

## Hotline: Implementation and Challenges

Amine Antari

Kroll Hotline\_SCCF presentation

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### Headlines

**The Mainichi**

Japan's National Daily Since 1922

Corporate whistleblowing system, plea bargaining behind fall of Nissan's Ghosn others

November 27, 2018 (Mainichi Japan)

 **REUTERS** World Business Markets Politics TV

WORLD NEWS MAY 6, 2018 / 6:08 PM / 7 MONTHS AGO

**Saudi king orders whistleblower protections in anti-corruption push**

 **the guardian**

**Barclays CEO Jes Staley faces fine over whistleblower incident**

City watchdogs say he broke rules of conduct in his attempts to identify 2016 whistleblower

Why should future whistleblowers believe they will be safe?

**The New York Times**

**Whistle-Blower Awarded \$104 Million by I.R.S.**

By DAVID KOCIEWICKI SEPT. 11, 2012

**CLYDE & CO**

**New Protection for Whistleblowers in Dubai**

Written by Rebecca Ford and Nicholas Braganza

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## Trends and Statistics

### Kroll 2018 Global Fraud Risk survey

In Kroll 2018 Global Fraud Risk review survey, **insiders** were identified as the main perpetrators of fraud, respondents also stated that insiders were the most likely to discover it.

**Nearly half (47%) of respondents said that fraud was discovered by whistleblowers**, 44% said it was detected through an internal audit, and 35% credited management with uncovering fraud.

Fraud was more likely to be identified by management within the company, according to respondents in the Middle East. More than half (54%) said that management had uncovered a fraud incident, compared with 38% who said that it was uncovered through an external audit and 36% who named an internal audit. The number of respondents who said fraud was uncovered by a whistleblower fell from the number one position in 2016 (50%) to the fourth (31%).

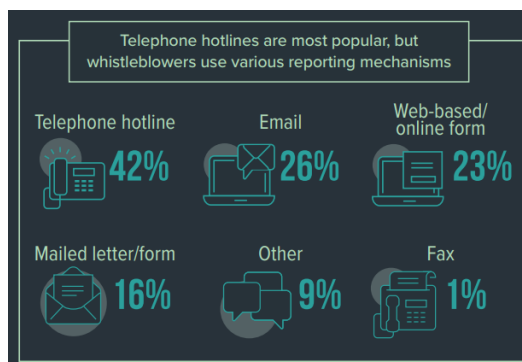
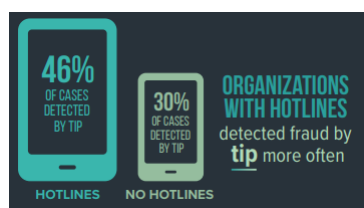
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## Trends and Statistics

### 2018 ACFE Report to the Nation



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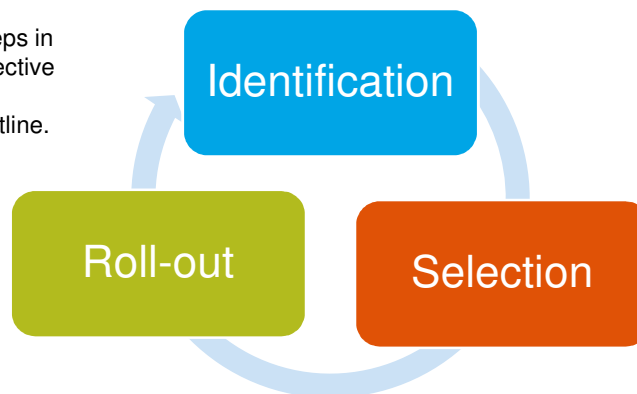
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## Implementation

### Road map for a successful implementation

There are three steps in establishing an effective implementation framework for a hotline.



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## Implementation – Identification

### Road map for a successful implementation

Depending on the size and complexity of the organization identifying the entity's need for a hotline and implications of setting up the program is a key step in the process. Some of the aspects to think about:

- Internally managed vs External
- Cost
- Timeframe of implementation
- Reporting structure
- Local vs international coverage
- Stakeholders: Allegations, Reporters
- Technological and legal requirements
- The extent of use
- Type of information to be collected



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## Implementation – Selection

### Road map for a successful implementation

- The selection process for a hotline should involve representatives from various departments that are directly or indirectly impacted by the implementation such as: IT, Legal, Training, User, Investigation/Internal Audit, Compliance, HR. Some and preferably all of these representatives should be part of the selection committee;
- If a system is to be selected, detailed requirements should be submitted to potential service providers and a set of criteria should be determined. The following criteria are examples that should be taken into account:
  - Data import mechanisms
  - Reporting capabilities
  - Level of interactions with the whistleblower
  - Costs: Implementation, maintenance and ad-hoc
  - Timeliness of response and support service

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## Implementation – Selection (continued)

### Road map for a successful implementation

- Expertise/Experience of responders
  - Type of hotline channels: Phone, website, mobile app
  - Accessibility: Timing and geographical
- Roll out plan is to be established and once the service provider is selected. Regular meetings during the roll out phases should be organised with the various stakeholders;
- In case a service provider is being changed, additional considerations should be taken into account such as data transfer and related quality, transition period, use of similar numbers, level of support by current service provider

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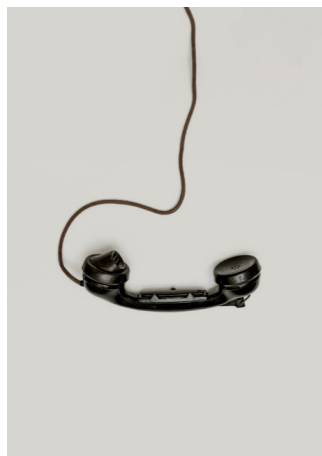


## Implementation – Roll-out

### Road map for a successful implementation

A hotline requires a proper launch in order to be truly successful. Communication from top management about the program's goals and objectives will set the tone for the hotline.

- Awareness and training
- Escalation protocol
- External Reporting: regulators, external auditors
- Data security and retention
- Documentation and materials update



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## Other considerations

### Road map for a successful implementation

- Tone at the Top and Management support
- Establishment of related policies: Hotline, retaliation
- Program effectiveness testing
- Collaboration with investigation processes
- Incentive vs Duty to report
- Independence and Credibility
- Fear of Abuse

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