Ethics Reporting and Incident Management: Benchmarking and Best Practices

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INTAKE METHODS: DO YOU HAVE THE 800 NUMBER NO ONE CALLS?
INTAKE MARKETING: HOTLINES OR HELPLINES?
WHISTLEBLOWER OR REPORTER?
WORDS MATTER.
REPORT SOURCES, ISSUES, AND SUBSTANTIATION RATES: HOW DOES YOUR PROGRAM COMPARE?
INCIDENT TRACKING: IF IT’S NOT DOCUMENTED, DID IT HAPPEN?
REPORTING: EMBRACING THE AGE OF ANALYTICS.
Intake Methods

- Telephone or Web reporting
- Internal or external provider
- Resources
- Incident tracking

“Whatever the naming convention, we should be mindful of any program that turns folks away or points them elsewhere. You often get only one shot at hearing concerns, and if you miss it, the caller may never call back.”

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

- Hotline or Helpline?
  - Policy clarifications
  - Ethical considerations
  - Self-Reporting

- Whistleblower or Reporter?
  - Culture and Code
  - Tone at the top
  - Messaging
Research
- Georgetown University Study - Evidence on the Use and Efficacy of Internal Whistleblowing Systems
- Association of Certified Fraud Examiners - 2018 Report to the Nation on Occupational Fraud and Abuse
- Navex Global - 2019 Ethics & Compliance Hotline Benchmark Report
- Ethics & Compliance Initiative (ECI) – Global Business Ethics Survey™

Benchmarking and Incident Tracking (cont.)

Number and Type of Reports
- Median number of reports is 2.1 reports per 100 employees
- Majority (approx. 8 out of 10) are Human Resource-related issues
- Reports of Harassment increased 18% after #MeToo

Intake Method and Recipient
- Web and email clearly overtaking hotline
- Retaliation: Slight increase in internal reporting and increase in external reporting (e.g., regulatory agencies)

Case Closure and Substantiation
- Median of 40 days
- All categories of reports have a substantiation rate at or more than 40%
- Regardless if anonymous or named reporter
Board of Directors
37% surveyed said there is an escalation policy for reports requiring attention from the Board
20% have a separate hotline directly to the Board

Incident Tracking
41% track reports and related metrics
35% document reports from all sources for tracking purposes

Negative Effects
29% engaged in employee litigation in the past three years resulting from an ethics issue
15% suffered reputational damage
12% government body action

Quarterly and annual reporting
- Meets requirements for Board reporting
- Executive Officers
- Data Security/Privacy
- Accounting Concern
- Anti-Corruption/Anti-Money Laundering
- HR Issue Types
- Location
- Disciplinary Actions
Quarterly and annual reporting

- Ethics Council updates
- External auditor updates
- Training status
- Code of Business Conduct and Ethics status
  - Hourly, Management, Senior Executives
- Risk Assessment results
- Employee survey results
- Changes/improvements to standardized process for responding to and investigating allegations of fraud and/or misconduct

Thank you!

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