Ethics Reporting and Incident Management: Benchmarking and Best Practices

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SCCE
Society of Corporate Compliance and Ethics

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Agenda

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.

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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. ❞

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

- ▶ Whistleblower or Reporter?
  - ➢ Culture and Code
  - ➢ Tone at the top
  - ➢ Messaging

Benchmarking and Incident Tracking

How does your program compare?

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™

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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

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Benchmarking and Incident Tracking (cont.)

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

Reporting

Key Metrics

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

Reporting (cont.)

Key Updates

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

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" Thank you! "

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