KPMG

Andrews Group report

Lessons learned review into handling of whistleblower disclosure

17 September 2026

Foreword

KPMG has acknowledged that we got many things wrong in relation to the conduct matters raised by a whistleblower and our response to the allegations.

Senior people in our organisation behaved in a manner that was unacceptable and not in line with our values, and when someone had the courage to raise their concerns, we did not respond as we should have, and we did not treat this individual with the respect they deserved.

We are grateful to have had an opportunity to apologise to the whistleblower on behalf of KPMG – and as two people to another.

While we cannot change what occurred, we can learn from it and take decisive action to ensure we do better in the future. We have published an Action Plan which sets out changes we are making to our governance, culture and ethics, and controls, provides an overview of the third-party reviews being undertaken, and commits to next steps, including publishing regular Action Plan updates and progress reports to hold ourselves to account.

Andrews Group review into lessons learned

One of our Action Plan commitments was to engage an external third-party to undertake a lessons learned review to assess the failings in our handling of the whistleblower and identify steps that could be taken to ensure such failings do not recur.

We commissioned Andrews Group to undertake this work, supported by Dennis Gentilin, a prominent former whistleblower and thought leader on corporate ethics.

This review is now complete. The Andrews Group report sets out a best practice whistleblower protection framework, Andrews Group's findings and identified lessons learned from the review into KPMG's handling of this whistleblower case, and recommendations to address these findings and lessons learned.

We are publishing this report in full. We are doing this to provide transparency and hold ourselves to account and in the hope that our lessons learned and the best practices identified by Andrews Group might benefit our profession and help other organisations avoid similar mistakes.

KPMG's response

The Andrews Group's report found that we adopted an overly legalistic approach, had deficiencies in our whistleblower program, failed to appropriately manage conflicts of interest, initially placed too much emphasis on workplace grievances rather than the ethical issues being raised, and failed to provide the whistleblower with appropriate safeguards or support. Ultimately, the report finds that KPMG failed to protect the whistleblower.

We accept these findings.

We also accept and will take action to address the recommendations provided by Andrews Group, as set out below. Each recommendation will be incorporated into our Action Plan, and we will continue to refine and build on these actions as we learn more from the broader program of reviews and reforms that are currently underway, with clear ownership, milestones and reporting arrangements – and with clear processes to ensure that our actions are coordinated and comprehensive. The implementation plan will remain under active review and will be refined as the detailed design work and related independent reviews progress.

Andrews Group report

	Andrews Group recommendations	KPMG response
Recommendation 1	**Review of values and principles and identify cultural drivers** KPMG Australia should use this incident as an opportunity to review its stated values and determine whether the actions, choices and behaviours that led to the detrimental outcomes for the whistleblower are consistent with, and supportive of, these values. If KPMG Australia determines that this is not the case (which is the most likely outcome), it should work to identify, understand and address the cultural drivers that supported and encouraged these actions, choices and behaviours.	KPMG has a strong set of Values that apply consistently across all KPMG member firms globally and are intended to be the foundation of everything we do. We do not believe these values need to be changed. Many thousands of our people live these values every day – and would argue that these values underpin the culture of their teams. However, our values were clearly not followed in the unethical conduct or in our response to the whistleblower. We accept that we need to reflect on the cultural drivers that enabled or led to these failings – and that improvements in parts of our culture will be necessary. We do not yet have all the answers, but as part of our Action Plan we have engaged Principia Advisory to review our cultural context and underlying norms, with a particular focus on whistleblowing and 'speaking up'. KPMG is committed to transparency and will publish the findings of the Principia review – and will move swiftly to act upon their recommendations, including by updating our Action Plan, as required.
Recommendation 2	**Appoint a Whistleblower Protection Officer** KPMG Australia should appoint a Whistleblower Protection Officer whose responsibility will be to oversee the whistleblower program (with whistleblower protection being a key mandate). The individual must be of impeccable integrity, have the required credibility and experience, and have their role instituted in a manner that promotes independence.	We accept this recommendation. We are developing a position description and internal governance arrangements to safeguard independence and will commence a recruitment process shortly to fill this role. The appointment of a Whistleblower Protection Officer will be added as a new item in our Action Plan.

Andrews Group report

	Andrews Group recommendations	KPMG response
Recommendation 3	**Establish an Integrity Office within KPMG Australia** KPMG Australia should establish an independent, in-house Integrity Office. Immediately upon being formed, the Integrity Office should take responsibility for running and overseeing the whistleblower program. Over time, the Integrity Office should be required to oversight and provide approval of significant decisions that impact the organisation so that the ethical dimensions of these decisions are properly considered.	We accept this recommendation. Work is underway to design the Integrity Office with clear governance, reporting lines and independence from client-facing work, while ensuring that we meet our regulatory obligations and align with KPMG network requirements. As part of this work, we will develop a practical implementation roadmap covering the Office's mandate, leadership, responsibilities, resourcing, milestones and reporting arrangements. The detailed role of the Integrity Office, including its relationship with the Whistleblower Protection Officer and existing ethics and professional standards functions, will be determined through this design process. The establishment of an Integrity Office will be added as a new item in our Action Plan.
Recommendation 4	**Review of whistleblower program** A review of the whistleblower program should be conducted to ensure that the elements of the whistleblower protection framework, described in Appendix 1, have been appropriately embedded into the program. A plan should be developed to address any identified gaps with the implementation of the plan being overseen by the Whistleblower Protection Officer.	We accept this recommendation. Our approach to addressing this recommendation will be informed by the Principia review referred to above. We have also engaged Mallesons to review our whistleblower policies against the Corporations Act 2001, the ASIC's Regulatory Guide 270 and Report 758, and other good practices in handling whistleblower disclosures. The updated program will be supported by firmwide awareness and training, including targeted training for partners, eligible recipients and others with responsibilities under the whistleblower program. Our Action Plan will be updated to include a specific action to publish an updated whistleblower program.

Andrews Group report

	Andrews Group recommendations	KPMG response
Recommendation 5	**Enhance and uplift the Ethics Champions Network initiative** The Ethics Champions Network initiative should be reviewed and uplifted by identifying and elevating the Partners across KPMG Australia who are exemplary role models of the organisation's values and providing these individuals with a more active role in the whistleblower program.	We accept this recommendation. Our Ethics Champions Network is a network of trained and trusted partners and employees that provide our people with an additional reporting channel for raising ethical concerns and offer advice and guidance to support ethical decision-making. We will enhance this network as part of our updated whistleblower program and ensure there are appropriate reporting lines into the Whistleblower Protection Officer and the Integrity Office. This will be incorporated into our Action Plan as part of the actions to address recommendations 2-4 above.
Recommendation 6	**Advocate for legislative reform** KPMG Australia should act as an exemplar in the industry by advocating for reform to legislation that not only provides enhanced protection for whistleblowers but also provides KPMG Australia whistleblowers with a fail-safe mechanism should they find themselves in a position where internal channels can't be relied on.	We accept this recommendation. However, we recognise that we have a lot of work to do before we could be considered an exemplar in our industry. Notwithstanding the above, we have begun contributing to reform through our July 2026 submission to Treasury's review of tax and corporate whistleblowing frameworks, which supported stronger statutory protections, including for people who raise concerns within large partnerships. We will provide the Andrews Group report to Treasury so that our failings, the lessons identified and the report's recommendations can help inform the Government's reform process. We will continue to engage openly and constructively with government, regulators, professional bodies and other stakeholders to advocate for stronger whistleblower protections.

Andrews Group report

Conclusion

We would like to thank Ray Andrews and Dennis Gentilin for the thoughtful and professional way in which they conducted this review, and for the constructive, 'full and frank' advice they have provided.

The findings in the report are difficult to read and some of the recommendations will take time to address. We will need courage to face into our failings, humility to learn from our mistakes, and commitment and resilience to drive meaningful change.

While we accept the scale of the task in front of us, we take confidence and belief from the knowledge that the vast majority of our people show up every day with dedication and integrity, in accordance with our values, to do great work for our clients.

There is a lot of work to do, but there are many good things within KPMG to build upon and many good people committed to building a better firm – for the benefit of our clients, people, stakeholders and communities.

Publishing this report and fully addressing its recommendations will be important steps on this journey.

John Sams
Chief Executive Officer, KPMG Australia

Michael Ebeid
Independent Chairman, KPMG Australia

KPMG Australia

Lessons learned review into handling of whistleblower disclosure

3 September 2026

ANDREWS GROUP

Table of Contents

1. Introduction 1
2. Approach 3
   2.1. The whistleblower protection framework 3
3. Hypotheses and lessons learned 6
   3.1. Hypothesis 1: A legalistic approach was adopted 7
   3.2. Hypothesis 2: Whistleblower program infrastructure 7
   3.3. Hypothesis 3: Conflict of interest management 8
   3.4. Hypothesis 4: Mixed nature of disclosure 9
   3.5. Hypothesis 5: Disclosure channels 10
   3.6. Hypothesis 6: Whistleblower risk management 11
   3.7. Hypothesis 7: Ongoing whistleblower support 12
4. Recommendations 13
   4.1. Recommendation 1: Review of values and principles and identify cultural drivers 13
   4.2. Recommendation 2: Appoint a Whistleblower Protection Officer 15
   4.3. Recommendation 3: Establish an Integrity Office within KPMG Australia 16
   4.4. Recommendation 4: Review of whistleblower program 17
   4.5. Recommendation 5: Enhance and uplift the Ethics Champions Network initiative 22
   4.6. Recommendation 6: Advocate for legislative reform 23
5. Conclusion 26
6. Appendix 1: Whistleblower protection framework 30
7. Appendix 2: About Andrews Group and author biographies 34

ANDREWS GROUP

1. Introduction

An organisation's whistleblower program is central to its overall integrity and conduct framework. The primary reasons for this are threefold.

First, the whistleblower program is in many cases the last line of defence. When other more formal governance arrangements fail, it is often a whistleblower who draws the organisation's attention to wrongdoing. Second, the extent to which people in the organisation are prepared to engage with and make disclosures through the program says an enormous amount about the organisation's culture, and whether people are prepared to speak up and raise concerns.

But finally, and arguably most importantly, how an organisation manages disclosures made through whistleblower channels and treats whistleblowers ultimately reveals what their values really are. Whistleblower disclosures create defining moments for organisations. How these disclosures are investigated, findings substantiated, consequences administered, and the whistleblower treated reveals how committed the organisation is to the values stated in their code of conduct, and what these values mean in practice.

Andrews Group Pty Ltd was engaged by KPMG Australia to conduct a review of how the whistleblower, whose disclosures were the focus of the hearings at the Parliamentary Joint Committee into Corporations and Financial Services meetings on 19 June and 14 August 2026, was handled. Specifically, the remit provided was to "undertake a lessons learned review to assess the failings in our handling of the whistleblower and identify steps that could be taken to ensure such failings do not recur."

In undertaking this review, we are very mindful of the benefit hindsight provides. One can no doubt aim for, but cannot necessarily expect, perfection. In the handling of any whistleblower disclosure, reviews will almost certainly find areas where an organisation could have performed better. However, the goal for any organisation should be to eliminate the number of times they "drop the ball". Doing so increases the likelihood of positive outcomes for the whistleblower and the organisation.

In addition, the scope of this review is limited to the management of disclosures made by one whistleblower. It is therefore not for us to determine whether the shortcomings we identify and the lessons derived from these shortcomings are limited to this particular case or more widespread and symbolic of systemic issues with KPMG Australia's whistleblower program. It will be left up to other reviews being commissioned by KPMG Australia to conduct the analysis required to determine whether this is the case.

This review is based on one simple premise: KPMG Australia failed to protect the whistleblower. This is indisputable. Andrews Group was not assigned with the task of identifying, determining and documenting any detriment experienced by the whistleblower. Suffice to say that when a whistleblower is required to take their concerns to a member of the federal parliament for them to be taken sufficiently seriously, the internal protections provided to the whistleblower were, to put it mildly, ineffective.

With this premise established, this Andrews Group review seeks to establish the "Why?" Specifically, what were the factors that led to the whistleblower not being appropriately or adequately protected? And by extension, what are the lessons that KPMG Australia can take

from this experience to reduce the likelihood of future whistleblowers experiencing similar outcomes?

To answer these questions, a whistleblower protection framework was developed. Although the framework is not one Andrews Group would expect an organisation to have in place as a standalone governance framework or artefact, it enables the elements of a whistleblower program that play a crucial role in protecting whistleblowers to be highlighted. By highlighting these elements and determining what better practice looks like, benchmarks are established that allow the handling of the whistleblower that was the subject of this review to be assessed.

To complete the assessment, a document review and series of interviews were conducted to understand how the whistleblower was handled by KPMG Australia. The information obtained from these sources enabled hypotheses to be generated that illustrate where KPMG Australia fell short in handling the whistleblower and providing them with adequate protection (vis-à-vis the whistleblower protection framework).

It is important to state clearly that Andrews Group does not claim that the stated hypotheses rise to the level of unequivocal findings that are true and proven. That is a matter only KPMG Australia can determine as it has access to far more information, lived experience and evidence than was available to Andrews Group. However, what Andrews Group can confirm is that the hypotheses, although not unequivocal findings, are difficult to dispute given the evidence that was available to, and reviewed by, us.

The hypotheses enabled the lessons learned to be determined. Although in some cases the lessons may, to an external observer, appear obvious, what is far more important, in Andrews Group's view, are the recommendations that emerge from the lessons learned. A total of six recommendations have been made. At what speed, how aggressively and to what standard KPMG Australia enact the recommendations, assuming KPMG Australia accepts them, will determine whether they move towards best practice whistleblower management and reduce the number of times they "drop the ball" when managing whistleblower disclosures in the future.

Finally, the scope of the review did not extend into determining who was responsible for any failings in the protection of the whistleblower. Furthermore, the review did not make inquiries into the veracity or quality of any investigations conducted into the wrongdoing alleged by the whistleblower, primarily because these investigations, at the time this review was being conducted, were ongoing. The focus was exclusively on what lessons can be drawn from the handling of the whistleblower and developing recommendations from these lessons.

The balance of this report is structured as follows. Section 2 outlines our approach and introduces the whistleblower protection framework. With reference to the whistleblower protection framework, section 3 documents the hypotheses and the lessons learned informed by these hypotheses. Section 4 provides the recommendations, highlighting the hypotheses they address. Section 5 concludes.

2. Approach

To collect the required information to complete the review, a desktop document review was completed and voluntary interviews conducted. Among others, the documents reviewed included:

- Email exchanges between the whistleblower and KPMG dating back to when the initial disclosure was made on 30 May 2024.
- Submissions to the Parliamentary Joint Committee into Corporations and Financial Services.
- Legal advice obtained by KPMG Australia on a range of matters associated with the disclosure.
- The KPMG Australia Code of Conduct.
- The KPMG Australia Whistleblower Policy.
- The KPMG Australia Conflicts of Interest Policies.
- Results of culture surveys from the Audit and Assurance business unit.

The interviews were conducted with a range of individuals who were closely associated with the disclosures made by the whistleblower and their subsequent management. These interviews were conducted in-confidence so that none of the comments made by interviewees will be attributed to any individual. This approach, in addition to providing interviewees with comfort that they could speak freely, was supportive of the objective of the review (Andrews Group was not required to determine accountability but rather to identify lessons learned).

The above exercises, despite providing rich information, still left gaps. To begin with, some individuals who were associated with and played a pivotal role in the disclosures were, for a variety of reasons, unable to be interviewed. This included the whistleblower. But in addition, there have been a multitude of discussions, meetings and decisions within KPMG Australia that relate to the handling of the whistleblower and their disclosures for which records have not been kept. Such records would have provided Andrews Group with deeper insight into KPMG Australia's mindset and attitude towards the whistleblower and their disclosures.

Therefore, although the document review and interviews provided Andrews Group with a large amount of information detailing how the whistleblower and their disclosures were handled, gaps remained. Given these gaps, rather than document findings which would need to be unequivocal, hypotheses were developed. The hypotheses documented in the report are those which Andrews Group believes the weight of evidence available to us strongly supports and therefore, despite not being proven or true, are difficult to refute.

2.1. The whistleblower protection framework

In order to establish a benchmark on what better practice whistleblower protection looks like, a whistleblower protection framework was developed. The whistleblower protection framework highlights the elements of a whistleblower program that contribute to positive outcomes for whistleblowers (or reduced likelihood of detriment). It enabled Andrews Group, by reviewing the evidence available to us, to determine where shortcomings emerged in the handling of the whistleblower that may have contributed to them not being protected.

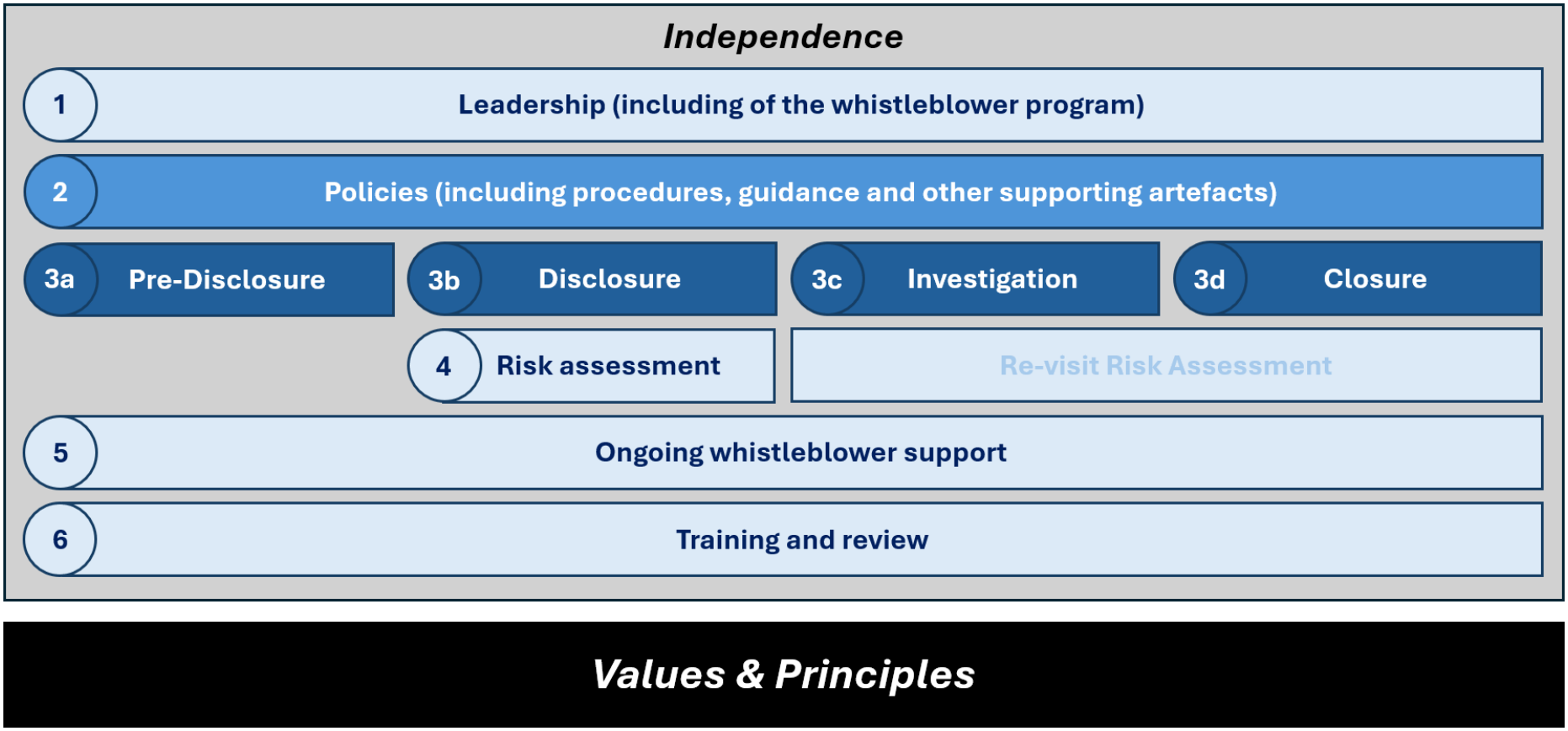
The whistleblower protection framework is illustrated in Figure 2.1. It is not intended to be a framework that organisations document and implement as a standalone governance framework or artefact. Rather, it aims to highlight which elements of a broader whistleblower program contribute to more positive outcomes for whistleblowers. Therefore, the goal for an organisation is not to implement the whistleblower protection framework per se, but to ensure that the elements of the broader whistleblower program identified in the framework are operating in a manner that promotes whistleblower protection.

A description of each element of the framework is provided in Appendix 1. At a high level, the framework can be summarised as follows:

- The framework is underpinned by an organisation's values and principles (as noted in the Introduction of this report, how successfully an organisation manages its whistleblower disclosures and protects whistleblowers reveals how committed the organisation is to its stated values and principles).
- Across all elements of the framework, independence, and the effective and prudent management of conflicts of interest, is crucial to eliminating or reducing the likelihood of inferior outcomes for whistleblowers.
- Elements 1, 4, 5 and 6 are components of a whistleblower program that, although in some cases could be considered optional, are crucial if whistleblower protection is a goal.
- Element 2 represents the policies and supporting documents that underpin the whistleblower program (which should contain details of the steps the organisation takes to protect whistleblowers).
- Elements 3a to 3d inclusive represent the whistleblower case cycle from pre-disclosure to closure of the case.

The whistleblower protection framework enabled a baseline to be developed for what organisations need to have in place to increase the likelihood of positive whistleblower outcomes. Where the evidence collected through the document review and interviews pointed to gaps against this baseline, hypotheses were developed to highlight what the potential shortcomings were that led to the whistleblower that was the subject of this review not being appropriately protected. These hypotheses, and associated lessons learned, are described in the following section.

Figure 2.1: *Whistleblower protection framework*



3. Hypotheses and lessons learned

As described in the previous section, hypotheses were developed as more evidence would have been required to generate unequivocal findings. It will be up to KPMG Australia to make the determination on whether each hypothesis is true. However, Andrews Group is confident that the weight of the evidence available to us strongly suggests that each of the stated hypotheses contributed, to varying degrees, to the failure to protect the whistleblower.

A total of seven hypotheses were generated. Each hypothesis is stated in a manner that highlights either a shortcoming or adopted approach that contributed to the whistleblower not being protected. Furthermore, it is Andrews Group view that the first three hypotheses ("A legalistic approach was adopted", "Whistleblower program infrastructure", and "Conflict of interest management") are the primary causes of the failure to protect the whistleblower.

There was one hypothesis which Andrews Group decided to omit after considerable consideration. The reason for this is that although evidence existed, more was required for us to conclude that the hypothesis had the same level of credibility as other stated hypotheses (and it was outside of the scope of this review to collect this evidence). However, given its importance, it is worthy of mention.

The hypothesis related to KPMG Australia's culture. Organisational culture, and ethical culture in particular, is a highly important determinant of not only whether whistleblowers will report wrongdoing but also whether they will experience positive outcomes. The reason for this is that culture is expressed through the mindsets, attitudes and behaviours of an organisation's people. If these mindsets, attitudes and behaviours are not supportive of whistleblowers, the outcome is much more likely to be a poor one for anyone who makes a disclosure.

Andrews Group did not conduct a review of culture nor was it in our scope to do so. Therefore, it would not be appropriate for us to provide commentary or generate hypotheses relating to culture. However, it would also be remiss of us not to reference culture, not only because of the important role it plays in determining outcomes for whistleblowers, but also because it is most likely the case that the majority, if not all, of the hypotheses we have generated are downstream of KPMG Australia's culture (that is to say, there are underlying cultural drivers of the hypotheses).

KPMG Australia is being proactive in this area. The People and Inclusion team did complete a culture review of the Audit and Assurance business in late 2025. However, as will become apparent in the recommendations (section 4.1), it will be important for KPMG Australia to develop an understanding of the cultural drivers that led to the detrimental outcome for the whistleblower that was the subject of this review. This is highly important work and crucial if KPMG Australia would like to create an environment that is supportive of whistleblowers in the future.

The following sections describe each hypothesis including:

- the elements of the whistleblower protection framework they relate to; and
- the rationale for the hypothesis.

3.1. Hypothesis 1: A legalistic approach was adopted

Hypothesis stated in full	Related elements in whistleblower protection framework
KPMG Australia adopted a legalistic approach to address issues that were questions of ethics and professional standards rather than questions of law.	• *Values and principles* • *Element 1: Leadership (including of the whistleblower program)*

The disclosures made by the whistleblower required KPMG Australia to make determinations on a range of matters. This included whether the whistleblower should be considered to be a "whistleblower" or whether the wrongdoing alleged in the disclosures was sufficiently egregious for it to deserve the imposition of sanctions or consequences. For the most part, these matters required greater ethical rather than legal deliberation. That is to say, the questions of law associated with the majority of these matters were relatively straightforward. What was far more complex was determining where the ethical and professional boundaries should be drawn.

To be sure, it is imperative that organisations consider the questions of law when making decisions ("What must we do?"). However, despite being related, they are very distinct from questions of ethics ("What should we do?"). It is the foundation of the whistleblower protection framework, an organisation's values and principles, that should be relied on for guidance when navigating decisions with an ethical dimension. It appears that KPMG Australia lost sight of this when determining how to manage the whistleblower and their disclosures. Rather, they were primarily guided by the law rather than their values and principles.

Lesson Learned: *Values and principles are the bedrock upon which all aspects of an organisation, including the whistleblower program, reside. When an organisation loses sight of its values and principles and views decisions with ethical import through a legal lens, it may fulfill its legal duties ("What must we do?") but may fail to meet its ethical duties ("What should we do?"). Such failures reveal, to an organisation's stakeholders, the ethical and professional standards by which they wish to be judged.*

3.2. Hypothesis 2: Whistleblower program infrastructure

Hypothesis stated in full	Related elements in whistleblower protection framework
The disclosures were highly complex and KPMG Australia's whistleblower infrastructure (processes and people) was not sufficiently mature, resourced or capable to manage them appropriately.	• *Element 1: Leadership (including of the whistleblower program)* • *Element 2: Policies (including procedures, guidance and other supporting artefacts)* • *Element 3a: Pre-disclosure* • *Element 3b: Disclosure* • *Element 3c: Investigation* • *Element 4: Risk assessment* • *Element 5: Ongoing whistleblower support*

The disclosures made by the whistleblower were highly complex. The attributes of the disclosures that made them complex included:

- The majority (if not all) of the allegations contained in the disclosures were of a nature that required KPMG Australia to reflect more heavily on their ethical duties rather than their legal obligations (Hypothesis 1: A legalistic approach was adopted).
- The wrongdoing alleged in the disclosures involved, in a variety of ways, individuals at the highest level of the organisation, making the management of conflicts of interest far more challenging (Hypothesis 3: Conflict of interest management).
- The disclosures contained a range of allegations, some of which pointed to public interest wrongdoing while others related to personal work-related grievances (Hypothesis 4: Mixed nature of the disclosures).

Managing whistleblower disclosures that provide this level of complexity requires:

(a) a program that has highly mature processes (especially around how disclosures are received, conflicts of interests managed, investigations conducted and whistleblowers supported); and

(b) resources (people) who are both dedicated to the effective resolution of disclosures (rather than it being part of their business-as-usual role) and sufficiently capable (that is, experienced in managing complex whistleblower matters).

The whistleblower program at KPMG Australia did not have well established and mature processes. Furthermore, the nature of the disclosures required that the people charged with its management had sufficient capacity (that is, they were not juggling competing priorities associated with their business-as-usual roles) and experience (in managing complex whistleblower matters). This was not the case. Collectively, this made it challenging for KPMG Australia to manage the whistleblower and their disclosures in a manner that would meet the standards prescribed in the whistleblower protection framework.

Lesson Learned: *KPMG Australia needs to invest in its whistleblower program in order to uplift:*

(a) the maturity of processes associated with the program, especially those associated with receiving disclosures, managing conflicts, conducting investigations and supporting whistleblowers.

(b) the resourcing dedicated to the program; and

(c) the capability and experience of those overseeing and managing the program.

3.3. Hypothesis 3: Conflict of interest management

Hypothesis stated in full	Related elements in whistleblower protection framework
Given that the wrongdoing associated with the disclosures involved individuals at the highest level of the organisation, the conflicts of interest were significant and poorly managed.	• *Independence* • *Element 1: Leadership (including of the whistleblower program)* • *Element 2: Policies (including procedures, guidance and other supporting artefacts)* • *Element 3b: Disclosure* • *Element 3c: Investigation* • *Element 5: Ongoing whistleblower support*

Inadequately managed conflicts of interest will invariably result in adverse outcomes for whistleblowers (hence why independence is central to the whistleblower protection framework

and underpins all other elements). In the evidence reviewed by Andrews Group, it was apparent that the conflicts of interest associated with the disclosures that were the subject of this review were widespread and significant. The primary reason for this is that some of the alleged wrongdoing disclosed by the whistleblower directly involved some of the most senior people in the organisation.

In the handling of the whistleblower and their disclosures, the conflicts of interest manifested in a range of areas. This included in how disclosures were received (Hypothesis 5), ongoing support to the whistleblower provided (Hypothesis 7), and investigations overseen and managed. With reference to the latter, it is difficult to see how the actual and perceived conflicts of interest associated with any investigation commissioned and overseen by KPMG Australia could have been effectively managed.

As part of the review, Andrews Group requested to be provided with a copy of KPMG Australia's Conflict of Interest Policy and any conflict of interest plan that was developed as part of the management of the whistleblower and their disclosures. Copies of the former were provided but they did not contain details of how conflicts of interest associated with internal investigations or the management of whistleblower disclosures should be managed. No conflict of interest plan was developed as part of managing the disclosures made by the whistleblower that was the subject of this review.

Lesson Learned: *Conflicts of interest are pernicious and cannot be managed simply through awareness and trusting people to "do the right thing". They are best managed by creating arrangements that remove them so that independence is preserved. If this is not possible, they must be identified and have appropriate mitigants put in place. Failing to do so can not only significantly compromise how whistleblower disclosures are managed but, ultimately, outcomes for whistleblowers.*

3.4. Hypothesis 4: Mixed nature of disclosures

Hypothesis stated in full	Related elements in whistleblower protection framework
The disclosures made by the whistleblower contained a mixture of personal workplace grievances and public interest wrongdoing and for an extended period, KPMG Australia placed too much emphasis on the former and downplayed the latter.	• *Element 3b: Disclosure* • *Element 3c: Investigation* • *Element 4: Risk assessment* • *Element 5: Ongoing whistleblower support*

The *Corporations Act 2001* (Cth) draws a distinction between two types of wrongdoing that are associated with disclosures made by whistleblowers. These are:

(a) Wrongdoing that breaches legislative and/or regulatory provisions or represents a danger to the public or the financial system (for ease of expression, "public interest wrongdoing").

(b) Wrongdoing that is not captured by (a) above, does not have significant implications for the entity to which it relates to, and impacts the whistleblower personally (for ease of expression, "personal workplace grievances").

Research has shown that when whistleblowers make disclosures that include both public interest wrongdoing and personal work-related grievances (as was the case in the disclosures that were the subject of this review), there is a higher likelihood that they will experience detriment and that their concerns will not be appropriately addressed. There are a number of reasons that have been proposed for this outcome, a prominent one being that the organisation to which the disclosures relate typecast the whistleblower and make incorrect assumptions about their motivations. This can lead to the whistleblower's concerns not being taken seriously, the investigation being compromised, and insufficient support being provided to the whistleblower.

The evidence reviewed by Andrews Group suggests that this was a contributing factor to the detrimental outcomes experienced by the whistleblower that was the subject of this review. It appears that, due to the mixed nature of their disclosures, assumptions were made about the whistleblower's motivations. This potentially led to the whistleblower, and their public interest disclosures, not being treated with the required level of respect and seriousness.

Lesson Learned: *Mixed whistleblower disclosures, which are common, are more susceptible to mishandling. They can result in inferences being made on the whistleblower's motives leading to their concerns not being treated with the required level of seriousness. Such assumptions can compromise the quality of subsequent investigations and increase the likelihood of the whistleblower experiencing detriment.*

3.5. Hypothesis 5: Disclosure channels

Hypothesis stated in full	Related elements in whistleblower protection framework
The channels available to the whistleblower to make their public interest disclosures did not provide them with comfort that there were the necessary safeguards in place to provide confidentiality and protect them from any potential detriment.	• *Independence* • *Element 3a: Pre-disclosure* • *Element 3b: Disclosure*

In their communication with KPMG Australia and KPMG International, there was significant reluctance on behalf of the whistleblower to share the details associated with their public interest disclosures. The whistleblower had documented some or all of the details associated with these disclosures, as evidenced by the documents retrieved through the search of devices conducted by KPMG Australia (Andrews Group was not able to determine how advanced these documents were in their drafting). However, despite KPMG Australia encouraging the whistleblower to share these details, they could not be convinced to do so.

The findings emerging from research that has inquired into why whistleblowers choose not to make disclosures can be crudely summarised as follows: "fear and futility". From the evidence available to Andrews Group, this summary seems to aptly summarise why the whistleblower was reluctant to share the details of their public interest disclosures: they appeared to fear retaliation given the seniority of the individuals who were involved in the wrongdoing alleged in their disclosures and were concerned that a proper, thorough and comprehensive investigation would not be conducted due to the significant conflicts of interest.

Further to the above, and related to Hypothesis 2, the evidence reviewed by Andrews Group also appears to suggest that senior leaders within KPMG Australia who were recipients of the early disclosures made by the whistleblower were not equipped to appropriately handle them. This did not appear to be due to a lack of will or care by these individuals, but rather due to their experience (for some, it was the first time they had been a recipient of a disclosure of this nature), knowledge (training had not been provided to these individuals on how to handle complex whistleblower disclosures) and positions (given they were associated with or knew the individuals involved in the wrongdoing alleged in the disclosures, they were conflicted).

Lesson Learned: *The pre-disclosure and disclosure phases of the whistleblower cycle are critical as they provide whistleblowers with the confidence to come forward. Among other things, they must provide the whistleblower with comfort and assurance that the organisation will take all appropriate steps to protect their anonymity, shield them from any harm or detriment, and treat their concerns with the necessary level of seriousness.*

3.6. Hypothesis 6: Whistleblower risk management

Hypothesis stated in full	Related elements in whistleblower protection framework
KPMG Australia viewed the whistleblower, and the content of their disclosures as a risk to the organisation. Conversely, the risks to the whistleblower were at no stage provided with serious consideration.	• *Element 4: Risk assessment*

For a range of reasons, some of which have been discussed in previous sections (for example, Hypotheses 1, 3 and 4), the whistleblower's concerns were not treated with the required level of seriousness by KPMG Australia (acknowledging that our review did identify that some individuals were treating the disclosures with greater gravity than others). Furthermore, rather than considering the risks to the whistleblower (which as we outline below, appeared to be significant), KPMG Australia seemingly focused primarily (or perhaps exclusively) on the risks posed to the organisation by the whistleblower and their disclosures.

The disclosures that were the subject of this review contained all the hallmarks of disclosures where the whistleblower faced elevated risks and would require significant support and protection. There were at least two telling signs that leads to this conclusion. They were:

(a) The wrongdoing alleged by the whistleblower would only have been known by a small group of people (creating a significant likelihood of their anonymity being compromised).
(b) The individuals involved in the alleged wrongdoing included some of the most senior leaders in the organisation (significant power asymmetry and conflicts of interest).

The risks to the whistleblower were not properly identified, considered or mitigated, an omission that undoubtedly would have increased the likelihood of them not being protected.

Lesson Learned: *Although it is appropriate to consider the risks to the organisation created by a disclosure, if whistleblower protection is an objective, the risks to the whistleblower must also be considered with the same level of seriousness and plans put in place to mitigate these risks.*

3.7. Hypothesis 7: Ongoing whistleblower support

Hypothesis stated in full	Related elements in whistleblower protection framework
The ongoing support provided to the whistleblower was inadequate as a legalistic approach was adopted and the whistleblower was routinely dealing with individuals who were either not sufficiently experienced in providing ongoing support to whistleblowers or conflicted.	• *Independence* • *Element 4: Risk assessment* • *Element 5: Ongoing whistleblower support*

Evidence reviewed by Andrews Group did suggest that, as part of the ongoing support provided to the whistleblower, efforts were made by individuals within KPMG Australia to protect the whistleblower from experiencing detriment. It is our view that these efforts were genuine and demonstrated an understanding of the potential for harm to the whistleblower. However, given the events that have transpired, it would be easy to draw the conclusion, with the benefit of hindsight, that these efforts were inadequate. Necessarily, this begs the question: If genuine efforts were made to protect the whistleblower, why did they fail?

Although it is difficult to provide a definitive answer to this question, Andrews Group believes that there are potentially three reasons why attempts to protect the whistleblower failed, all linked to previously stated hypotheses. They are:

(a) The protections available to the whistleblower were more so dictated by what KPMG Australia's obligations were under the law rather than what KPMG Australia's ethical duties were as a professional services firm (Hypothesis 1: A legalistic approach was adopted).

(b) The individuals who were primarily responsible for managing the whistleblower disclosures and communicating with the whistleblower had insufficient experience in handling highly complex whistleblower disclosures (Hypothesis 2: Whistleblower program infrastructure).

(c) The individuals who were providing direction or making decisions on the handling of the whistleblower and their disclosures were not sufficiently independent given they were involved in (or associated with individuals who were involved in) the wrongdoing alleged in the disclosures (Hypothesis 3: Conflict of interest management).

The result was that the ongoing support, rather than being human centred, appeared to be adversarial and did not prioritise the whistleblower's wellbeing.

> ***Lesson Learned:*** *Ongoing support for whistleblowers must be human centred and prioritise the whistleblower's wellbeing. To achieve this, the provision of ongoing support must be rooted in the organisation's values and principles and be delivered by individuals who are suitably qualified, experienced and independent.*

4. Recommendations

The recommendations made below flow naturally from the hypotheses and lessons learned detailed in the previous section. In making these recommendations, we reiterate a point made in the Introduction: this review only considered disclosures made by one whistleblower and the hypotheses, although difficult to refute, are not unequivocal findings. It will be up to KPMG Australia to determine the legitimacy of the lessons learned and by extension, whether they adopt the recommendations.

Notwithstanding the above, Andrews Group is of the strong view that each recommendation presented in this section has considerable merit. Even if the lessons learned identified as part of this review do not have broad application, the recommendations should be given serious consideration as they will promote better practice whistleblower management. In the following sections, a description of what is required under each recommendation is provided including details of which hypotheses the recommendations relate to.

4.1. Recommendation 1: Review of values and principles and identify cultural drivers

Recommendation details
KPMG Australia should use this incident as an opportunity to review its stated values and determine whether the actions, choices and behaviours that led to the detrimental outcomes for the whistleblower are consistent with, and supportive of, these values. If KPMG Australia determines that this is not the case (which is the most likely outcome), it should work to identify, understand and address the cultural drivers that supported and encouraged these actions, choices and behaviours.
Linked hypotheses
• *Hypothesis 1: A legalistic approach was adopted*

Like all organisations, KPMG Australia has identified and documented its values. Although Andrews Group did not review the approach taken by KPMG Australia to determine its values, our experience tells us that done properly this is not an insignificant exercise. Despite the significant effort required to identify values, it is also the case that value statements can easily lose their meaning and appear rather generic. To illustrate, it is noteworthy that each of the Big Four Audit firms have "integrity" as a value in some form or another in their values statements.

Andrews Group also acknowledges that there is substantial documentation that supports KPMG Australia's values. To illustrate, the KPMG Australia Quality and Risk Management Manual contains detailed information on behavioural expectations, outlining how personnel should comply with fundamental principles such as "Integrity", "Objectivity", "Confidentiality", "Professional competence and due care", and "Professional behaviour". Furthermore, KPMG Australia has developed an ethical decision making framework that aims to "strengthen KPMG's ethical culture and to support better decision making".

However, as explained in the Introduction, it is during defining moments that an organisation's commitment to its values is tested. Responding to whistleblower disclosures provides such moments. How an organisation manages disclosures, and the outcomes for whistleblowers who make them, is revealing of what an organisation really values. As per Hypothesis 1, in managing the disclosures that were the subject of this review, KPMG Australia lost sight of its values and failed to apply them when making decisions with ethical import.

Based on the evidence reviewed, it would be inappropriate for Andrews Group to draw conclusions on KPMG Australia's values. However, what we recommend is that as part of their broader response to this matter, KPMG Australia reflects on:

(a) the decisions, actions and choices that led to the failure to protect the whistleblower (some of which are informed by the hypotheses);
(b) how, or whether, these decisions, actions and choices support the documented values; and
(c) what needs to change (the organisation's values or the identified decisions, actions and choices).

It is Andrews Group's expectation that after KPMG Australia completes the above exercise, dissonance will be identified between their values and the decisions, actions and choices that led to the adverse outcome for the whistleblower. Furthermore, it is more likely that it will be the latter that need to be addressed. Should this be the case, the far more important work will then be to identify and address the underlying cultural drivers that led to these decisions, actions and choices.

There are a myriad of potential cultural drivers. Some of them might be challenging for KPMG Australia to accept and even more challenging to address: did senior leaders, through the behaviours they role modelled, send a message that KPMG Australia's values were negotiable? Was profit prioritised over principles? Was speaking up on certain topics, especially those that impacted senior leaders, forbidden or discouraged?

The above have been posed as questions as it would be inappropriate for Andrews Group to speculate or form any judgments given we have not undertaken the required analysis (it was not within the scope of this review to do so). However, in the short term, it should be a key focus for KPMG Australia, through the various reviews it is commissioning, to:

(a) identify the underlying cultural drivers that are the proximate cause of the whistleblower not being protected;
(b) determine whether these cultural drivers are systemic or confined to this particular disclosure; and
(c) appropriately address and remedy the identified cultural drivers.

With reference to (b) above, Andrews Group reiterates that our scope was limited to reviewing the handling of one specific whistleblower matter. It is not possible for us to determine whether the hypotheses and associated lessons learned have broader application. However, even if the cultural drivers are isolated, Andrews Group cannot overstate the importance of identifying and addressing these drivers.

4.2. Recommendation 2: Appoint a Whistleblower Protection Officer

Recommendation details
KPMG Australia should appoint a Whistleblower Protection Officer whose responsibility will be to oversee the whistleblower program (with whistleblower protection being a key mandate). The individual must be of impeccable integrity, have the required credibility and experience, and have their role instituted in a manner that promotes independence.
Linked hypotheses
• *Hypothesis 1: A legalistic approach was adopted* • *Hypothesis 2: Whistleblower program infrastructure* • *Hypothesis 3: Conflict of interest management* • *Hypothesis 6: Whistleblower risk management* • *Hypothesis 7: Ongoing whistleblower support*

To bolster the independence, credibility and oversight of the whistleblower program, KPMG Australia should appoint a Whistleblower Protection Officer. The primary mandate of the Whistleblower Protection Officer will be to encourage legitimate whistleblowing and protect whistleblowers. To achieve this, the Whistleblower Protection Officer will have full accountability of the whistleblower program and ensure that the elements of the whistleblower protection framework, described in Appendix 1, are embedded in the program.

To be effective, the Whistleblower Protection Officer must be an individual of unquestionable integrity and have deep experience in matters relating to corporate governance, culture, and conduct, accumulated over many years. They must also bring a human-centred approach to leadership and people management, something that will be crucial given that whistleblower protection, and ongoing support of whistleblowers, will be a core component of their role.

If the Whistleblower Protection Officer is to achieve their mandate (encouraging legitimate whistleblowing and protecting whistleblowers), safeguarding their independence as much as possible will be critical. To achieve this, the following types of measures should be considered:

- Requiring that the Whistleblower Protection Officer has very little (preferably no) history or association with KPMG Australia and its current directors and executive.
- Having the Whistleblower Protection Officer report directly to the independent Chair, with management reporting lines only instituted if there are regulatory requirements to do so.
- Instituting fixed terms of three to five years for the Whistleblower Protection Officer with no opportunity for renewal.
- A remuneration arrangement for the Whistleblower Protection Officer that comprises solely of a fixed base salary with no access to profit sharing or other variable incentive schemes.
- If required due to extreme circumstances (for example, serious conduct issues), termination of the Whistleblower Protection Officer to only be effected by the independent Chair.
- The Whistleblower Protection Officer being provided with the required resources to effectively fulfill their mandate (be they internal resources or procured from external third parties).

With reference to the latter, KPMG Australia should establish an Integrity Office which (among other things) houses the Whistleblower Protection Officer and any staff supporting them, as described under Recommendation 3 (section 4.3). Furthermore, the appointment of the Whistleblower Protection Officer should be prioritised by KPMG Australia so that they can oversee the implementation of the Integrity Office and other recommendations in this report that will be critical to enabling them to achieve their mandate (primarily Recommendations 3 and 4).

4.3. Recommendation 3: Establish an Integrity Office within KPMG Australia

Recommendation details
KPMG Australia should establish an independent, in-house Integrity Office. Immediately upon being formed, the Integrity Office should take responsibility for running and overseeing the whistleblower program. Over time, the Integrity Office should be required to oversight and provide approval of significant decisions that impact the organisation so that the ethical dimensions of these decisions are properly considered.
Linked hypotheses
• *Hypothesis 1: A legalistic approach was adopted* • *Hypothesis 2: Whistleblower program infrastructure* • *Hypothesis 3: Conflict of interest management* • *Hypothesis 6: Whistleblower risk management* • *Hypothesis 7: Ongoing whistleblower support*

The KPMG Australia Integrity Office will have two primary functions. Its first and inaugural function will be to house the Whistleblower Protection Officer and the staff required to support them in their role.

As the whistleblower protection framework demonstrates, if the Whistleblower Protection Officer is to achieve their core mandate of encouraging legitimate whistleblowing and protecting whistleblowers, there will be numerous responsibilities associated with their role. At the whistleblower program level, these responsibilities include:

- Reviewing and (as required) updating the whistleblower policy (refer section 4.4.1).
- Providing oversight of and at times facilitating pre-disclosure activities (refer section 4.4.2).
- Ensuring disclosure channels are independent and operating effectively (refer section 4.4.3).
- Providing oversight of the quality and effectiveness of training associated with the whistleblower program (refer section 4.4.7).
- Completing sufficiently regular reviews of the whistleblower program.
- Reporting on whistleblower matters to the KPMG Australia Board.

Meanwhile, for each whistleblower case, the Whistleblower Protection Officer will be responsible for:

- Managing, overseeing and at times conducting investigations (refer section 4.4.4)
- Conducting whistleblower risk assessments (refer section 4.4.5).
- Providing ongoing support to whistleblowers (refer section 4.4.6).

The above work will require the establishment of a team within the Integrity Office that reports directly to the Whistleblower Protection Officer. This arrangement will aid in safeguarding the independence of the team and reducing the likelihood of undue influence. It will be the case that for some whistleblower disclosures, where the conflicts of interest are significant and the stakes are high, the Whistleblower Protection Officer will need to engage external support to appropriately manage the disclosure. However, for most disclosures, suitably qualified, experienced and independent individuals within the Integrity Office will be able to provide the Whistleblower Protection Officer with the required support.

The second function of the Integrity Office will be to act as the guardian of KPMG Australia's values, ensuring they are given sufficient prominence and consideration when decisions with ethical import are being considered. In some specific instances, this might mean the Integrity Office is provided with the authority to veto decisions. Initially, this would apply to decisions associated with the management of whistleblower disclosures. However, over time, consideration should be given to extending this to other decisions that have the potential to impact on the ethical and professional standards within KPMG Australia (for example, decisions associated with internal investigations, consequence management, senior appointments and profit distributions).

To be effective, the Integrity Office must be a fiercely independent function within KPMG Australia. This in effect would require that the Whistleblower Protection Officer, or someone of similar integrity, experience and stature, be appointed to lead the Integrity Office. The measures described in Recommendation 2, that aim to preserve the independence of the Whistleblower Protection Officer, equally apply to the leader of the Integrity Office (namely arrangements around reporting lines, remuneration, tenor of appointment, termination and historical ties with KPMG Australia). Furthermore, they must be provided with the required authority and power within KPMG Australia so that they have the ability to appropriately influence designated decisions.

But beyond this, to properly safeguard the independence of the Integrity Office and ensure any matters it brings to the attention of the Board are provided with the necessary focus (including matters associated with whistleblower disclosures), it is critical that KPMG Australia institute sufficient independence on its Board. During the review, there was evidence suggesting that the independent members of the KPMG Australia Board did not have the necessary authority or weight of numbers to appropriately influence the KPMG Australia partnership. Andrews Group did provide consideration to making the institution of greater independence on the KPMG Australia Board a separate recommendation. However, we note that this is a core component of KPMG Australia's overall action plan.

4.4. Recommendation 4: Review of whistleblower program

Recommendation details
A review of the whistleblower program should be conducted to ensure that the elements of the whistleblower protection framework, described in Appendix 1, have been appropriately embedded into the program. A plan should be developed to address any identified gaps with the implementation of the plan being overseen by the Whistleblower Protection Officer.

Linked hypotheses
• *Hypothesis 2: Whistleblower program infrastructure* • *Hypothesis 5: Disclosure channels* • *Hypothesis 6: Whistleblower risk management* • *Hypothesis 7: Ongoing whistleblower support*

As part of its broader action plan, KPMG Australia has commissioned a review of its whistleblower program. The review should be comprehensive and as part of it consider whether the elements of the whistleblower protection framework, described in Appendix 1, are embedded into the program. Where gaps are identified, an action plan should be developed to address these, with the implementation of the plan overseen by the Whistleblower Protection Officer.

The following sections highlight, with reference to selected elements of the whistleblower protection framework, what types of matters the review should consider.

4.4.1. Element 2: Policies (including procedures, guidance and other supporting artefacts)

The existing whistleblower policy reviewed by Andrews Group contained little information on whistleblower protection. At a minimum, a whistleblower policy should provide information to potential whistleblowers on the steps KPMG Australia will take and the arrangements that are in place to protect a whistleblower's anonymity and minimise the likelihood of them experiencing harm or detriment (or at least, point those considering becoming whistleblowers to a document containing this information). In addition, should someone considering making a disclosure want more information, the policy should provide details of who to contact.

Furthermore, the whistleblower policy will need to provide greater clarity on:

(a) how (that is, through which channels) a whistleblower can make a disclosure; and

(b) when someone raising a concern in KPMG Australia is considered to be a "whistleblower" and is therefore afforded the protections that will be detailed in the policy.

With reference to (a), it became apparent in the evidence reviewed by Andrews Group that there are several channels through which disclosures can be made (an issue discussed in section 4.4.3). With reference to (b), there is also insufficient clarity within the whistleblower policy (and within KPMG Australia generally) on when someone making a disclosure is classed as a whistleblower.

This latter issue arose for the whistleblower that was the subject of this review. It is Andrews Group belief that the primary reason for this was that a legalistic approach was adopted to determine their status (Hypothesis 1). However, should such an approach be applied to all individuals making disclosures within KPMG Australia, it would effectively mean that in the vast majority of cases, nobody would technically be classified as a whistleblower. This is far from a plausible or desirable outcome.

4.4.2. Element 3a: Pre-disclosure

The pre-disclosure phase is an often overlooked but important element of the whistleblower cycle. It targets those who are aware of potential wrongdoing and are considering making a

disclosure. The objective in this phase is to ensure that these individuals are fully informed (for example, how to make a disclosure, what to expect after they have made a disclosure and how they will be protected), and to encourage them to engage with the whistleblower program. It is a phase that will be crucial for KPMG Australia to focus on over the coming months with the heightened attention on the whistleblower program and potential reluctance to engage with it.

Some of the channels through which pre-disclosure activities are conducted form part of the whistleblower protection framework, namely elements 2 (policies) and 6 (training). However, there are numerous channels through which pre-disclosure activities can be conducted. For example, well designed and executed communication campaigns or events that showcase the whistleblower program and the benefits of whistleblowing can encourage those considering making a disclosure to come forward. The review of the whistleblower program should satisfy itself that, given the current context, there are sufficient pre-disclosure activities in place and make recommendations to enhance them if this is not the case.

4.4.3. Element 3b: Disclosure

As outlined in section 3.5 (Hypothesis 5), the whistleblower that was the subject of this review expressed concern in their communication with KPMG about the efficacy of the pathways through which they could make a disclosure. Aside from making the disclosure directly to management in KPMG Australia, the only other available channel was the KPMG whistleblower hotline which is managed and administered by KPMG International. Andrews Group's understanding is that this hotline is essentially a mailbox that collects the information associated with the disclosure and then passes it on to the relevant member firm.

Consistent with this characterisation, one of the concerns raised by the whistleblower seemed to be that should their disclosure have been made through the hotline managed and administered by KPMG International, there was insufficient independence as it would simply be relayed back to management within KPMG Australia. Given the seniority of the people who were either involved in or associated with the alleged wrongdoing contained in their disclosure, the whistleblower appeared to be concerned that this arrangement would do little to increase the likelihood of their anonymity being protected or their concerns being taken seriously.

Assuming the selected disclosure channels are effective, the appointment of the Whistleblower Protection Officer with the independence safeguards described in section 4.2 should theoretically aid in addressing this issue. If, after they have been made, all disclosures relating to KPMG Australia are routed through to the Whistleblower Protection Officer, they can protect the confidentiality of the disclosure, take accountability for identifying conflicts of interest (and developing appropriate mitigation plans), complete a whistleblower risk assessment, determine how best to complete the investigation, and take charge of ongoing communication with, and support of, the whistleblower.

Suffice to say, for the above to play out, there is a requirement that the disclosure channels are effective and fit for purpose. As part of the broader review of the whistleblower program, KPMG Australia will need to satisfy itself that this is the case. This requires that (among other things) the disclosure channels set high standards with regard to confidentiality, collect the required information from the whistleblower (information that will enable the Whistleblower Protection Officer to conduct initial assessments on both the alleged wrongdoing and the risks to the

whistleblower), and provide the required information to the whistleblower (including the steps that will be taken to protect them).

Andrews Group also suggests that the review consider whether the channels through which disclosures can be made should be rationalised. At present, our understanding is that disclosures can be made through numerous channels, some of which may present risks as the individuals receiving the disclosures may not be in a position to handle them effectively (Hypothesis 2). If those deemed to be eligible recipients of whistleblower disclosures do not have the required knowledge and skill, errors can be made at this early stage of the whistleblower case cycle which could result in detrimental outcomes for whistleblowers.

4.4.4. Element 3c: Investigation

As Andrews Group progressed its review, it became clear that there were shortcomings associated with the early investigations conducted into the wrongdoing alleged by the whistleblower. There could have been a range of factors that led to this outcome. For example, individuals conducting or overseeing the investigations may have been conflicted (Hypothesis 3); KPMG Australia may not have taken some of the claims made by the whistleblower sufficiently seriously (Hypothesis 4); and/or there were flaws in how the investigations were scoped and/or conducted (something that Andrews Group did not inquire into as it was outside the scope of our review).

Whatever the case, when investigations are compromised, whistleblowers are at far greater risk of experiencing detriment or harm, especially when legitimate wrongdoing is not substantiated and the perpetrators remain employed at the organisation. Therefore, ensuring a thorough investigation is undertaken that provides procedural justice for all parties involved in the wrongdoing alleged in the disclosure is imperative. This of course requires that the whistleblowers claims are treated on their merits, conflicts of interest are managed, and the investigation is appropriately scoped and conducted by people with the required experience, capability and independence.

As part of the broader whistleblower program review, inquiries should be made into whether the arrangements that are in place to conduct investigations associated with whistleblower disclosures are robust, independent and documented. Once again, assuming their independence can be appropriately safeguarded, the appointment of the Whistleblower Protection Officer (and the establishment of the Integrity Office) will play an important role in addressing any identified gaps. As part of their mandate, the Whistleblower Protection Officer should oversee all investigations associated with whistleblower disclosures, ensuring they are appropriately scoped and completed by individuals who are independent and sufficiently experienced.

4.4.5. Element 4: Risk assessment

It is Andrews Group's understanding that whistleblower risk assessments have not been a feature of the KPMG Australia whistleblower program. If protection of whistleblowers is a goal, this must change. Whistleblower risk assessments do not need to be laborious exercises. But at a minimum, as soon as a disclosure is received, steps should be taken to assess the likelihood of a whistleblower experiencing detriment. This should consider such factors as the complexity of the disclosure, whether it will be possible to protect the whistleblower's anonymity, and if

their anonymity is compromised, the likelihood of the whistleblower experiencing harm or detriment.

4.4.6. Element 5: Ongoing whistleblower support

Across whistleblowers, the level of support an organisation is required to provide can vary substantially. In some cases, where anonymity can be guaranteed and the whistleblower is sufficiently distanced from the conduct their disclosure relates to, the level of support required might be minimal. In other cases, where risks to the whistleblower are elevated, the level of support required can be substantial.

It should also be acknowledged that there are limits to how much an organisation can protect a whistleblower. To begin with, whistleblowing, especially of the sort that exposes large, high profile scandals, invariably comes with some form of detriment. This is a harsh reality. Even the most advanced, sophisticated whistleblower program can't avoid this. Furthermore, an organisation may not be in a position to provide the support a whistleblower requires (for example, it would not be appropriate for an organisation to provide a whistleblower with personal legal advice).

But even after allowing for these limits, the review of the whistleblower program being undertaken by KPMG Australia should assess whether the program provides whistleblowers with the protection and ongoing support they deserve and require. At a minimum this would include protection from retaliation (be it of the more overt forms like bullying or termination or the more subtle forms like decreased responsibilities or impaired performance reviews) and appropriate support for their wellbeing. Where limits are reached on the level of support that can be provided by KPMG Australia, this should be acknowledged and the whistleblower informed on how assistance outside the organisation can be obtained.

When providing support to whistleblowers, it is important to understand the distinction made in the previous paragraph between "overt" and "subtle" forms of retaliation. Although the overt forms may appear to be more extreme and cause greater detriment, both can result in harm to a whistleblower. The feelings of isolation and ostracism that accompany the subtle forms of retaliation can significantly impact a whistleblower's mental health and wellbeing. Ongoing support arrangements in place for whistleblowers must be alert to, and provide protection from, all forms of retaliation.

As noted in section 4.2, a key mandate of the Whistleblower Protection Officer will be whistleblower protection. They will therefore be central to the provision of ongoing whistleblower support. However, there will be occasions when the Whistleblower Protection Officer will need to draw on people from both within KPMG Australia and beyond to provide the necessary support. They will therefore need to build the required infrastructure, relationships and alliances to make this possible (to provide one potential example, section 4.5 proposes that KPMG Australia's most senior and respected leaders could play a role in the provision of ongoing support to whistleblowers).

4.4.7. Element 6: Training and review

Although they are not panaceas, training and communication are important elements of any whistleblower program. They are important tools to raise awareness of the program and provide those considering becoming whistleblowers with information on how to make a disclosure and

how they will be protected if they do. Just as important is ongoing training for those playing more specific roles in the whistleblower program (for example, recipients of disclosures, investigators, or those providing ongoing whistleblower support).

Andrews Group is of the understanding that historically there has been minimal training on whistleblowing within KPMG Australia. It featured briefly as a topic in a broader integrity learning module that was compulsory for all staff. Given the range of other contributing factors, it is unlikely that whistleblower training would have played a role in the failure to protect the whistleblower that was the subject of this review (and for this reason, it has not been included as a hypothesis). However, as part of the broader review of the whistleblower program, KPMG Australia should determine what type of training is required and how regularly it should be delivered.

4.5. Recommendation 5: Enhance and uplift the Ethics Champions Network initiative

Recommendation details
The Ethics Champions Network initiative should be reviewed and uplifted by identifying and elevating the Partners across KPMG Australia who are exemplary role models of the organisation's values and providing these individuals with a more active role in the whistleblower program.
Linked hypotheses
• *Hypothesis 1: A legalistic approach was adopted* • *Hypothesis 2: Whistleblower program infrastructure* • *Hypothesis 5: Disclosure channels* • *Hypothesis 6: Whistleblower risk management* • *Hypothesis 7: Ongoing whistleblower support*

The Ethics Champions Network is an initiative that identifies trusted individuals within KPMG Australia who people can approach to access support when navigating ethical issues. Although there appeared to be differing views, formally the initiative is not designed to replace existing escalation channels. Furthermore, in its current form, it is difficult to see how the Ethics Champions Network would have assisted in improving outcomes for the whistleblower that was the subject of this review (given that the most senior individuals in the organisation were aware of their disclosures at some point in time).

At present, the "Ethics Champions" within the Ethics Champions Network comprise of individuals at "Manager", "Senior Manger" or "Associate Director" level with "demonstrated values-aligned behaviour". Should a KPMG Australia employee have an ethical concern, the "Ethics Champions" are who the initiative requires that they approach in the first instance. An Ethics Champion can, with the reporter's consent, escalate the concern to an "Ethics Ambassador" who are individuals at "Director" and "Partner" level "with a strong understanding of KPMG and demonstrated role-modelling of high ethical standards."

Andrews Group is of the view that, at this pivotal moment, there is an opportunity to review and potentially uplift this initiative. Subsequent to the values and principles and cultural drivers

review being completed (Recommendation 1), consideration should be provided to changing the composition of the Ethics Champions Network so that it comprises solely of Partners within KPMG Australia. The Partners appointed as "Ethics Champions" should:

- Be highly visible, accessible and respected individuals who are exemplary role models of the behaviours that support KPMG Australia's values.
- Be recognised and rewarded for being appointed as an "Ethics Champion".
- Play a more active role in supporting the whistleblower program and in forums where decisions with ethical import are made.

In periods where ethical standards have been compromised, it is important for KPMG Australia to identify, promote and raise the profile of the most senior leaders within the organisation who role model the required ethical standards. This cadre of leaders will play a crucial role in rebuilding KPMG Australia's commitment to its values and principles. They should be the leaders that are called upon to support and provide advice to the Integrity Office when decisions with ethical import are required to be made, assuring the required standards are applied and safeguarded.

But in addition, the Ethics Champions Network should be actively involved in the whistleblower program. To illustrate, they could play the following types of roles:

- Pre-disclosure contact points that anyone in the organisation can approach, with confidence, to obtain guidance and support.
- In cases where they are sufficiently independent and distanced from the wrongdoing alleged in a disclosure, be the primary point of contact for, and the provider of ongoing support to, whistleblowers.
- A network of individuals the Whistleblower Protection Officer can tap into and elicit information from that might assist them with ongoing investigations or other matters related to the whistleblower program.
- Potential alternative avenues for disclosures.

As elucidated in Recommendation 3 (section 4.3), the core staff supporting the Whistleblower Protection Officer should be housed within the Integrity Office to safeguard and shield their independence. However, for it to be successful, the whistleblower program will need to build infrastructure and support that stretches beyond the Integrity Office. Making these recommended changes to the Ethics Champions Network will be one way to develop such infrastructure and support. Properly instituted, these changes will provide the Whistleblower Protection Officer with a very valuable network across KPMG Australia.

4.6. Recommendation 6: Advocate for legislative reform

Recommendation details
KPMG Australia should act as an exemplar in the industry by advocating for reform to legislation that not only provides enhanced protection for whistleblowers but also provides KPMG Australia whistleblowers with a fail-safe mechanism should they find themselves in a position where internal channels can't be relied on.
Linked hypotheses
• *Hypothesis 6: Ongoing whistleblower support*

A question that remains is, despite best efforts to safeguard and preserve the independence of the Whistleblower Protection Officer, is it possible that they too could find themselves in a situation where their independence is compromised, leading them to make decisions that could cause detriment to a whistleblower? The answer, unfortunately, is "Yes".

Given the above conclusion, if whistleblower protection is a serious goal for KPMG Australia, and they would like to be an exemplar in their industry, KPMG Australia should actively advocate for reform to legislation that is designed to protect whistleblowers. There are three areas of reform that are pertinent, these being:

(a) the application of whistleblower protection provisions to KPMG Australia;
(b) the standardisation of whistleblower provisions that apply to KPMG Australia; and
(c) the establishment of a Whistleblower Protection Authority.

There is currently a patchwork of whistleblower protection legislation operating in Australia, the majority of which does not apply to KPMG Australia. To illustrate, although some KPMG Australia employees may be protected under the legislative provisions contained in the *Taxation Administration Act 1953* (when making disclosures related to tax matters), the legislative provisions contained within the *Corporations Act 2001* (Cth) do not apply to disclosures relating to the KPMG Australia partnership. Paradoxically, KPMG Australia employees could be afforded protection under the provisions within the *Corporations Act 2001* (Cth) if they are contracting to an entity to which those provisions apply and their disclosure relates to that entity.

KPMG Australia, as a prominent audit firm in the country, should advocate for reform to this patchwork arrangement to demonstrate its commitment to whistleblower protection. The first objective would be to ensure that all employees within KPMG Australia are provided with protection under legislation. But in addition to this, instead of creating a complex scenario where different KPMG Australia employees are covered by a variety of whistleblower protection provisions, KPMG Australia should advocate for simplification through the standardisation of legislative instruments.

But beyond this, KPMG Australia should also advocate for the creation of a Whistleblower Protection Authority. A Whistleblower Protection Authority has been on the regulatory reform agenda for some time. The benefits its creation would provide KPMG Australia are twofold. First, it would provide the Whistleblower Protection Officer with an institution it could direct KPMG Australia whistleblowers to when the avenues for internal support are exhausted. But secondly, in the scenario where the internal safeguards established to assure independence and good governance of the whistleblower program are compromised, it would act as a fail safe device for KPMG Australia whistleblowers.

Andrews Group notes that such advocacy would not be new terrain for KPMG Australia. In response to the inquiry into whistleblower protections in the corporate, public and not-for-profit sectors referred to the Parliamentary Joint Committee on Corporations and Financial Services by the Australian Senate in November 2016, KPMG Australia made a submission. In it, KPMG Australia stated (at paragraph 3.6):

> *"Australia now has an opportunity to develop a dedicated statute that reinforces the valuable contribution that whistleblowers can offer in the detection of fraud, bribery, corruption and other types of serious misconduct in our nation. We believe that a simple, effective and comprehensive Whistleblower Act (the Act) is the answer. The Act should aim to drive a cultural shift around whistleblowing in Australia, empower*

organisations to self-regulate and importantly, it must also ensure that protection rights are available to genuine whistleblowers who have 'reasonable grounds', and that those protection rights are not abused".

And (at paragraph 3.26):

"We are of the view that there would be benefits from establishing an independent oversight agency for corporate whistleblowing, preferably with coverage across the entire Federation. The role of the oversight agency should focus on providing support to whistleblowers and helping organisations to ensure they have appropriate internal procedures. We believe that an oversight agency would be particularly beneficial if a comprehensive private sector whistleblower statute is developed (to compliment [sic] the AUS-PIDA [Public Interest Disclosure Act 2013]). Having a dedicated oversight agency would also likely increase whistleblower confidence, as well as supporting corporations in navigating through the challenges of addressing whistleblower matters effectively".

KPMG Australia should continue to advocate for these reforms, but now with renewed commitment and vigour.

5. Conclusion

This Andrews Group review inquired into KPMG Australia's management of the whistleblower whose disclosures were the focus of the hearings at the Parliamentary Joint Committee into Corporations and Financial Services meetings on 19 June and 14 August 2026. Specifically, the review was tasked with identifying the "lessons learned" from how the whistleblower was handled and what steps could be taken to eliminate or reduce the likelihood of similar outcomes in the future.

The review was based on a simple but indisputable premise: KPMG Australia failed to protect the whistleblower. The basis for this premise is something the passage of time has made abundantly clear – the whistleblower, and many of their legitimate concerns, were not treated with the required level of respect and seriousness by KPMG Australia, leaving them with little choice but to seek recourse to external disclosure channels. Beyond this failure, there may have been other forms of detriment experienced by the whistleblower. However, it was not within the scope of (nor possible for) this Andrews Group review to determine whether this was the case.

With the premise established, Andrews Group turned to determining the "Why?" To do this, a whistleblower protection framework was developed that highlights what elements of a broader whistleblower program, when properly implemented, work to protect whistleblowers. This provided a baseline against which the evidence made available to Andrews Group, in the form of documents and interviews, could be compared to. This comparison enabled shortcomings in how KPMG Australia treated the whistleblower to be identified.

It was not possible for Andrews Group to review every piece of evidence held by KPMG Australia and other relevant parties, nor to verify the factual accuracy of the evidence that was provided to us. Therefore, shortcomings in the handling and protection of the whistleblower were expressed as hypotheses. Although these hypotheses are not presented as unequivocal findings that are proven or true, they are strongly supported by the weight of evidence provided to Andrews Group. It will be up to KPMG Australia to determine whether they adopt them as findings.

The first hypothesis relates to the foundation of the whistleblower protection framework: values and principles. As mentioned in the Introduction to this report, how organisations manage whistleblower disclosures and treat whistleblowers reveals how committed they are to their values and principles. In the treatment of the whistleblower whose disclosures were the subject of this review, KPMG Australia, in moments where their values and principles should have been relied on given the ethical import of the matters being considered, favoured the adoption of a legalistic approach (Hypothesis 1).

But in addition to the above, there were a variety of deficiencies in the KPMG Australia whistleblower program that resulted in it "dropping the ball" on a number of occasions when managing the disclosure (Hypothesis 2). Conflicts of interest were not appropriately identified and managed (Hypothesis 3). Assumptions were made about the whistleblower's motivations (Hypothesis 4). Disclosure channels did not provide the whistleblower with the required confidence (Hypothesis 5). Risks to the whistleblower were not assessed (Hypothesis 6). And the whistleblower was provided with negligible ongoing support (Hypothesis 7).

The lessons associated with these hypotheses are provided in Table 5.1. As mentioned, it will be left to KPMG Australia to determine whether they are prepared to accept the hypotheses, and associated lessons learned, as findings.

Table 5.1: *Lessons learned*

#	Lesson
1	*Values and principles are the bedrock upon which all aspects of an organisation, including the whistleblower program, reside. When an organisation loses sight of its values and principles and views decisions with ethical import through a legal lens, it may fulfill its legal duties ("What must we do?") but may fail to meet its ethical duties ("What should we do?"). Such failures reveal, to an organisation's stakeholders, the ethical and professional standards by which they wish to be judged.*
2	*KPMG Australia needs to invest in its whistleblower program in order to uplift:* *(a) the maturity of processes associated with the program, especially those associated with receiving disclosures, managing conflicts, conducting investigations and supporting whistleblowers.* *(b) the resourcing dedicated to the program; and* *(c) the capability and experience of those overseeing and managing the program.*
3	*Conflicts of interest are pernicious and cannot be managed simply through awareness and trusting people to "do the right thing". They are best managed by creating arrangements that remove them so that independence is preserved. If this is not possible, they must be identified and have appropriate mitigants put in place. Failing to do so can not only significantly compromise how whistleblower disclosures are managed but, ultimately, outcomes for whistleblowers.*
4	*Mixed whistleblower disclosures, which are common, are more susceptible to mishandling. They can result in inferences being made on the whistleblower's motives leading to their concerns not being treated with the required level of seriousness. Such assumptions can compromise the quality of subsequent investigations and increase the likelihood of the whistleblower experiencing detriment.*
5	*The pre-disclosure and disclosure phases of the whistleblower cycle are critical as they provide whistleblowers with the confidence to come forward. Among other things, they must provide the whistleblower with comfort and assurance that the organisation will take all appropriate steps to protect their anonymity, shield them from any harm or detriment, and treat their concerns with the necessary level of seriousness.*
6	*Although it is appropriate to consider the risks to the organisation created by a disclosure, if whistleblower protection is an objective, the risks to the whistleblower must also be considered with the same level of seriousness and plans put in place to mitigate these risks.*
7	*Ongoing support for whistleblowers must be human centred and prioritise the whistleblower's wellbeing. To achieve this, the provision of ongoing support must be rooted in the organisation's values and principles and be delivered by individuals who are suitably qualified, experienced and independent.*

From these lessons the review has proposed a range of recommendations which, if implemented, will reduce the likelihood of future whistleblowers at KPMG Australia experiencing adverse outcomes (acknowledging that there is invariably some form of detriment

associated with all whistleblower disclosures). The recommendations proposed are provided below.

Recommendation 1: Review of values and principles and identify cultural drivers

KPMG Australia should use this incident as an opportunity to review its stated values and determine whether the actions, choices and behaviours that led to the detrimental outcomes for the whistleblower are consistent with, and supportive of, these values. If KPMG Australia determines that this is not the case (which is the most likely outcome), it should work to identify, understand and address the cultural drivers that supported and encouraged these actions, choices and behaviours.

Recommendation 2: Appoint a Whistleblower Protection Officer

KPMG Australia should appoint a Whistleblower Protection Officer whose responsibility will be to oversee the whistleblower program (with whistleblower protection being a key mandate). The individual must be of impeccable integrity, have the required credibility and experience, and have their role instituted in a manner that promotes independence.

Recommendation 3: Establish an Integrity Office within KPMG Australia

KPMG Australia should establish an independent, in-house Integrity Office. Immediately upon being formed, the Integrity Office should take responsibility for running and overseeing the whistleblower program. Over time, the Integrity Office should be required to oversight and provide approval of significant decisions that impact the organisation so that the ethical dimensions of these decisions are properly considered.

Recommendation 4: Review of whistleblower program

A review of the whistleblower program should be conducted to ensure that the elements of the whistleblower protection framework, described in Appendix 1, have been appropriately embedded into the program. A plan should be developed to address any identified gaps with the implementation of the plan being overseen by the Whistleblower Protection Officer.

Recommendation 5: Enhance and uplift the Ethics Champions Network initiative

The Ethics Champions Network initiative should be reviewed and uplifted by identifying and elevating the Partners across KPMG Australia who are exemplary role models of the organisation's values and providing these individuals with a more active role in the whistleblower program.

Recommendation 6: Advocate for legislative reform

KPMG Australia should act as an exemplar in the industry by advocating for reform to legislation that not only provides enhanced protection for whistleblowers but also provides KPMG Australia whistleblowers with a fail-safe mechanism should they find themselves in a position where internal channels can't be relied on.

Andrews Group acknowledges that this review focused on one disclosure. Therefore, it will be the task of other reviews being commissioned by KPMG Australia to determine whether the lessons learned are more broadly applicable. If the conclusion drawn is that the matters raised in this review are isolated in nature, or unproven, then KPMG Australia has choices. It can reject the recommendations, aim for minimal or middle of the road compliance, or seek to implement the recommendations in full.

Andrews Group is of the view that the last of these choices will be the most desirable. Maximal adoption of the recommendations will enable KPMG Australia to move towards role model practice. In working with KPMG Australia over the past two months, Andrews Group has observed a preparedness to shine a light on historical missteps and drive the necessary change. It is therefore our expectation that KPMG Australia will embrace the recommendations and implement them in full.

One should not underestimate the organisational effort required. KPMG Australia will need to invest significant time and resources to properly implement the recommendations associated with this review and others that will follow. The work will be challenging: shortcomings and failures will need to be acknowledged and owned; the underlying cultural drivers of these shortcomings and failures will need to be identified and addressed; and KPMG Australia will need to revisit and recommit to what will ultimately drive any future success – their values and principles.

Importantly, this work will contribute to enhancing what is a significant determinant of outcomes for whistleblowers: KPMG Australia's ethical culture. As the activities associated with the action plan are closed, the work associated with building and sustaining an ethical culture will need to remain a key area of focus for KPMG Australia. It will be easy, as the memories associated with the current failing fade, for KPMG Australia to deprioritise this work. Although the recommendations associated with this review will go some way to avoiding this fate, they will be no substitute for the ongoing commitment and will of KPMG Australia's most senior leaders.

Obviously the most disappointing aspect of all the above is that the catalyst for this reform within KPMG Australia was a whistleblower who was required to make a disclosure to a federal member of parliament to be heard. No whistleblower, who is exposing significant failures in ethical standards, should be required to go to this length to have their concerns addressed. By implementing the recommendations contained within this report, our hope is that in the future the wrongdoing and consequences associated with unethical conduct exposed by a whistleblower within KPMG Australia are determined long before the whistleblower is required to seek external support.

6. Appendix 1: Whistleblower protection framework

The elements of the whistleblower protection framework, as illustrated in Figure 2.1, are described below.

Values & Principles

A whistleblower program is at the heart of an organisation's integrity system. Properly instituted, it can be pivotal in exposing both mild and egregious wrongdoing (of various forms). How an organisation responds to and manages whistleblower disclosures reveals what their values and principles are and how committed they are to them (including the value they place on whistleblowers).

The handling of whistleblower disclosures and the treatment of whistleblowers should be strongly rooted in the organisation's values (what it believes is good) and principles (what it believes is right).

Independence

A failure to instil independence throughout a whistleblower program and making sure conflicts of interest are appropriately managed will significantly increase the likelihood of inferior outcomes for whistleblowers. For this reason, the importance of independence features across a number of elements within the whistleblower protection framework.

1 Leadership (including of the whistleblower program)

Leadership is deliberately placed at the top of the framework as it will determine the standard to which all other elements of the program are designed and implemented. The term leadership is both broad (leadership across the organisation) and specific (leadership of the organisation's whistleblower program).

With regard to the latter, the leader of an organisation's whistleblower program must be an individual of impeccable integrity, be highly experienced in managing the types of complex and sensitive matters that are associated with whistleblower disclosures (in a manner that demonstrates probity, fairness and justice) and be as independent as possible (preferably reporting to the Chair of the Board or Chair of a Board Committee). Protection of whistleblowers will be one of this person's key mandates. To enable this, they will oversee all facets of the whistleblower program and in some areas, be heavily involved (for example, overseeing or conducting investigations and ensuring there is appropriate ongoing support for whistleblowers).

With regard to leadership across the organisation, a large factor contributing to positive outcomes for whistleblowers is the messaging provided by the organisation's leaders, be it explicit or implicit. Do leaders promote a culture of integrity? Do leaders encourage people to raise concerns? When people do raise concerns, how are they treated? Are their concerns

treated with the appropriate level of seriousness? Leaders who, through their actions and inactions send a message that does not support a culture of integrity and people speaking up, will invariably create an environment that (a) significantly reduces the likelihood of whistleblowers raising concerns, and (b) significantly increases the likelihood of poor outcomes for whistleblowers who do raise concerns.

2 Policies (including procedures, guidance and other supporting artefacts)

The policies and supporting procedures, guidance and other related documents should contain the totality of the information required to administer the organisation's whistleblower program. With specific regard to protecting whistleblowers, these documents should contain the following information:

- How and to whom a whistleblower can make a disclosure.
- The protections available to whistleblowers (both within and outside of the organisation).
- How the organisation will support whistleblowers and protect them from harm.
- How a disclosure will be treated and what a whistleblower can expect.

The policy should be readily available, intelligible and regularly communicated to employees (through training or other channels).

3a Pre-Disclosure

A comprehensive whistleblower program recognises that at any point in time, there will be individuals within (and associated with) an organisation who are considering becoming whistleblowers. These individuals must have access to information about the whistleblower program that outlines (among other things):

- How to make a disclosure.
- The measures in place to protect those who make disclosures.
- Who they can contact for further information prior to making a disclosure.

This information should be provided through a variety of channels including ongoing training, campaigns, intranet site, policies, and ad hoc communication by leaders across the organisation.

3b Disclosure

In many cases, the disclosure will be the whistleblower's first formal contact with the whistleblower process. It is important that this is handled with the required professionalism and care. Furthermore, to provide the whistleblower with confidence, the disclosure should be managed by individuals who are independent.

The engagement should provide the whistleblower with:

- Assurances that their anonymity will be protected.
- Details of the processes that are in place to protect and support the whistleblower.
- Information on what they can expect as their disclosure is assessed.

Furthermore, the disclosure should collect the required information for the whistleblower that enables an initial assessment to be made on the wrongdoing but also conduct a risk assessment for the whistleblower (element 4 of the framework).

3c Investigation

It is during the investigation phase, as people become aware that the organisation is aware of wrongdoing, that significant conflicts of interest will emerge. If these conflicts are not managed appropriately, there can be an array of detrimental consequences for the whistleblower. Among these include:

- The identify of the whistleblower being revealed (inadvertently or under pressure from people in positions of authority).
- The investigation being compromised due to undue influence.
- The investigation not being pursued with the required vigour due to assumptions being made regarding the whistleblower's motivations.

Ensuring the investigation is conducted by people with the necessary independence, experience and capability is crucial to mitigate the above outcomes and assure procedural justice. The risk of adverse outcomes for the whistleblower increases markedly when investigations are compromised, actual wrongdoing is not substantiated, and the perpetrators remain employed by the organisation.

3d Closure

The whistleblower should be fully briefed upon closure of the case. The outcomes of the investigation and how substantiated wrongdoing will be managed should be communicated. If the wrongdoing that was the subject of the disclosure was not substantiated, this should also be communicated (and the reasons why).

Closure of the case does not necessarily mean that the ordeal is over for the whistleblower. They may continue to face the risk of reprisals or suffer psychological impacts. Ongoing support should be provided as required. Ongoing support could involve a combination of internal interventions (such as coaching, mentorship and/or job transfers) and external support (such as counselling).

4 Risk Assessment

The risk assessment is crucial to understanding the potential for detriment or harm to the whistleblower and how it can be mitigated. The assessment should be completed as soon as a case is opened during the "Disclosure" phase of the whistleblower case cycle and regularly revisited thereafter.

The risk assessment should first consider whether the whistleblower's anonymity is likely to be compromised. Among other reasons, this is more likely to occur if the whistleblower is one of a very small number of people with access to the information required to make a disclosure or the information was shared with the whistleblower privately and in confidence.

The risk assessment should also consider the likelihood of the whistleblower experiencing detriment. Consideration should be provided to whether existing animosity or conflict exists between the whistleblower and those involved in the alleged wrongdoing. Also, the culture of the area in which the whistleblower works can provide insight into the potential for detriment (for example, whether culture assessments point to issues with bullying or other problematic behaviour).

Finally, the nature of the disclosure should also be considered. It is typical that many whistleblower disclosures contain a mix of information relating to both personal work-related grievances (for example, unfair employment practices) and wrongdoing of a corrupt nature (for example, fraud and theft). Research shows that whistleblowers are more likely to experience harm in these types of "mixed disclosure" scenarios.

5 Ongoing whistleblower support

The provision of ongoing support to the whistleblower is crucial. At a minimum, this should involve regular communication to keep them abreast of how the case is progressing. But beyond this, ongoing support is also required to monitor for the range of potential harms a whistleblower can experience (such as stress, reduction in work performance, isolation, ostracism, harassment or negative performance appraisals).

Monitoring for these (and other) harms and providing the necessary support is critical. The people providing the ongoing support must be independent and suitably qualified. At times, when the harm being experienced is severe, extreme measures may need to be taken (for example, job transfers or long term career breaks). Furthermore, as described in element 3d of the framework ("Closure"), support does not necessarily end when the whistleblower case is closed.

6 Training and review

There should be ongoing training provided to staff to raise awareness of the whistleblower program, inform them of how the program operates, how disclosures can be made and the arrangements in place to protect whistleblowers. More tailored training should be provided to individuals playing a specific role in the whistleblower program (for example, those receiving disclosures, those undertaking investigations and those providing ongoing support to whistleblowers).

Frequent reviews of the whistleblower program should be conducted. These reviews should include an assessment of outcomes for whistleblowers. Where outcomes have not been optimal, root cause analysis should be conducted to identify (a) whether there are common causes to detrimental outcomes, and (b) what refinements could be made to the program to increase the likelihood of positive whistleblower outcomes.

7. Appendix 2: About Andrews Group and author biographies

About Andrews Group

Andrews Group Pty Ltd is a boutique research and strategy consultancy that specialises in providing our clients with evidence, insight and direction to enable strategic decision-making that delivers sustained success. For 40 years, we have helped organisations across the private, public and not-for-profit sectors, in most industries, to adapt and thrive. We do this by working in partnership with our clients. We invest in developing a thorough understanding of our clients' businesses and seek to add value wherever possible.

Author biographies

Dennis Gentilin is an Associate at Andrews Group. He has over 20 years experience across the banking, professional services and superannuation industries having most recently been the Chief Risk Officer at a major superannuation fund. Early in his career, Dennis was publicly named as a whistleblower, an experience that drove a strong interest in corporate ethics, leadership and conduct. He has become a respected voice on these topics, having authored an award winning book and contributed to numerous conferences and publications. Dennis is a current member of the Transparency International Australia National Whistleblower Advisory Group.

Ray Andrews is the Managing Director of Andrews Group. After beginning his professional career as a NSW high school mathematics teacher, Ray then spent an extended period of time as an officer in the Australian army. Ray became the inaugural national marketing director of the now-named CPA Australia, launching Certified Practising Accountant and, for the first time in the world, mandatory continuing professional development. Ray founded Andrews Group in January 1986. Since that time, Ray has led the research-based methodology adopted by Andrews Group to complete multitudes of sensitive client engagements with large corporates and a range of federal, state and territory government agencies.