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WHISTLE**

How Whistleblowing helps Charities

Advantages of Transparency

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Charities unite people who care about different causes to create a positive change in the world. Whatever issue an individual is passionate about, there is undoubtedly a charity dedicated to the cause. Charities assist in various ways, but the primary ones are offering direct assistance, providing information, or spreading awareness about a particular issue. As a result, they work for the public good, relief, and support to individuals in times of need everywhere in the world. Particularly for victims of war, natural disasters, catastrophes, famine, disease, poverty, and orphans, providing food, housing, and medical assistance. As a result, charity workers and volunteers must disclose serious concerns and ethical violations concerning their organizations, especially when the trustees and top management fail to address these problems. Charities that discourage employee whistleblowers do so at their risk. If the staff are afraid to speak up about misconduct, there is a danger that a scandal may surface in the press, wreaking havoc on the organization's reputation. Leaders in the charitable sector should ensure that their organizations have in place whistleblower procedures.

Charities must have a whistleblowing policy in place since the information gained from whistleblowers can be critical in assisting them to avoid financial loss, fraud, discrimination, and ensuring ethical working conditions. Whistleblower information assists in determining whether or not the non-profit is at risk and how severe the threat is (Guardian, 2012). Without a sufficient whistleblowing system, the result will be disastrous when misconduct occurs. No institution, even those with the noblest of intentions, is immune from poor decisions or detestable conduct, which is why an actionable whistleblowing strategy is critical for reducing any harm before it spreads. Specifically, providing employees with access to a third-party whistleblowing hotline helps instil confidence in them to report any issues. They are assured that an impartial investigation would be conducted free of prejudice and office politics. Such policies should emphasize the value of whistleblowing without being

excessively legalistic, as this may intimidate employees. Given the severe consequences of failing to implement adequate whistleblowing protocols, including legal prosecution, significant fines, public relations controversy, and severe damage to reputation, charities should ensure they follow sound whistleblowing principles.

Non-profit organizations have also been under increased scrutiny in recent years due to claims of excessive remuneration, self-dealing, and poor governance. Many of these issues were brought to light due to whistleblower disclosures. Thus, whistleblowing is necessary for an ethical and transparent charity organization. It should not be considered solely as a preventative measure to ward off employee litigation. Rather than that, whistleblowing rules should address retribution as constructive whistleblowing benefits organizations by enhancing openness and providing management with an opportunity to learn about the organization's unethical behaviour. Effective whistleblowing fosters an accountability culture among all workers (volunteer or permanent), ultimately enhancing performance and empowering them. Thus, whistleblowing is ethical since it exposes wrongdoing and enables justice to be served for deeds that would have gone unnoticed. Additionally, it can foster employee honesty, which contributes to the commitment to the organization's mission. Finally, whistleblowing is critical in protecting a non-profit organization's benefactor, as it prevents the loss of funds that could have been utilized to improve their lives. Without safeguards against misconduct and fraud, a charity faces legal action, fines, and reputational damage. By managing these risks, employees may devote their attention to more critical tasks, such as meeting fundamental organizational needs and ensuring the charity's success. As a result, charities can combat fraud and save this unjustified loss of revenue by creating a whistleblower culture.

All organizations, even NGOs, are prohibited by federal law from retaliating against staff who raise concerns about their employer's financial mismanagement or fraudulent accounting practices.

Additionally, over 45 states in the United States have established legislation to shield whistleblowers from employment retribution. As a result, subscribing to an internal mechanism for handling complaints about financial practices that protect whistleblowers from retaliation will assist a charity in complying with state and federal regulations and ensuring that any problems are investigated and addressed. Additionally, establishing a whistleblower protection policy communicates to staff, trustees, and the donating public that the charitable organization is receptive to concerns or complaints about its activities, displaying its commitment to transparency and accountability. Unfortunately, despite concerted attempts to combat whistleblower harassment, the risk persists. The majority of the potential for mistreatment revolves around team attitudes. While some regard whistleblowers as valiant, others regard them as "snitches." This might result in whistleblowers being mistreated and treated unfairly by their colleagues. A sizable majority of whistleblowers resign within a year of filing their complaints, whether freely or involuntarily. To address this risk, the UK government enacted the Public Interest Disclosure Act 1998, which prohibits employers from retaliating against whistleblowers. Fortunately, the United States also has federal rules protecting whistleblowers at organizations who face reprisal for disclosing violations of tax-exempt status criteria. This is made possible by the Taxpayer First Act of 2019's whistleblower protection provision (TFA) ("Whistleblower protections for non-profit employees," n.d.). Section 1405(b) of the TFA, specifically, forbids an "employer" or "officer, employee, contractor, subcontractor, or agent" of an organization from retaliating against a whistleblower for revealing violations of IRS laws, including non-profit requirements.

In summary, most charitable organizations continue to lack a whistleblower policy. Nonetheless, it is critical to keep the overall picture in mind when deciding whether to implement a whistleblowing policy. While this can be a difficult procedure, the greater benefit of the public must always take precedence. In essence, the advantages exceed the risks, and it is the responsibility of all humanitarian

workers to be vigilant for misconduct and take appropriate action. Additionally, charity organizations have been under increased scrutiny in recent years due to claims of exorbitant remuneration, self-dealing, and poor governance. Many of these issues were brought to light due to whistleblower disclosures. Thus, as highlighted in the United Kingdom and the United States of America, government regulations have been crucial in protecting whistleblowers from retaliation and directing non-profit organizations to develop appropriate whistleblowing policies.

References

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