
- Sexual harassment;
- Financial statement fraud;
- Discrimination;
- Other criminal offences;
- Conduct which is an offence or a breach of law;
- Failure to comply with a legal obligation;
- Disclosures related to miscarriages of justice;
- Health and safety risks, including risks to the public as well as other employees;
- The unauthorised use of public funds;
- Possible fraud and corruption;
- Sexual, physical or other abuse of colleagues, employees and/or clients;
- and
- Other unethical conduct.

Occupational detriment

5.5 The Land Bank Group acknowledges the fact that the decision to report a concern can be a difficult one to make, not least because of fear of occupational detriment from those responsible for the irregularity.

5.6 The Land Bank Group will not tolerate harassment or victimisation and will take action to protect employees when they raise a concern in good faith. This does not mean that if an employee is already the subject of disciplinary or other action, that action will be halted as a result of their whistle blowing.

5.7 Reporting in good faith means:

- The Whistle blower only discloses information with a reasonable belief that the information being disclosed is true; and



- The Whistle blower is not acting for personal gain, or reporting maliciously.
- 5.8 An employee may not be subject to the following “occupational detriment” as a result of having made a disclosure/report such as being:
- Subjected to any disciplinary action;
 - Dismissed, suspended, demoted, harassed or intimidated;
 - Transferred against his/her will;
 - Refused transfer or promotion;
 - Being subjected to a term or condition of employment or retirement which is altered or kept altered to his/her disadvantage;
 - Refused a reference, or being provided with an adverse reference;
 - Threatened with any of the actions referred to above; and
 - Otherwise adversely affected in respect of his/her employment, profession which may include employment opportunities and work security.

Protection of Whistle blowers and confidentiality

- 5.9 The Land Bank Group will do its best to protect an individual’s identity when he/she raises a concern and does not want their identity to be disclosed.
- 5.9.1 A protected disclosure is when an employee makes any disclosure:
- In good faith;
 - Reasonably believes the information disclosed is substantially true; and
 - Not for personal gain, excluding any reward payable in terms of any law.
- 5.9.2 The employee will be protected even if upon investigation the allegations are found to be unsubstantiated.
- 5.9.3 Protection will not be available if the disclosure is found to be frivolous or the disclosure questions the merits of government policy or the disclosure is made with a motive of avoiding disciplinary action or dismissal.
- 5.9.4 The protection of Whistle blowers is still the biggest challenge as confidentiality is not guaranteed when reporting. Most employees are scared to report the incidences of fraud as a result of victimisation following the disclosure of the Whistle blower’s identity. The fact that a few cases of fraud have been reported to date does not imply that



there is minimal fraud taking place in the Land Bank, as most employees fear reporting cases of fraud.

Harassment and retaliation

5.10 The Land Bank Group shall ensure that no employee is subject to harassment and/or retaliation as a result of reporting suspicious fraud to management of the Land Bank Group or using any of the available reporting methods as prescribed by the Land Bank Group.

Remedies available to those who blow the whistle

5.11 The Land Bank Group acknowledges and complies with the requirements of the PDA as amended in terms of complying with the protection of those who blow the whistle and in terms of applying the remedies available as per the requirements of the PDA and this Policy.

6 REPORTING ALLEGATIONS OF FRAUD

To whom can a report be made?

6.1 The following are ways in which an employee may report an irregularity in terms of the Policy:

6.1.1 The employee to report to their immediate supervisor or any manager; or

6.1.2 The report should be made to the Head: Internal Audit or Chairperson of the Board of Directors.

6.2 All supervisors and managers must convey Whistle blower reports to the Head: Internal Audit for further investigation.

Fraud hotline

6.3 It is understandable that at times it is difficult to report a problem to a manager due to confidentiality issues. In this case employees are to use the fraud hotline which allows for anonymous reporting. The fraud hotline provides Whistle blowers with various options for making disclosures, all of which are safe to use.

6.4 The Land Bank Group has implemented an independent fraud hotline which is intended to achieve the following:

6.4.1 To deter potential fraudsters and corrupt individuals by making all employees and other stakeholders aware that the Land Bank Group is not a soft target, as well as encouraging the participation of employees in supporting, and making use of this facility;



- 6.4.2 To raise the level of awareness that the Land Bank Group will not tolerate fraud;
 - 6.4.3 To detect incidents of fraud by encouraging whistle blowers to report incidents which they witness or become aware of;
 - 6.4.4 To assist the Land Bank Group in managing the requirements of the PDA by creating and communicating an additional channel through which whistle blowers can report irregularities which they witness or which come to their attention; and
 - 6.4.5 To further assist the Land Bank Group in identifying areas of fraud risk in order that preventive and detective controls can be appropriately improved or developed.
- 6.5 Employees are encouraged to assist in the resolution of all allegations of fraud and corruption. Should employees wish to report allegations of fraud and corruption anonymously, they can contact the Land Bank Group's fraud hotline, any member of management or the Head of Internal Audit, or the Chairperson of the Board of Directors.
- 6.6 In making a disclosure using the above means, the Whistle blower is encouraged to provide as much information as possible relating to the matter, bearing in mind that the greater the information available, the more thoroughly the matter is likely to be investigated and, in turn, resolved.
- 6.6.1 The following type of information may be requested:
 - Who is involved?
 - What have they been doing?
 - What has happened?
 - How was it done?
 - How often has it occurred?
 - Where is it done?
 - When was it observed?
 - What sort of value(s) was involved?

Anonymous Reporting

- 6.7 While people have a right to report anonymously, it should be noted that they can put their names to allegations should they wish to. Concerns expressed anonymously are difficult to investigate; nonetheless they will be followed up fully by the Land Bank Group taking into account inter alia the following:



- 6.7.1 Preliminary investigations that indicate a need for further investigations;
- 6.7.2 The seriousness of the impropriety raised;
- 6.7.3 Whether the impropriety is continuing or is likely to continue in the future;
- 6.7.4 The credibility of the concern; and
- 6.7.5 The likelihood of confirming the allegation.

Reporting by third parties

- 6.8 The Land Bank Group should ensure that all external parties including the general public are made aware of the means available in reporting suspicions of fraud to the Land Bank Group as well as other regulatory authorities.

False allegations

- 6.9 It is the responsibility of all supervisors and managers to discourage false allegations which are made with malicious intent by employees. In instances where such allegations are proven to be untrue and malicious or vexatious, the person who made the allegations shall be subjected to firm disciplinary, or other action.

7 HOW WILL ALLEGATIONS OF FRAUD BE DEALT WITH

Receiving allegations

- 7.1 The Head of Internal Audit, as per section 3B of the Amended PDA:
 - 7.1.1 Will decide whether to investigate the matter or not;
 - 7.1.2 Or refer the disclosure to another person or body if the disclosure could be investigated or dealt with more appropriately by that other person or body;
 - 7.1.3 In writing, acknowledge receipt of the disclosure by informing the employee of the decision:
 - To investigate the matter, and where possible the time-frame within which the investigation will be completed;



- Not to investigate the matter and the reasons for such decision; or
 - To refer the disclosure to another person or body.
- 7.2 The Head: Internal Audit will impartially assess each disclosure and determine the appropriate action to take, such as:
- 7.2.1 No action/decline to investigate;
 - 7.2.2 Allocate responsibility for dealing with the disclosure to an appropriate person;
 - 7.2.3 A preliminary or informal investigation;
 - 7.2.4 A formal investigation;
 - 7.2.5 Recommend a disciplinary process; and
 - 7.2.6 Refer the matter to an Investigating Authority for investigation or other appropriate action.
- 7.3 Where the Head of Internal Audit has been implicated the decision whether to investigate will be that of the Chairperson of the Audit and Finance Committee.
- 7.4 Details on how the Land Bank Group will approach investigations are outlined in the Forensic Investigation Methodology and illustrated in the Fraud and Corruption Policy.

Employees' responsibility

- 7.5 All employees are expected to support the Land Bank Group in the conducting of disciplinary hearings into allegations of fraud and corruption.

Whistle blower reports

- 7.6 The Head of Internal Audit will handle the Whistle blower reports and is responsible for notifying the Whistle blower of the action taken or proposed action to be taken after the completion of the investigation. Where the Head of Internal Audit was implicated in the report, or where the investigation was conducted by another person or body, the feedback will be presented to the Whistle blower through that person or body.

Confidentiality of reported and investigated matters

- 7.7 The Land Bank Group shall keep all matters reported and investigated strictly confidential. This includes ensuring that all information gathered during the reporting and investigation of these matters be stored in secure locations and with the required access privileges to ensure that the information is properly safeguarded.
- 7.8 The amount of contact between the body investigating the issues and the persons raising the concern will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from the individual.
- 7.9 The progress made with investigations shall be handled in a confidential manner and shall not be disclosed or discussed with any persons who have no legitimate claim to such information. This is important in order to avoid damaging the reputation of a suspected person who is subsequently found to be innocent of wrongful conduct.

8 NOTIFICATION OF ACTION TAKEN OR PROPOSED

- 8.1 If an employee makes a protected disclosure they must be notified of the action taken or proposed to be taken after the completion of the investigation.
- 8.2 The Head of Internal Audit shall communicate to the Whistle blower the manner in which reported incidences have been dealt with. Subject to legal constraints, information about the outcome of any investigation may be disseminated on a "need to know" basis.

9 CREATING AWARENESS

- 9.1 All managers shall be responsible for ensuring that all employees under their control are made aware of and receive the relevant policy documentation.
- 9.2 In terms of its Fraud Prevention Strategy, the Land Bank Group will facilitate bi-annual fraud awareness training to its employees and other stakeholders including its suppliers and service providers.

10 RELEVANT LEGISLATION

- 10.1 Protected Disclosures Act, No 26 of 2000.
- 10.2 Promotion of Equality and Prevention of Unfair Discrimination Act, No. 4 of 2000.



11 RELEVANT POLICIES

- 11.1 The Fraud and Corruption Policy;
- 11.2 Code of Ethics and Business Conduct;
- 11.3 Declaration of Interests Policy; and
- 11.4 Nominee Director Policy

12 APPROVAL AND REVIEW PROCESS

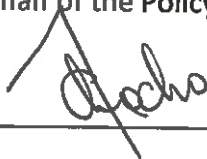
- 12.1 The co-owners of this Policy is the Head of Internal Audit and the Chief Risk Officer who shall be responsible for its administration, revision and interpretation. The Policy shall be reviewed annually and appropriate changes effected as deemed necessary.
- 12.2 Advice and guidance on how whistle blower reports may be pursued, can be obtained from the Head of Internal Audit.

13 APPROVAL OF THE EMPLOYEE'S POLICY ON CONFLICT OF INTEREST AND OUTSIDE INVOLVEMENT

This document was recommended and approved by the following committees:



Chairperson Date: 31 01 2018
On behalf of the Policy and Process Change Committee (PROCC)



Chairperson Date: 08/02/2018
On behalf of the Executive Committee (EXCO)



Chairperson Date: 15/02/2018
On behalf of the Audit and Finance Committee





Chairperson

On behalf of the Board

Date: 13/03/2018

