



INSTITUTE OF DIRECTORS
IN IRELAND

Institute of Directors in Ireland
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Whistleblower Desk
Central Bank of Ireland
P.O. Box 559
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6th June 2014

Re: Response to Consultation on the Handling of Protected Disclosures by the Central Bank of Ireland

The Institute of Directors in Ireland (IoD) welcomes the opportunity to take part in the consultation process in respect of the handling of protected disclosures by the Central Bank of Ireland. The IoD welcomes the approach being taken by the Central Bank and acknowledges the extensive considerations outlined in the consultation document which are in line with international best practice.

In this submission, the IoD wishes to offer further suggestions on the guidance that potential whistleblowers receive before making a disclosure and on the importance of the Central Bank's engagement with regulated entities in communicating details to employees of the Central Bank's whistleblowing function. The IoD is also seeking further clarification on what circumstances, if any, a protected disclosure may be withdrawn by a whistleblower.

About The Institute of Directors in Ireland

The Institute of Directors in Ireland is the representative body for over 2,000 directors and senior executives within the private and public sectors. As the leading voice in the debate on improving corporate governance standards, the Institute of Directors is dedicated to developing and improving the effectiveness and performance of directors and boards throughout Ireland.

Part of the IoD International Network

Chief Executive: Maura Quinn. Company Secretary: D Lamont
Directors: L Daniel (President), T Byrne, I Gibney, D Lamont,
HA McSharry, J Murphy, K Neary, M Somers, J Williams

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Response to consultation

1. Further guidance for those making disclosures

The IoD would recommend that further supporting guidance be made available to those wishing to make disclosures, whether independently or under obligation for relevant persons holding pre-approval controlled function roles. The guidance should clearly outline the terms of what constitutes a protected disclosure, the protections that will be afforded to whistleblowers under the Central Bank (Supervision and Enforcement) Act 2013 and the circumstances in which a disclosure may not be protected. Whistleblowers should also be informed of the steps which the Central Bank will take in handling a submission, with a clear explanation that feedback on what action, if any, taken following a submission by a whistleblower, cannot be supplied due to confidentiality obligations under Section 33 AK of the Central Bank Act 1942.

Anyone intending on making a disclosure should be fully informed of all terms and conditions before making a submission. The IoD would suggest that guidance documentation is clearly displayed on the Central Bank website, in the same area that outlines the whistleblower / protected disclosure address and contact details. The IoD would also recommend that at the initial point of contact with the whistleblower desk, those making disclosures are informed of and directed to this documentation before the process proceeds. It may also be advisable for potential whistleblowers to confirm that they fully understand the terms and conditions, before proceeding with making a disclosure.

2. Engaging with regulated entities

It is essential that the Central Bank actively engages with and encourages relevant regulated entities to share information with employees regarding the Central Bank's procedure for handling protected disclosures.

Whistleblowing is an important part of a healthy corporate culture and encourages openness and transparency. Organisations themselves need to be receptive to the procedures being put in place by the Central Bank, and should be seen to be receptive. It is critical that organisations create the appropriate culture and tone from the top to ensure that employees feel secure in voicing concerns where necessary, and that individuals are aware of the appropriate channels to direct such concerns. It is especially important that those holding relevant pre-approval controlled function roles are fully aware of their obligations to report to the Central Bank under section 18 of the Central Bank Reform Act 2010, and regulated entities themselves have a role in openly communicating this information.

While recent controversies regarding whistleblowers in Ireland have shown that a culture of intolerance towards whistleblowers prevails in many areas of society, the proper channelling and handling of protected disclosures can ultimately act a safety mechanism for organisations, protecting them from potential reputational damage.

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The IoD considers whistleblowing policy to be of critical importance for any board and organisation, especially those operating within the regulation of the Central Bank.

3. Withdrawing complaints

It is not immediately clear in the Central Bank (Supervision and Enforcement) Act 2013 or in the consultation document, under what circumstances, if any, a protected disclosure may be withdrawn by a whistleblower. The IoD would recommend that further clarification in this respect be supplied and included in the guidance documentation offered to those seeking to make a protected disclosure.

We appreciate the opportunity to present this submission and would be delighted to discuss the issues raised in greater detail or to make any further contributions as necessary.

Yours Sincerely,

A handwritten signature in blue ink that reads "Maura Quinn".

Maura Quinn
Chief Executive
Institute of Directors in Ireland

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