



# **Lagos State Employment Trust Fund**

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## **Whistle Blowing Policy**

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**Version 4**

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**June 2025**

## **APPROVALS**

This policy is amended or created after deliberation by the appropriate committee and upon recommendation to the Board and hereby signed:

<b>S/N</b>	<b>Name</b>	<b>Position</b>	<b>Signature</b>	<b>Date</b>
<b>1</b>	<b>Adekunle Oyekan</b>	<b>Head, Head, Risk Management, Monitoring &amp; Internal Control, &amp; Acting Internal Audit</b>		
<b>2</b>	<b>Feyisayo Alayande</b>	<b>Executive Secretary, LSETF</b>		
<b>3</b>	<b>Abayomi Awobokun</b>	<b>Chairman, Board Audit and Risk Committee</b>		
<b>4</b>	<b>Peju Adebajo</b>	<b>Chairman, Board of Trustees</b>		

Effective Date: The contents of this policy was first drafted on first day of December 2016 and took effect thereon. This version was updated in March 2023 and can be amended from time to time at management's discretion. Additions, deletions, or modifications of policy, when approved, will be communicated to all stakeholders.

**Version control**

<b>Remark</b>	<b>Date</b>
<b>Version 1</b>	<b>December 2016</b>
<b>Version 2</b>	<b>March 2022</b>
<b>Version 3</b>	<b>March 2024</b>
<b>Version 4</b>	<b>June 2025</b>

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## 1.1 Policy Statement

Lagos State Employment Trust Fund (“the Fund”) believes strongly in proactively preventing fraud and corruption as well as implementing effective controls to detect fraudulent activities and misconduct. To this extent, the Management and Board of Trustees have adopted a whistle blowing policy (“this Policy”).

The Fund is committed to high standards of ethical, moral, and legal business conduct. Consequently, this Policy has been developed in line with best practice, which requires that organizations should have a responsible whistle blowing policy in place that is transparent and fair to all stakeholders.

The Fund has **zero tolerance** to the commission or concealment of fraudulent, illegal, and other unethical acts, including infraction of its business principles.

## 1.2 Applicability

This Policy applies to all employees, prospective employees, trustees, contractual workers, outsourced staff, vendors and service providers, beneficiaries, and other stakeholders of the Fund. The Policy is effective from the date it is signed by the Chairman, Board of Trustees of the Fund.

## 1.3 Purpose

Essentially, the purpose of this whistle blowing policy is:

- To create a work environment where employees, contract workers, outsourced staff, vendors and service providers, beneficiaries and other stakeholders are able to responsibly report concerns on misconduct, irregularities or malpractice, without fear of harassment and/or victimization.
- To ensure that all improper, unethical or inappropriate behavior are identified and challenged at all levels of the Fund.

- To ensure that all employees and other stakeholders responsibly report any instance of suspected fraud, misconduct or danger as soon as possible, with the understanding that their concerns will be taken seriously, investigated as appropriate, and that their confidentiality will be respected and protected.
- To provide whistle blowers with guidance as to how to report their concerns.
- To reassure whistle blowers that they should be able to report genuine concerns without fear of reprisals, even if their concerns turn out to be erroneous. However, we strongly encourage all our stakeholders not to maliciously blow whistles, for the implementation of this Policy to be effective, as such actions undermine the integrity of the policy and will result in disciplinary actions depending on the severity of the misconduct
- To help promote and develop a culture of openness, accountability, and integrity.

## **1.4 What is Whistleblowing?**

### **1.4.1 Whistleblowing**

Whistle blowing is the disclosure of any information which, in the reasonable belief of the person making the disclosure, relates to suspected misconduct, fraud or dangers at, and in the course of work for the Fund. These include but are not limited to:

#### **Fraud**

- Any type of intentional irregularities or mismanagement.
- Any activities that may constitute bribery or corruption in breach of any relevant laws.
- Misuse or theft of the Fund's assets and property.
- Impersonation of the Fund, its staff, management, and board members.
- Forgery (use of fake certificates, false declaration of age, etc.).
- Override of controls.

### **Misconduct**

- Failure to comply with any legal, professional obligation or regulatory requirements.
- Breach of the Fund's Code of Business Conduct.
- Breach of any of the Fund's internal policies and procedures.
- Conduct that is likely to damage the Fund's reputation.
- Sexual or physical abuse and harassment.
- Abuse of office on the part of any member of staff or Trustee.
- Unauthorized disclosure of confidential information.
- Conflicts of interest.
- Misuse of the Fund's information systems and computer databases.
- The deliberate concealment of any malpractice; and
- Miscarriage of justice.

### **Health & Safety**

- Health and safety risks including risks to the public as well as other employees; and
- Incidents or risks of pollution or environmental hazard.

#### **1.4.2 Whistle blower**

A whistle blower is a person who reports a genuine concern (examples of which are set out above in section 1.4.1) and who has reasonable grounds to believe that the disclosure is true. This Policy encourages employees and other stakeholders with genuine concerns relating to suspected fraud, misconduct or danger affecting any of the Fund's activities (a whistle blowing concern) to report it under this Policy. The Whistleblower is expected to act in good faith, with honest intent and reasonable effort to verify facts before reporting, in order to preserve the integrity of the process and avoid undue harm.

## 1.5 Fraud and Misconduct

### 1.5.1 Fraud

Fraud refers to any intentional act committed to secure unlawful or unfair gain. It can occur internally or externally i.e., by employees, or third parties, and can be perpetrated by an individual personally or through collusion with others. An act will be categorized as fraud if the act has the following characteristics:

- Intention to secure personal gain through illegal means.
- Direct or indirect benefit through illegal means.
- Loss or potential loss suffered by the victim.
- Attempt to conceal the act.

According to Association of Certified Fraud Examiners (ACFE), occupational fraud is classified as follows:

- Corruption.
- Asset Misappropriation.
- Fraudulent Financial Statements.

#### **Corruption**

- Inappropriate relationships with third parties thereby causing conflict of interest.
- Bribery (offering and/or receiving), where someone is influenced by payment or benefit in kind to provide advantage to another through his or her position.
- Giving or receiving kickbacks from vendors, beneficiaries, other service providers, among others.
- Illegal gratuities.

#### **Asset Misappropriation**

- Skimming (theft of cash that has not yet been recorded in the accounting system) and cash larceny (theft of money that has been recorded in the accounting system)

- False invoicing via shell companies, false invoicing via non-accomplice vendors and personal use of the Fund's money.
- Theft or willful destruction or loss of assets including data and intellectual property.
- Theft or misuse of non-cash assets, including supplies, fixed assets, etc.
- Disclosing confidential and/or proprietary information to third party without authorization.

#### **Fraudulent Financial Statements**

- Intentional misstatement or omission of material information in the Fund's financial reports.
- Timing differences fraud e.g., channel stuffing to meet targets.
- Concealing liabilities and expenses.
- Improper assets valuation.
- Improper disclosures.

*Please note that these examples are not exhaustive and are not intended to be exhaustive.*

#### **1.5.2 Misconduct**

Misconduct refers to any unethical or unlawful conduct in violation of the Fund's policies, procedures, or regulations. Examples includes, but are not limited;

- Insubordination
- Harassment (All form of harassment- sexual, physical etc.)
- Violence
- Drug/Substance abuse
- Discrimination
- Bullying

## 1.6 Confidentiality

- Every effort must be made to treat the whistle blower's identity with appropriate regard for confidentiality. There shall be a dedicated Ethics Line hosted by an Independent Party;
- When a complaint is made through the Ethics Line, an incident report of the complaint would be sent to the appropriate management level personnel of the Fund within 24 hours or as soon as; and
- All concerns/complaints reported via Ethics Line (phone calls, emails, physical letters) will be sent confidentially and anonymously to appropriate recipients within the Fund.
- Where revealing the identity of a whistleblower is very necessary as required by law or to the extent that investigations cannot be concluded without the alleged person knowing its reporter, the whistleblower will be informed before necessary disclosure is made and the extent of the disclosure. Example of such situation could be where there is allegation of harassment (sexual or physical), bullying etc.

## 1.7 Protection of Whistle blowers

- It is understandable that whistle blowers are sometimes worried about possible repercussions of whistle blowing. To this end, the Fund aims to encourage openness and will support members of staff and all stakeholders who report concerns under this Policy, even if they turn out to be erroneous;
- Members of staff and other stakeholders will not suffer any detrimental treatment as a result of reporting a concern. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavorable treatment connected with reporting a concern. If you believe that you have suffered any such treatment, you should report it formally to the Head, Internal Audit or directly to the Executive Secretary or the Chairman, Board Audit and Risk Committee or Chairman, Board of Trustees where you consider this more appropriate; and
- Members of staff and other stakeholders must not threaten or retaliate against whistle blowers in any way. In the event that such whistle blower is

or feels victimized, the Fund shall be obligated to employ appropriate tools to offer redress to the whistle blower concerned following the necessary investigation of such victimization. Anyone involved in such conduct will be subject to disciplinary action which may lead to their summary dismissal.

## 1.8 Abuse of Policy and False Allegations

The Fund is committed to protecting whistleblowers who raise genuine concerns in good faith and ensuring their confidentiality. However, this protection and confidentiality are not absolute and shall be waived where a whistleblower is found, upon investigation, to have deliberately made false, and misleading allegations.

- In such instances, the whistleblower shall no longer be entitled to confidentiality protections, and their identity will be requested by the Fund.
- All protections afforded under this Policy, including immunity from disciplinary actions, will be fully revoked.
- The whistleblower will be subject to internal disciplinary proceedings and can face up to and include termination of employment or contract in line with LSETF sanction grid and may also face legal consequences, where applicable.

This clause does not apply to whistleblowers who report in good faith but are later found to be mistaken

## 1.9 Types of Whistle blowing

There are two (2) categories of whistle blowers namely:

- **Internal whistle blowers** – These are people within the employment of LSETF. Employees who are expected to report incidents of misconduct involving peer, supervisor/superior or top management staff to relevant reporting point.
- **External whistle blowers** – These are third parties to LSETF. They include beneficiaries, suppliers, service providers and other members of the public who report wrongdoings.

### 1.10 Reporting a Whistle blowing Concerns.

Generally, employees and other stakeholders are enjoined to report incidents of misconduct to the Fund in a confidential and anonymous manner through the internal reporting channels (i.e., Manager, Heads of Units, Head, Internal Audit and the Executive Secretary) except where the report is against any of the persons listed above.

Report can also be made directly to our independent ethics line host. The independent ethics line host could be accessed on the Fund's website [www.lsetf.ng](http://www.lsetf.ng) with a direct link <https://www.lsetf.ng/content/whistle-blowing-policy>. The website contains a banner that shows detailed information **(phone numbers and email address)** on how whistleblowers can blow their whistles.

Please note that your reports are confidential as the independent host lines do not capture information of whistleblowers except whistleblowers are willing to disclose personal information.

The earlier a concern is reported, the easier it is to act. Delay may cause substantial losses to the Fund and reputational damage. Therefore, as soon as you become aware of a situation indicating fraud, misconduct or danger as described above, you should report the concern.

The table below shows how to report any whistle blowing concerns aside from the independent ethics line.

If your report is about this person:	Please make your report to:
Report against a line manager (where the line manager is not a member of LSETF's Executive Management)	Executive Secretary and Head of Internal Audit
Report against Directors	<ul style="list-style-type: none"> <li>• Executive Secretary</li> <li>• Chairman, Board Audit and Risk Committee</li> </ul>

	<ul style="list-style-type: none"> <li>• Chairman, Board of Trustees</li> <li>• Head of Internal Audit</li> </ul>
Report against other members of LSETF's Executive Management (except the Executive Secretary, Directors, and Head of Internal Audit)	<ul style="list-style-type: none"> <li>• Executive Secretary</li> <li>• Chairman, Board Governance Committee</li> <li>• Head of Internal Audit</li> </ul>
Report against the Head of Internal Audit	<ul style="list-style-type: none"> <li>• Executive Secretary</li> <li>• Chairman, Board Audit and Risk Committee.</li> </ul>
Report against the Executive Secretary	<ul style="list-style-type: none"> <li>• Head of Internal Audit</li> <li>• Chairman, Board Audit and Risk Committee</li> <li>• Chairman, Board Governance Committee</li> <li>• Chairman, Board of Trustees</li> </ul>
Reports against a Trustee (excluding the Executive Secretary)	<ul style="list-style-type: none"> <li>• Chairman, Board of Trustees</li> </ul>

Reported concerns may be difficult to investigate if whistle blowers do not provide sufficient information. It is therefore encouraged that all whistle blowers provide detailed information that will facilitate efficient and effective investigation. Such information should include, but are not limited to the following:

- Nature of the incident.
- People involved.
- Date of incident.
- Place of occurrence.
- How the incident occurred.
- Any other useful information.

However, potential whistle blowers can go ahead to blow their whistles even if they do not have all the required information highlighted above.

## 1.11 Investigation and Outcome

- Once a concern has been reported (internally or through Ethics Line), the Head, Internal Audit or the recipients of the incident report will arrange to have an initial assessment carried out to determine whether the claim is credible and/or warrants further investigation. Where the claim is not made anonymously, the Fund will inform the whistle-blower of the outcome of its assessment, and the whistle-blower may be required to provide further information. In the event of an anonymous report, the person who made the allegation may be informed through the existing emails or telephone services.
- In some cases, the Fund may appoint an investigator(s) (who may be a member of staff with relevant experience, or an external investigator). The investigator(s) may make recommendations for change to enable the Fund to minimize the risk of future wrongdoings.
- For reports made through the Independent Ethics Line, if in the course of investigation, there is a need to obtain further information from the whistle-blower, the Fund will contact the Independent Ethics Line host who will subsequently request additional information from the whistle-blower. Upon receipt of this information, the Independent Ethics Line host will communicate same to the Fund;
- For reports made internally, the Fund will request additional information directly from the whistle blower.
- The Head, Internal Audit or an independent external party will be charged with the responsibility of reviewing all reported cases and initiating appropriate action (except reports against him/her which should be sent to the Chairman of the Board Audit and Risk Committee or the Executive Secretary); and
- Where an allegation or report against a Trustee or employee or other member of the Fund's staff is found to be valid, such person will be subject to disciplinary action. Such disciplinary action may include summary dismissal or other legal means necessary to protect the reputation of the Fund, members of the Board of Trustees, employees, and other stakeholders of the Fund.

## **1.12 Notification**

All Heads of Units are required to notify and communicate the existence of this Policy to all employees of their Units. New employees shall be informed of this Policy by the Human Resources Unit as part of their induction programme and a statement in this regard should be periodically submitted to the Head, Human Resources. This policy shall be available on the Fund's website as a "Read Only" document for all stakeholders to access. Regular annual whistleblowing awareness sessions will be organized to continue to sensitize employees on the benefits of using whistleblowing platforms. Additionally, the whistle blowing policy will be promoted on our key social media platforms and all stakeholders will be encouraged to read the policy from the Fund's website.

## **1.13 Time Limit for Investigation**

In line with the policy of the Fund, LSETF is committed to prompt resolution of all concerns or issues raised. Interim Report of investigations shall be completed within 14 days of commencement of the investigation subject to availability of resources. If the investigation of whistle blowing complaint was not concluded as defined above, the Head, Internal Audit shall keep the Executive Secretary and the Board Audit & Risk Committee abreast of progress.

## **1.14 Responsibility for this policy**

- The Board of Trustees has overall responsibility for this Policy, and for reviewing the effectiveness of actions taken in response to concerns reported under this policy.
- The Head, Internal Audit will be responsible for investigating all complaints of dishonest behavior, fraud or misconduct and recommending actions in line with the Fund's sanctions grid. Certain investigations will be outsourced to an external professional service firm if there is a potential conflict of interest in conducting the investigations internally or it is more appropriate to outsource.
- All reported cases which have been verified including status of ongoing investigations, outcome of closed investigations, and remedial actions taken will

be reported to the Board Audit & Risk Committee through the Head, Internal Audit.

- This Policy will be reviewed by the Board Audit and Risk Committee every 2 years and/or when there is a new regulation affecting the content of the Policy to ensure that its provisions continue to meet its objectives, the Fund's legal obligations and to reflect leading best practices of governance. All amendments to the Policy will be approved by the Board of Trustees.