

Developing an Integrated Anti-Fraud, Compliance, and Ethics Program

Implementing a Whistleblower Helpline

Discussion Questions

1. Does your organization have a formal reporting mechanism (i.e., a helpline)? If so, how do you incorporate it into in your compliance and ethics program? Who receives and responds to reports?
2. Does your organization have a formal whistleblower policy or program? How has that been communicated to employees?
3. Does your organization have a separate policy to protect whistleblowers from retaliation?

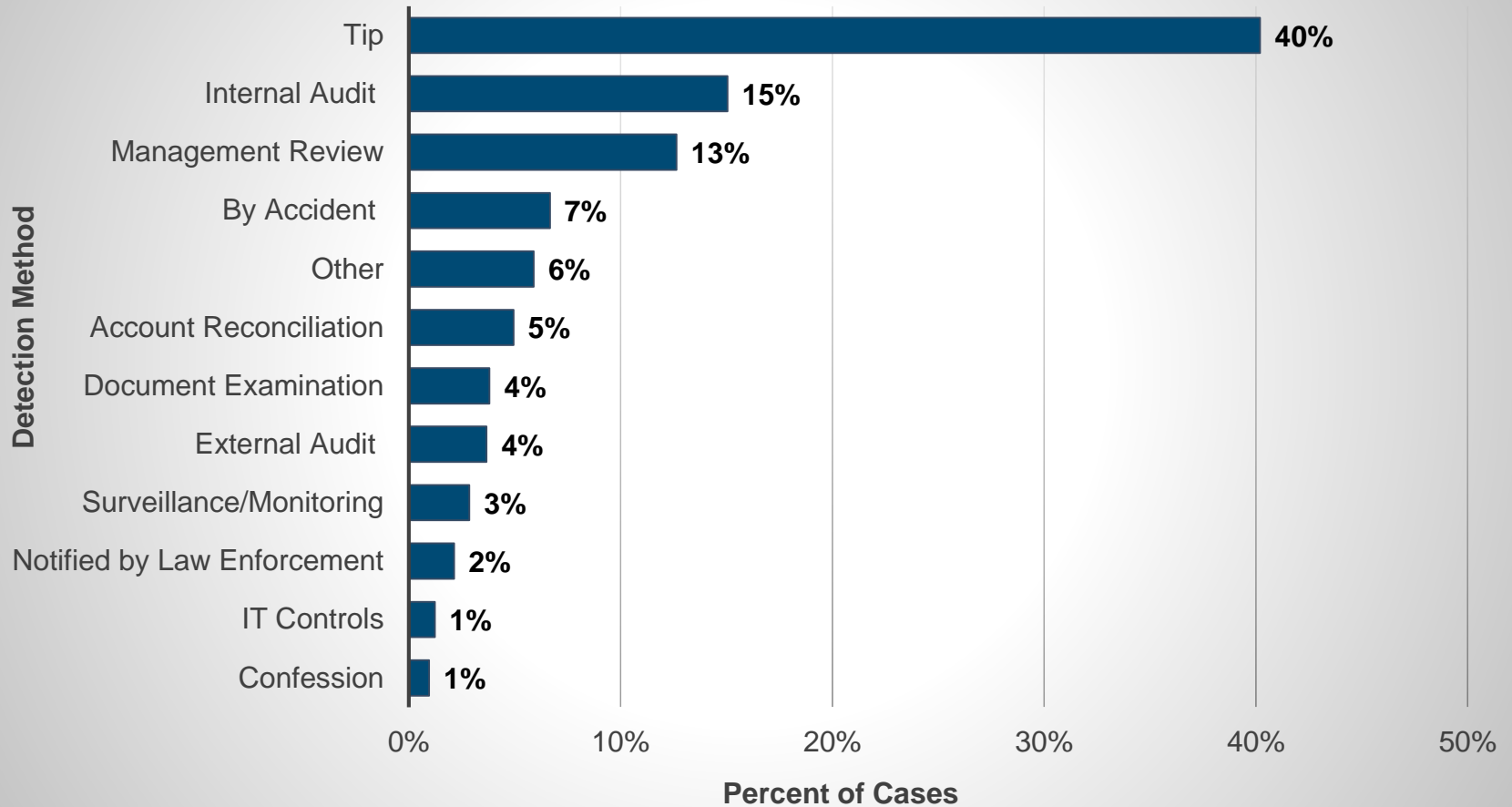
Introduction

- An important gauge of the compliance and ethics program's success is how free employees feel to raise questions and concerns.



Why Implement a Helpline?

Initial Detection of Occupational Frauds



Why Implement a Helpline?

- To proactively detect and address misconduct
- To identify areas that might need improvement
- To reinforce an ethical corporate culture
- To comply with laws and regulations
- To encourage internal reporting of concerns
- To mitigate fines and penalties

Establishing the Reporting Mechanisms

- Objective is to remove all possible barriers to reporting
- Provide a variety of channels that:
 - Are free to use
 - Are easily accessible
 - Are available 24 hours a day, 365 days a year
 - Facilitate two-way communication with the reporting party

Establishing the Reporting Mechanisms



- Telephone
- Email
- Online form
- Mail (e.g., PO Box)
- In-person reporting
- Suggestions and concerns box

Establishing the Reporting Mechanisms

- Internally managed or third-party helpline?
 - Costs (e.g., training, operations, technology)
 - Coverage (i.e., 24/7/365 or part-time)
 - Accessibility
 - Competency of individuals who staff the helpline
 - Perception of trustworthiness and independence
 - Desire and capability for anonymous reporting
 - Effect on organizational processes

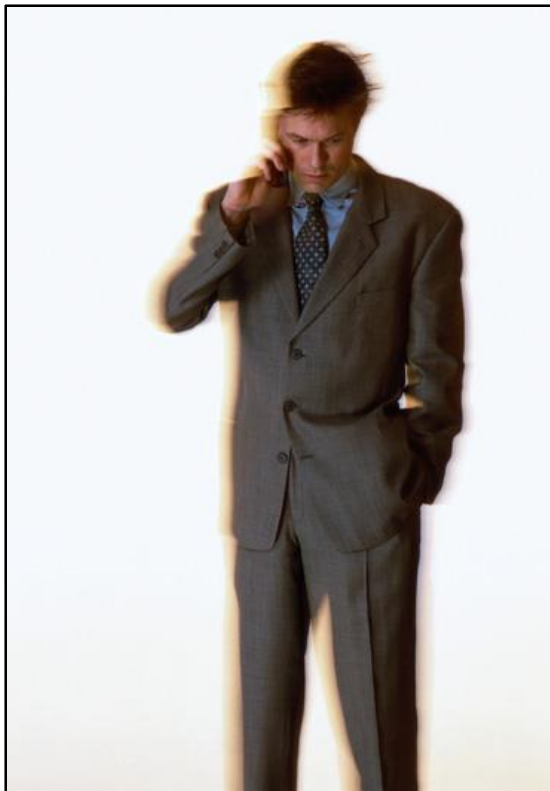
Considerations in Implementing the Helpline

- Support from senior management:
 - Embraces and understands whistleblowers
 - Designates a senior-level helpline champion (CECO)
- Available to internal and external parties
- Anonymity and confidentiality
- Publicizing the helpline

Addressing International Differences

- Legal and regulatory issues
- Language barriers
- Cultural differences
- Accessibility of reporting mechanisms

Creating a Culture of Whistleblower Support



- Whistleblowers face numerous real and perceived risks.
- Management must foster an environment where employees feel comfortable reporting concerns.

Creating a Culture of Whistleblower Support

- Effect of government whistleblower programs (e.g., Dodd-Frank)
- Anti-retaliation policy
- Rewards for whistleblowers
- Recognizing known whistleblowers

Collecting Information from Whistleblowers

- Intake staff should receive training in how to ask questions without interrogating.
- Process should include ability for each report to be easily located and tracked.

Collecting Information from Whistleblowers

- Unique identifying number
- Report date
- Source and contact information (if provided)
- Whether anonymity is desired or waived
- Details of the allegation
- Any other information provided
- Recommended action based on initial assessment of the report

Collecting Information from Whistleblowers

- Use of case management software
- Security considerations for records access



Communicating with Whistleblowers

- Establish a protocol for keeping whistleblowers informed.
- Maintain confidentiality even after the report has been closed.
- Provide whistleblowers a case number to use in future communications.
- Provide anonymous callers a specific time or phone number to use for follow-up reports.

Responding to Tips

- Response protocol often determines the overall success of the whistleblower program.
- CECO has oversight of the helpline but typically delegates “first line” intake to other staff:
 - Coordinate intake with legal, HR, and internal audit.
- Incoming reports should go to at least two parties:
 - Designate a party and hotline champion.
 - Must balance confidentiality concerns.

Screening Tips

- Assess the merit of the facts and source:
 - Document and set aside meritless reports.
- Assess the type of issue involved:
 - Determine investigation procedures and party.
- Escalate high-risk reports to an oversight body:
 - Establish a protocol for determining risk level of reports.
- Address reporting abuses.

Assessing Whistleblower Program Effectiveness

- The program must include a formal assessment of its effectiveness.
- A low volume of reports is not the goal.
- Methods:
 - Employee surveys
 - Metrics and benchmarking

Assessing Whistleblower Program Effectiveness

- Complaints per period
- Average number of complaints per employee
- Complaints by reporting mechanism or method
- Complaints by location or division
- Complaints by claim type

Assessing Whistleblower Program Effectiveness



- Percent of anonymous complaints
- Repeat versus first-time reporters
- Reports of retaliation

Assessing Whistleblower Program Effectiveness

- Average cost per complaint
- Percent of complaints substantiated
- Percent of complaints investigated
- Length of time to investigate and close reports
- Changes in complaints received after new awareness efforts
- Changes in the number and type of complaints after compliance and ethics refresher training