Getting The Most From Your Hotline Program

Leveraging the Data to Gain Key Insights into Your Institutional Culture

SCCE Higher Education Compliance Conference 2019

Joseph Agins, CCEP, CFE
Institutional Compliance Officer, Sam Houston State University

Learning Objectives

✓ How your helpline program data can help you to understand the ethical culture of your institution

✓ Using the data to zero-in on hotspots and stamp out fires before they get too big

✓ Benchmarking your results against the industry to measure success and identify areas for improvement
Columbia Eastern Pacific (University)

- Fictitious Institution
- Large university
- 20,000 faculty/staff
- 40,000 students
- Houston, TX
- 10th largest university in the country
- A relatively mature E&C program
- We have access to some limited hotline data

Hotline Data/Reports

1. Overall Report Volume
2. Report Rate per 100 Employees
3. Substantiation Rate
4. Anonymity Rate
5. Reporter Follow-up to Anonymous Concerns
6. Reporting Method
7. Reporting Source
8. Report Type
9. Sanction Type
10. Case Closure Time
1. Overall Report Volume

✓ How many reports/contacts are we getting vs. how many should we be getting?
✓ Do employees know you have hotline/helpline?
✓ Are they using it?
✓ If so, to what extent?
✓ If not, why?
✓ Research and track anomalies

CEP University

Total Helpline Reports Received

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1-2017</td>
<td>156</td>
</tr>
<tr>
<td>Q2-2017</td>
<td>142</td>
</tr>
<tr>
<td>Q3-2017</td>
<td>160</td>
</tr>
<tr>
<td>Q4-2017</td>
<td>176</td>
</tr>
<tr>
<td>Q1-2018</td>
<td>263</td>
</tr>
<tr>
<td>Q2-2018</td>
<td>187</td>
</tr>
<tr>
<td>Q3-2018</td>
<td>195</td>
</tr>
<tr>
<td>Q4-2018</td>
<td>200</td>
</tr>
</tbody>
</table>
2. Report Rate per 100 Employees

✓ Volume per 100 Employees
  • CEP University has 20,000 employees and received 634 reports in 2017, this would equate to 3 out of every 100 employees reporting
  • 2017: 634 / 20,000 x 100 = 3.17 (3)
  • 2018: 845 / 20,000 x 100 = 4.22 (4)

✓ No or few reports at all
  • Why this is important?

### CEP University

<table>
<thead>
<tr>
<th>Report Rate</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.5</td>
<td>2</td>
<td>3.2</td>
<td>4.2</td>
<td>1.4</td>
</tr>
</tbody>
</table>

When compared to the benchmark we see that CEP consistently receives more reports than the average. What might this mean?

✓ Well socialized hotline/helpline program – employees know why, how and where to report concerns
✓ Strong ethical culture/E&C program in which employees recognize the importance of reporting concerns
✓ Employees believe that reports will be taken seriously and trust the institution to handle appropriately

✓ Can a high number here also be perceived as a negative?

*Benchmark source: Navex Global 2018 Ethics & Compliance Hotline & Incident Management Benchmark Report*
3. Substantiation Rate

✓ The benchmark average is 40% substantiated
✓ A higher substantiation rate can mean:
  • You are receiving a higher quality of reports from reporters
  • You have well trained investigators who are conducting better and/or more thorough investigations
✓ Below average numbers may indicate problems with one or both of the above or:
  • Maybe your program has not been socialized well or is in need of a refresh
  • Maybe an issue of improper or malicious use of hotline by employees
  • Maybe investigative staff is in need of training
  • Maybe too much pressure being placed on speed as opposed to quality
  • Maybe investigators don’t have the tools they need (an e-forensics team?)

<table>
<thead>
<tr>
<th>Case Disposition</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Substantiated</td>
<td>34%</td>
<td>38%</td>
<td>37%</td>
<td>42%</td>
<td>40%</td>
</tr>
<tr>
<td>Unsubstantiated</td>
<td>66%</td>
<td>62%</td>
<td>63%</td>
<td>58%</td>
<td>60%</td>
</tr>
</tbody>
</table>

When compared to the benchmark we see CEP aligned with it. What might this indicate?
✓ High quality of reports from reporters
  • Employees know what to report
  • Not reporting bogus concerns or abusing hotline for malicious purposes
  • Both of these are signs of a strong ethical culture
✓ Well trained investigative staff/process

Benchmark source: Navex Global 2018 Ethics & Compliance Hotline & Incident Management Benchmark Report
4. Anonymity Rate

✓ The benchmark average for anonymous reporting is approximately 60/40
✓ Why might employees choose to report anonymously?
  • Do not want to be a snitch
  • Do not want to get involved
  • Fear of retaliation
  • Feel their report may not be handled confidentially
  • Do not understand and/or have confidence in the investigative process
  • Assume nothing will be done and reporting is just a waste of time

✓ Employee Trust

Benchmark source: Navex Global 2018 Ethics & Compliance Hotline & Incident Management Benchmark Report

CEP University

<table>
<thead>
<tr>
<th>Report Type</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anonymous</td>
<td>66%</td>
<td>63%</td>
<td>59%</td>
<td>52%</td>
<td>60%</td>
</tr>
<tr>
<td>Named Reporter</td>
<td>34%</td>
<td>37%</td>
<td>41%</td>
<td>48%</td>
<td>40%</td>
</tr>
</tbody>
</table>

CEP has been trending in the right direction and is now beating the benchmark. What might this tell us?

✓ A strong ethical culture/E&C program
✓ Strong indicator that employees trust the institution and have confidence their reports will be handled confidentially and appropriately
✓ Employees generally not in fear of retaliation

Benchmark source: Navex Global 2018 Ethics & Compliance Hotline & Incident Management Benchmark Report
5. Follow-ups to Anonymous Reports

- Reporter follow-ups are critical for us to adequately understand and/or investigate the report.
- The benchmark shows only 30% of these reporters call back.
- If you are over 30% what are you doing as we all want to know?
- If well under the average why might this be?
  - Poor, inconsistent messaging about hotline program and how it works
  - Slow, delayed and inadequate acknowledgements
  - Could be a red-flag indicator with respect to culture

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Median Follow-Up Rate to Anonymous Reports

<table>
<thead>
<tr>
<th>Year</th>
<th>Follow-Up Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2015</td>
<td>28%</td>
</tr>
<tr>
<td>FY2016</td>
<td>30%</td>
</tr>
<tr>
<td>FY2017</td>
<td>33%</td>
</tr>
<tr>
<td>FY2018</td>
<td>32%</td>
</tr>
</tbody>
</table>
6. Reporting Method

- Phone
- Web Submission
- Other Methods – Intranet, mail, email, walk-in
- Why is this information important?

### CEP University

<table>
<thead>
<tr>
<th>Reporting Method</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Helpline - Phone</td>
<td>45%</td>
<td>49%</td>
<td>53%</td>
<td>54%</td>
<td>34%</td>
</tr>
<tr>
<td>Helpline – Web Submission</td>
<td>24%</td>
<td>19%</td>
<td>20%</td>
<td>19%</td>
<td>26%</td>
</tr>
<tr>
<td>Other – Intranet, phone, fax, email, walk-in</td>
<td>31%</td>
<td>32%</td>
<td>27%</td>
<td>27%</td>
<td>40%</td>
</tr>
</tbody>
</table>

Benchmark source: Navex Global 2017 Ethics & Compliance Hotline & Incident Management Benchmark Report
7. Report Source

Where are your reports coming from?
✓ Employees
✓ Students
✓ Vendors
✓ Other outside parties

CEP University

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>91%</td>
<td>89%</td>
<td>87%</td>
<td>90%</td>
<td>91%</td>
<td>94%</td>
</tr>
<tr>
<td>Student</td>
<td>6%</td>
<td>8%</td>
<td>8%</td>
<td>5%</td>
<td>4%</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
<td>3%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Benchmark source: 2006 Survey of Ethics & Compliance Officer Association (ECOA) Sponsoring Partner Members
8. Report Type

✓ Standard allegation categories
  • Accounting, Auditing & Financial Reporting
  • Business Integrity
  • HR, Diversity and Workplace Respect
  • Environmental, Health and Safety
  • Misuse, Misappropriation of Assets

✓ More specific breakdowns based on your needs/industry
  • Clery Act violations
  • FERPA
  • Title IX
  • Athletics Compliance

CEP University

<table>
<thead>
<tr>
<th>Report Type</th>
<th>FY2016 (597 total)</th>
<th>FY2017 (634 total)</th>
<th>FY2018 (845 total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting or Auditing Practices</td>
<td>7 (1%)</td>
<td>2 (&lt;1%)</td>
<td>4 (&lt;1%)</td>
</tr>
<tr>
<td>Conflict of Interest</td>
<td>30 (5%)</td>
<td>9 (1%)</td>
<td>11 (1%)</td>
</tr>
<tr>
<td>Discrimination</td>
<td>12 (2%)</td>
<td>14 (2%)</td>
<td>20 (2%)</td>
</tr>
<tr>
<td>Environmental Health &amp; Safety</td>
<td>4 (&lt;1%)</td>
<td>6 (&lt;1%)</td>
<td>2 (&lt;1%)</td>
</tr>
<tr>
<td>Gifts</td>
<td>6 (1%)</td>
<td>3 (&lt;1%)</td>
<td>9 (1%)</td>
</tr>
<tr>
<td>Harassment</td>
<td>58 (10%)</td>
<td>13 (2%)</td>
<td>12 (1%)</td>
</tr>
<tr>
<td>Misuse of Resources</td>
<td>36 (6%)</td>
<td>31 (5%)</td>
<td>14 (2%)</td>
</tr>
<tr>
<td>Retaliation</td>
<td>7 (1%)</td>
<td>6 (&lt;1%)</td>
<td>4 (&lt;1%)</td>
</tr>
<tr>
<td>Theft</td>
<td>10 (2%)</td>
<td>14 (2%)</td>
<td>43 (5%)</td>
</tr>
</tbody>
</table>
9. Sanction Type

For those cases that are substantiated, what is the severity? What types of sanctions are being levied?
✓ Coaching/Verbal Warning
✓ Discussion Memo
✓ Written Warning
✓ Termination

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<table>
<thead>
<tr>
<th>Sanction</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Termination</td>
<td>31 (11%)</td>
<td>22 (9%)</td>
<td>13 (7%)</td>
<td>26 (10%)</td>
</tr>
<tr>
<td>Written Warning</td>
<td>71 (25%)</td>
<td>48 (20%)</td>
<td>27 (16%)</td>
<td>25 (19%)</td>
</tr>
<tr>
<td>Discussion Memo</td>
<td>154 (54%)</td>
<td>136 (57%)</td>
<td>109 (63%)</td>
<td>81 (60%)</td>
</tr>
<tr>
<td>Coaching</td>
<td>31 (11%)</td>
<td>33 (14%)</td>
<td>25 (14%)</td>
<td>31 (12%)</td>
</tr>
</tbody>
</table>

✓ Sanctions above appear relatively consistent and static year over year
  • These results are viewed as positive
  • If employees are not sanctioned fairly across the board or higher level employees are sanctioned differently than lower level employees for similar infractions, this is counterproductive
  • *Organizational Justice as a Key Metrics of Ethical Culture* (Cherepanova, 2018)

✓ If there were drastic increases or decreases in sanctions this could be something to look into
✓ Could be very helpful for those institutions with multiple locations, schools, subsidiaries
10. Case Closure Time

✓ Benchmark average is 45 days
✓ Typically 30-45 days is seen as a reasonable time frame
✓ The longer it takes the more opportunity for a negative impact for all involved
✓ Longer time frames can erode trust in the system/program and ultimately quell future reporting

Benchmark source: Navex Global 2018 Ethics & Compliance Hotline & Incident Management Benchmark Report
Thoughts about Culture at CEP?

- Are employees and/or others aware of and using the helpline?
- Are quality helpline reports being received?
- Are employees seeking help with E&C questions?
- Do employees have confidence in the organization/process that reports will be handled confidentially?
- Are employees concerned about retaliation?
- Are investigations handled and managed effectively?
- Are issues being spotted and addressed?
- Is the E&C function adding value?
- Is this an institution you would like to work for?

CEP University’s Grade?

A−

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Additional Report Examples

- Geographical reporting for schools with multiple locations
- Measuring specifically against the education industry
- Measuring against similarly sized institutions
- Reports of retaliation
- Percentage of reports involving students
- Primary incident types received per period
- Sexual Harassment cases
- Athletics related
- Reports vs. Inquiries

Benchmarking Sources/Resources

- SCCE Compliance Effectiveness Survey
- Navex E&C Hotline & Incident Management Benchmark Report
  - 13,000 Global Clients
  - World's largest database of hotline reports
  - 5,132 clients using hotline and/or incident management system
  - 350+ Higher Ed Institutions
  - 42.1 million employees total
  - Generate nearly 1 million reports per year
  - Covering 26 industries and 45 sub-industries
- ECI’s Global Benchmark on Workplace Ethics Report
- LRN Ethics & Compliance Program Effectiveness Report
- Your own past performance
Some Best Practices to Consider

✓ Use a good case management system
✓ Measure, track and report
✓ Keep it simple
✓ Use multiple benchmarking sources if possible
✓ Survey employee perceptions of your Helpline program
✓ Do periodic quality control check-ups
✓ Make sanitized results available to employees
✓ **Learn and share best practices!**

Questions? Thoughts? Ideas?

Thank You!

Joseph Agins, CCEP, CECM, CFE
Institutional Compliance Officer | Adjunct Professor - White-Collar Crime
Sam Houston State University | Huntsville, TX 77341
P: 936-294-2671 | C: 602-330-4679 | E: jxa101.shsu.edu