

Internal reporting policy and procedures

1. Objectives

- To communicate the importance of internal reporting policies and procedures.
- To provide guidance to organisations on how to develop and implement their internal reporting policies and procedures.

2. Why is this important?

An internal reporting policy is a critical starting point for organisations to clearly demonstrate their commitment to supporting the reporting of wrongdoing by staff and properly handling such matters. This commitment should be formally adopted as an organisational policy and widely communicated to staff. It must also be ongoing and seen to be believed.

An organisation's internal reporting policy should be supported by comprehensive procedures. It is important that managers in particular – as well as the organisation's disclosures coordinator, principal officer, disclosures officers and people appointed to support internal reporters – are aware of their specific obligations in relation to reports of wrongdoing. [Guideline E2: Roles and responsibilities](#) provides further information on the roles of these key players.

Research has demonstrated the importance of organisations developing comprehensive policies, procedures and practices to ensure clarity and consistency in handling reports of wrongdoing.

The *Whistling While They Work* research¹ showed that:

- Organisations with comprehensive procedures for reporting wrongdoing were more likely to have staff who were aware of the procedures, had positive attitudes towards reporting wrongdoing, reported wrongdoing they believed to be serious, and were treated better by managers and co-workers when they did report.
- Organisations with a high proportion of staff who were aware of their organisation's policies or procedures for reporting wrongdoing were more likely to have a higher rate of wrongdoing being reported, positive staff attitudes towards reporting wrongdoing and higher staff trust that reporting will be looked on positively by management.

3. Legal and management obligations

3.1 PID Act

a) Policy and procedures

Under section 6D of the [Public Interest Disclosures Act 1994](#) (PID Act), public authorities are required to have a policy and procedures for receiving, assessing and dealing with public interest disclosures (PIDs). In formulating their policy, the public authority must have regard to the NSW Ombudsman's guidelines and the model internal reporting policies linked to this guideline.

The public authority's policy must provide that a written acknowledgement of the receipt of the disclosure – as well as a copy of the policy – be provided to an internal reporter within 45 days of their making a PID.

b) Responsibilities of heads of public authorities

Section 6E of the PID Act provides that the head of a public authority is responsible for ensuring that:

- the public authority has an internal reporting policy
- the staff of the public authority are aware of the contents of the policy and the protections under the PID Act for people who make PIDs
- the public authority complies with the policy and its obligations under the PID Act
- the policy designates at least one staff member as being responsible for receiving PIDs.

3.2 State government requirements

Under the [Premier's Memoranda 96–1](#) and the [Code of Conduct and Ethics for Public Sector Executives](#), all state government agencies must adopt an internal reporting policy to protect staff who make PIDs.

The [Model Contract of Employment for the Chief and Senior Executive Service](#) obliges chief and senior executives to ensure employees are aware of the procedures for making PIDs and of the protection provided by the PID Act. Chief executives are also required to ensure the satisfactory introduction and operation of internal reporting systems (including PIDs).

3.3 Local government requirements

The Standard Contract of Employment for [general managers](#) and [senior staff \(other than general managers\)](#) of local councils in NSW requires these officers to facilitate Council staff awareness of the procedures for making PIDs and of the protection provided by the PID Act. General managers are also required to maintain satisfactory operation of Council's reporting systems (including PIDs).

4. What does this mean for your organisation?

4.1 What to include in your policy

When developing your policy, your organisation is required by the PID Act to have regard to the NSW Ombudsman's guidelines and the model internal reporting policies for [organisations](#) and [local government](#). These model policies contain the recommended contents of an internal reporting policy, with many sections able to be used as a template and replicated.

The model policies also provide advice about where your organisation should modify the policy to suit your individual practices and needs – such as organisational structure, size and geographical dispersion.

Guidance is also provided – although no pro forma text – on what your organisation should include in the introductory sections of their policy to demonstrate the organisational commitment to internal reporting and PIDs as part of an ethical and accountable culture. Part of committing to such a culture entails working on and developing a statement of values that is meaningful and relevant to your organisation.

The statement of values should be signed by the principal officer of your organisation, signalling a commitment that is both personal and on behalf of all staff.

Your organisation should identify which positions have specific roles and responsibilities under your internal reporting policy, and reflect these in the supporting procedures and formal position statements. All organisations should nominate a disclosures coordinator to receive, assess and act as a clearing house for reports of wrongdoing. In addition, principal departments should nominate a disclosures manager whose responsibility spans all business units within the department.

While the PID Act requires organisations' internal reporting policies to include that a copy of this policy and a written acknowledgement be provided to a person reporting wrongdoing within 45 days of the report being made, organisations should acknowledge the report much sooner in practice. We recommend that organisations include a commitment in their policy to attempting to get this information to the internal reporter as soon as practicable, and preferably within two working days from the date they make their report.

Use our [Checklist: Making sure your internal reporting policy is best practice](#) to evaluate your policy and identify any areas for improvement.

4.2 Embedding your policy and procedures

Your organisation's internal reporting policies and procedures should not stand in isolation. A simple, consolidated set of procedures relating to organisational accountability, integrity and case-handling should be developed which integrate the roles and responsibilities for receiving, assessing and dealing with PIDs with related policies and systems.

This means that your organisation's internal reporting policy and procedures should be consistent with all related policies – including your code of conduct and policies relating to grievances, complaint handling, investigations, or reporting matters to investigating authorities. Cross reference and link to these documents within your policy and procedures where relevant.

An internal tracking and assessment system will help ensure that all reports – whether PIDs, grievances or other complaints – made by staff are dealt with in the most appropriate manner, and that the appropriate support and protection mechanisms are triggered for internal reporters. Keeping good records not only ensures compliance with your obligations under the [State Records Act 1998](#), it also enables your organisation to recognise a pattern or see the bigger picture where a series of reports are made.

Consulting on the policy with internal and external stakeholders – including divisions within your organisation that deal with related issues, management and unions – will encourage all parties to think through the issues and can provide constructive input to your reporting system.

4.3 Communicating your policy

Your internal reporting policy should be user-friendly and easy for all staff to understand. This is particularly important when discussing the available legislative protections for internal reporters.

The policy should also be readily available to all staff and members of the public. It is a public document under the [Government Information \(Public Access\) Act 2009](#) (GIPA Act) and should, at a minimum, be available on your organisation's website.

However, no policy will be read by staff unless it is clearly communicated to them and supported by senior management. Heads of organisations have a statutory responsibility to ensure that staff are aware of the contents of the policy and the protections under the PID Act. Develop a communication strategy for raising the awareness of staff and managers about your policy and procedures for making and receiving reports of wrongdoing.

Also consider what training your organisation will provide about your internal reporting policy, particularly for staff with specific responsibilities under the policy – such as managers and supervisors, disclosures officers, support officers, your principal officer and disclosures coordinator. Your internal reporting policy should also be discussed in induction, code of conduct or ethics training.

5. Your questions answered

What is the difference between our organisation's internal reporting policy and its supporting procedures?

Policies regulate, direct and control actions and conduct. Your organisation's internal reporting policy should provide an overarching framework for how reports of wrongdoing in your organisation – including PIDs – are to be made, assessed and dealt with. Your policy will often be the first point of call for staff who are considering reporting, and should give them the confidence that they can proceed.

Procedures tell staff how to, and who will, implement the policy. They are specific and factual. Consider tailoring your procedures to a specific audience – such as managers and supervisors, disclosures officers, support people, your principal officer and disclosures coordinator.

My organisation is a business unit within a principal department that continues to operate somewhat independently. Should we have our own internal reporting policy or can we adopt the internal reporting policy of our principal department?

This is a decision that should be made by the director general of the principal department in consultation with business units.

If your business unit requires a stand-alone policy, you may need to have your internal reporting policy signed off by the director general of the principal department as a policy of the department.

Remember that the principal officer of your business unit for the purposes of the PID Act may be your principal department's director general. If this is the case, make sure that your business unit's internal reporting policy explicitly nominates your chief executive as a person who can receive PIDs. This will ensure that any staff who report their concerns to your chief executive will still receive the protections of the PID Act.

6. Additional resources

- [Model internal reporting policy](#)
- [Model internal reporting policy \(local government\)](#)
- [Checklist: Making sure your internal reporting policy is best practice](#)
- [Guideline E2: Roles and responsibilities](#)
- [Government Information \(Public Access\) Act 2009](#)
- [Public Interest Disclosures Act 1994](#)
- [State Records Act 1998](#)
- [Premier's Memoranda 96–1](#)
- [Code of Conduct and Ethics for Public Sector Executives](#)
- [Model Contract of Employment for the Chief and Senior Executive Service](#)
- [Standard Contract of Employment for General Managers of Local Councils in New South Wales](#)
- [Standard Contract of Employment for Senior Staff \(Other Than General Managers\) of Local Councils in New South Wales](#)
- [Whistleblowing in the Australian public sector: Enhancing the theory and practice of internal witness management in public sector organisations](#)
- [Whistling while they work: A good practice guide for managing internal reporting of wrongdoing in public sector organisations](#)

7. Last updated

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8. Endnotes

- 1 Brown, AJ (ed.) 2008, *Whistleblowing in the Australian public sector: Enhancing the theory and practice of internal witness management in public sector organisations*, ANU E Press, Canberra, pp. 251–257; Roberts, P, Brown, AJ & Olsen, J 2011, *Whistling while they work: A good-practice guide for managing internal reporting of wrongdoing in public sector organisations*, ANU E Press, Canberra, pp. 27–29.

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