

# BUILDING A BEST-IN-CLASS WHISTLEBLOWER HOTLINE PROGRAM



The Institute of  
Internal Auditors

# TABLE OF CONTENTS

<b>INTRODUCTION</b>	<b>1</b>
<b>PART 1: BENCHMARKING HOTLINE PROGRAMS</b>	<b>4</b>
Structure of the Hotline Program	5
Hotline Program Components	7
<b>PART 2: EFFECTIVENESS OF HOTLINE PROGRAMS</b>	<b>13</b>
Considerations for a Successful Hotline Program	14
Perceived Effectiveness of Hotline Programs	16
Factors Associated with Increased Hotline Program Effectiveness	17
<b>APPENDIX A: RESPONDENT DEMOGRAPHICS</b>	<b>25</b>
<b>APPENDIX B: REASONS ORGANIZATIONS DO NOT HAVE A HOTLINE PROGRAM</b>	<b>31</b>
<b>APPENDIX C: REGIONAL DIFFERENCES IN HOTLINE PROGRAMS</b>	<b>34</b>
Presence of Hotline Program by Region	38
Hotline Administration by Region	39
Hotline Oversight by Region	40
Program Attributes by Region	41
Protection for Whistleblowers by Region	47
Perceived Effectiveness by Region	48
<b>NOTES FOR FIGURES</b>	<b>49</b>
<b>ABOUT THE ACFE</b>	<b>52</b>
<b>ABOUT THE IIA</b>	<b>53</b>

# INTRODUCTION

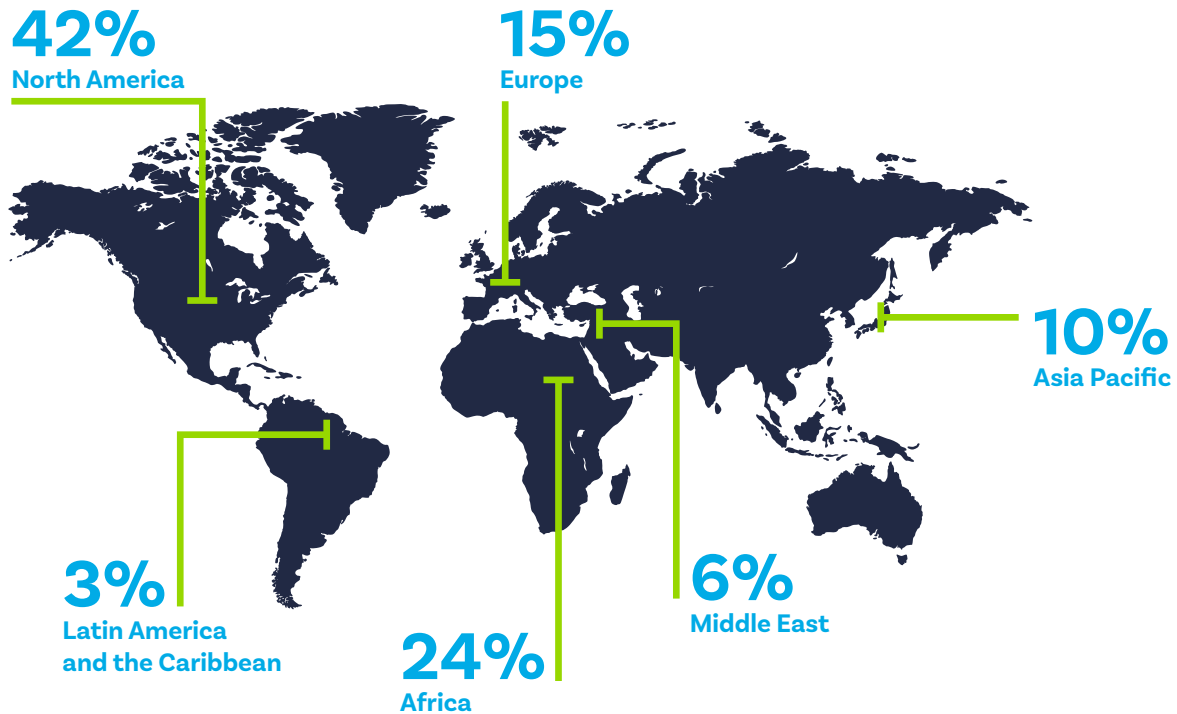
Research by the ACFE indicates that whistleblower tips are by far the most common way that fraud schemes are detected.<sup>1</sup> Additionally, internal auditors and anti-fraud practitioners often play key roles related to their organizations' whistleblower hotline programs—from administering the program, to assessing reports received, to performing investigations based on incoming tips, to auditing the program's effectiveness. To provide insight and help support our respective members with these responsibilities, the ACFE and The IIA have collaborated on a study to identify key elements of a best-in-class whistleblower hotline program, especially as it pertains to fraud.

For purposes of this report, a **whistleblower hotline program** is defined as a program consisting of one or more mechanisms or initiatives designed to encourage and collect reports from parties with information about potential wrongdoing or misconduct.

<sup>1</sup>See ACFE *Occupational Fraud 2022: A Report to the Nations* ([ACFE.com/RTTN](https://www.acfe.com/RTTN)), which shows that 42% of frauds were detected by tips—nearly three times as many as the next most common detection method.

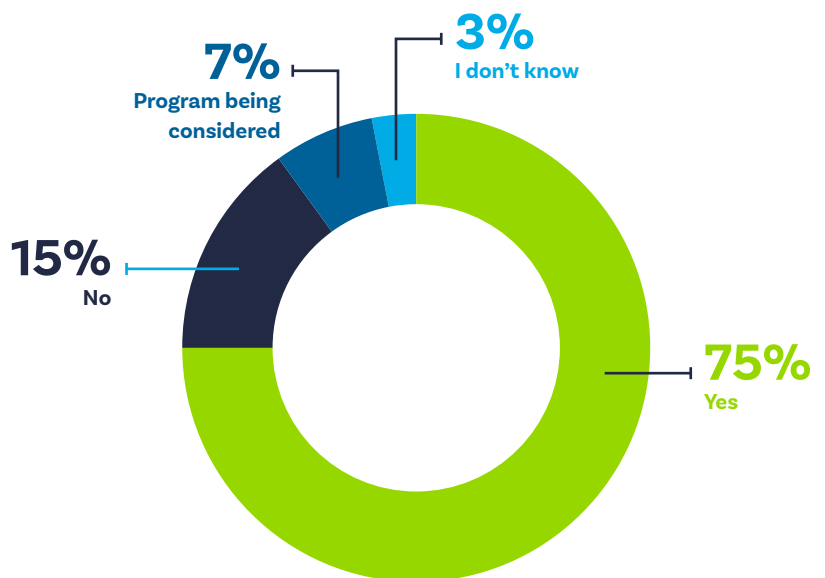
In December 2022 and January 2023, the ACFE and The IIA conducted a worldwide survey of their members regarding the attributes and effectiveness of their employers' whistleblower hotline programs. The ACFE and The IIA received 1,600 responses from participants around the world (Figure 1).

**FIGURE 1: REGIONAL RESPONSE RATE**



Of these responses, 75% indicated that their organizations have a whistleblower hotline program (Figure 2); the findings discussed in the main body of this report are based on the answers provided by these respondents. Additionally, [Appendix B](#) provides some insight from the 15% of survey respondents who indicated that their organizations do not currently have whistleblower hotline programs.

**FIGURE 2: PRESENCE OF WHISTLEBLOWER HOTLINE PROGRAM**





This report organizes our findings to help organizations achieve two specific objectives:

- Benchmark hotline programs against other organizations around the world.
- Understand the factors that contribute to the effectiveness of a whistleblower hotline program.

The ACFE and The IIA hope that the information presented herein provides practical, data-driven guidance on how internal audit leaders, anti-fraud professionals, and others can most effectively manage and support the whistleblower hotline programs within their organizations.

## TRUST IS ESSENTIAL



While benchmarking program components can be informative and useful for creating a comprehensive hotline program, we encourage organizations to focus primarily on what makes programs effective, rather than on what components are most commonly implemented.

**The findings of our study indicate that the foundational component for an effective hotline program is TRUST.** If parties do not perceive that whistleblower reports will be taken seriously, that whistleblower identities will be safeguarded, and that whistleblowers will be protected from potential retaliation, the presence of other program components will have little effect on the overall program effectiveness.



# PART 1: BENCHMARKING HOTLINE PROGRAMS

**W**histleblower hotline programs are not one-size-fits-all endeavors; their structure and components vary from organization to organization based on resources, needs, and priorities. However, when assessing or investing in hotline programs, it can be instructional to benchmark against other organizations' programs.

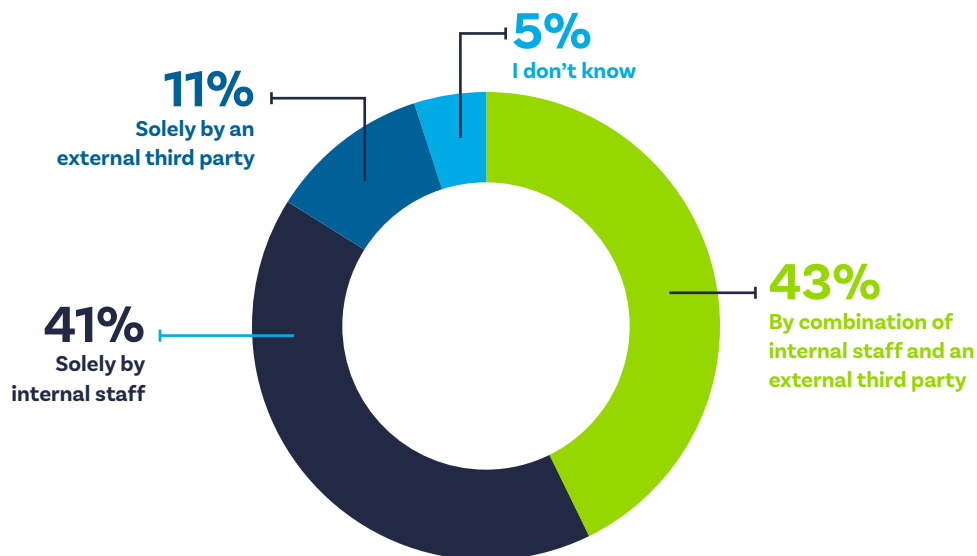
This section provides an overview of our survey responses as a whole. Additional information on how these programs vary by geographic region can be found in [Appendix C](#).

# STRUCTURE OF THE HOTLINE PROGRAM

## HOTLINE ADMINISTRATION

As shown in Figure 3, most organizations (84%) have at least some internal parties involved in the administration of their hotline programs, and 41% keep the administration of the program entirely in-house. Only 11% of programs are fully administered by an external third party, but more than half of organizations (54%) engage an external third party in at least some administrative aspects of their program.

FIGURE 3: HOTLINE PROGRAM ADMINISTRATION



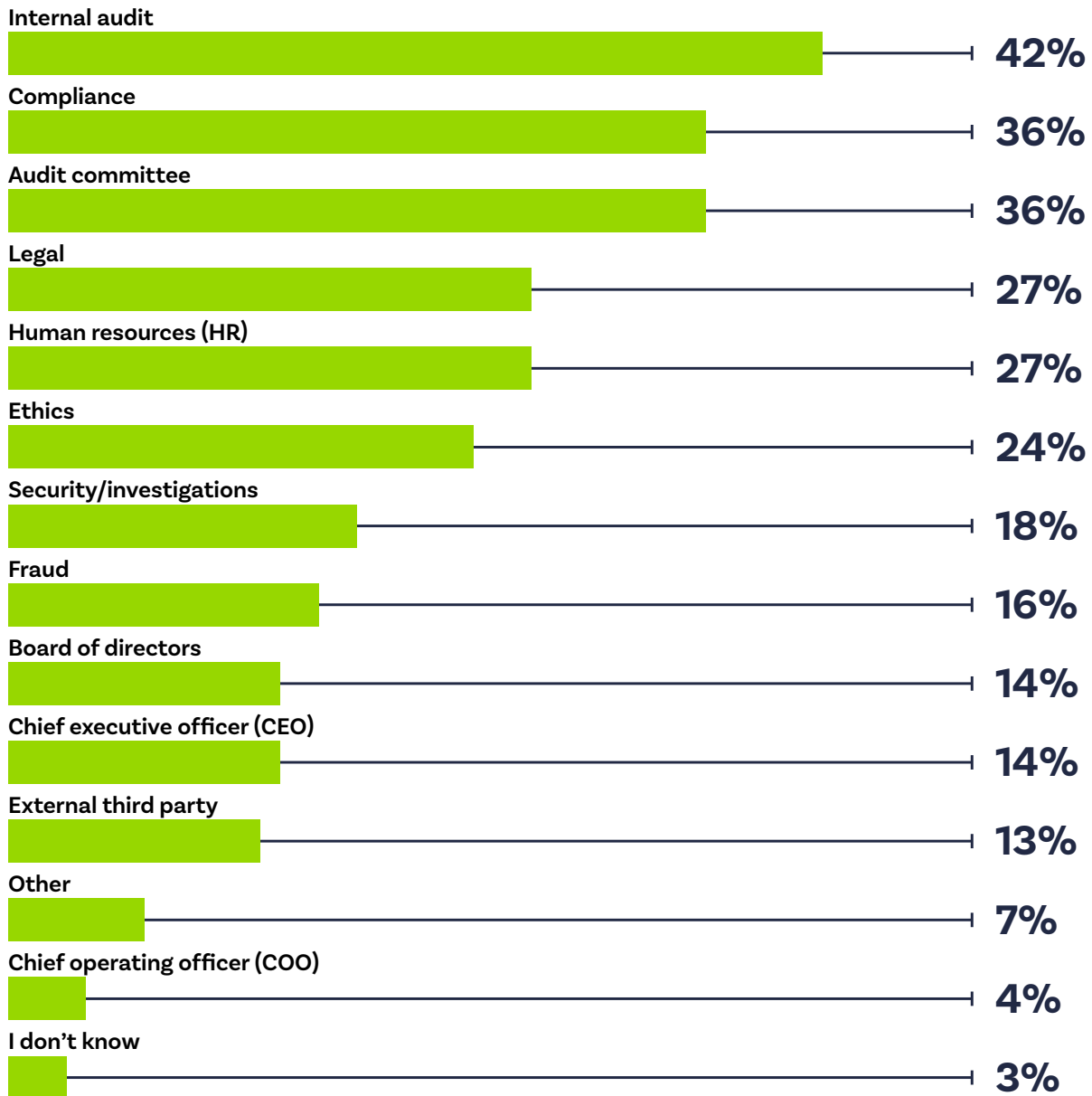
“ We have a working group that consists of Human Resources, Security, Legal, Compliance and Internal Audit. This group meets regularly to see what items are being reported in the hotline, distributes the future investigation to the proper group, reviews the results and meets with the CEO quarterly to review the statistics of the program. The CEO provides great tone at the top leadership on this program. All this is reported to the Audit Committee on a quarterly basis. ”

- INTERNAL AUDITOR, UNITED STATES

## HOTLINE OVERSIGHT

Even when administered by an external third party, the oversight of the hotline program must be assigned to one or more parties within the organization. We asked survey respondents which business units in their organization are responsible for managing or overseeing the hotline program (Figure 4). The most common party with this oversight responsibility is internal audit; 42% of hotline programs are overseen either entirely or in part by the internal audit function. Other common business units with hotline oversight are compliance (36%) and the audit committee (36%).

**FIGURE 4: BUSINESS UNITS WITH HOTLINE PROGRAM OVERSIGHT RESPONSIBILITY**



### HOTLINE PROGRAM OVERSIGHT BY FRAUD DEPARTMENT

Only 54% of organizations in our study had a dedicated fraud department. Among those that did, 29% assigned that team to assist with oversight of the hotline program.

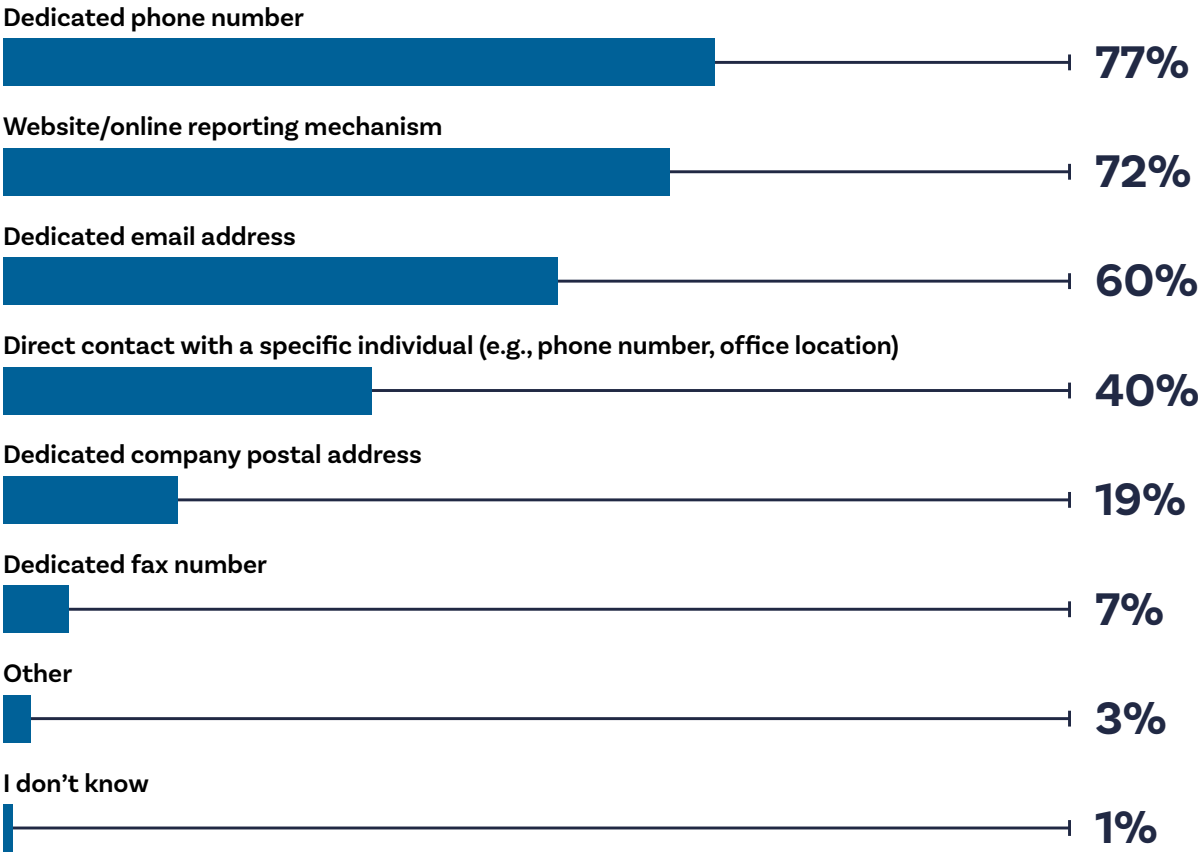


# HOTLINE PROGRAM COMPONENTS

## AVAILABLE REPORTING MECHANISMS

When ensuring potential whistleblowers have effective means to report their concerns, accessibility is an important factor. We asked survey respondents about the types of reporting mechanisms their organizations have in place as part of their hotline program. Figure 5 shows that the two most common reporting mechanisms are a dedicated hotline phone number (77%) and a website or online reporting mechanism (72%).

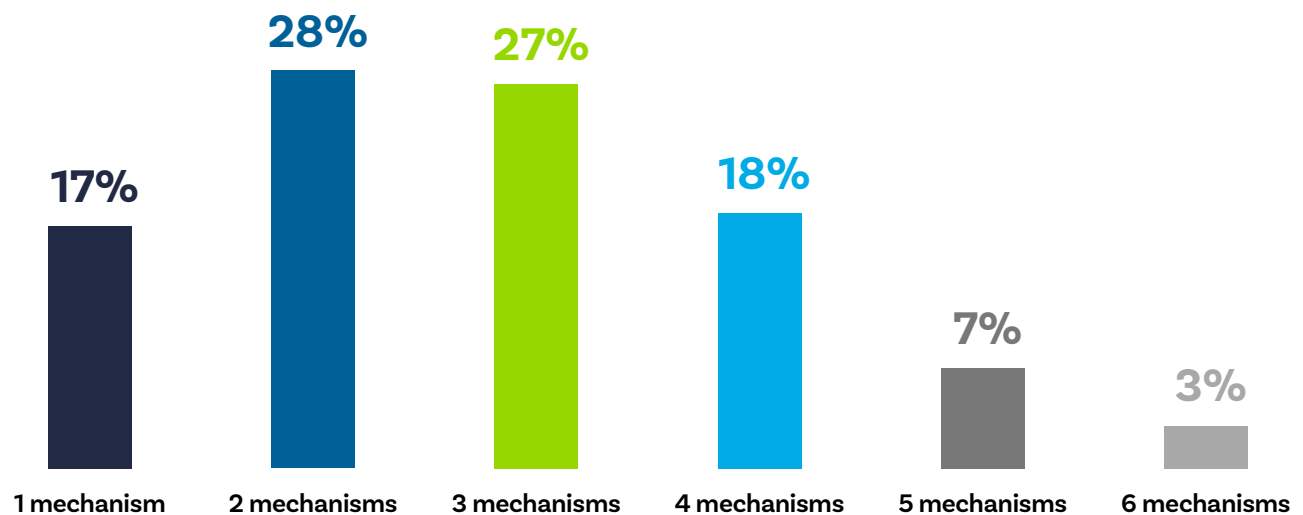
**FIGURE 5: HOTLINE REPORTING MECHANISMS**





We also analyzed how many of the six reporting mechanisms in the survey were made available by survey respondents' organizations. The vast majority of hotline programs provide multiple channels for reporting (Figure 6); only 17% had a single reporting mechanism. More than half of organizations provide either two or three mechanisms, while 28% provide four or more reporting mechanisms.

FIGURE 6: NUMBER OF REPORTING MECHANISMS IN PLACE



## ANONYMITY AND OTHER PROGRAM ATTRIBUTES

As noted earlier, hotline programs might contain a variety of attributes based on the resources, culture, and priorities of the organization. We asked survey respondents which of several common program attributes their organizations had incorporated into their hotline programs. The results are reflected in Figure 7. Nearly all organizations (91%) provide the ability for the whistleblower to remain anonymous. Other common attributes include the ability to receive reports at any time (83%) and formal mechanisms to protect whistleblower confidentiality (76%). Interestingly, only 39% of the hotline programs in our study undergo formal audits.



“The program needs to be adapted to the constraints imposed by local culture, organization culture, history and practice.”

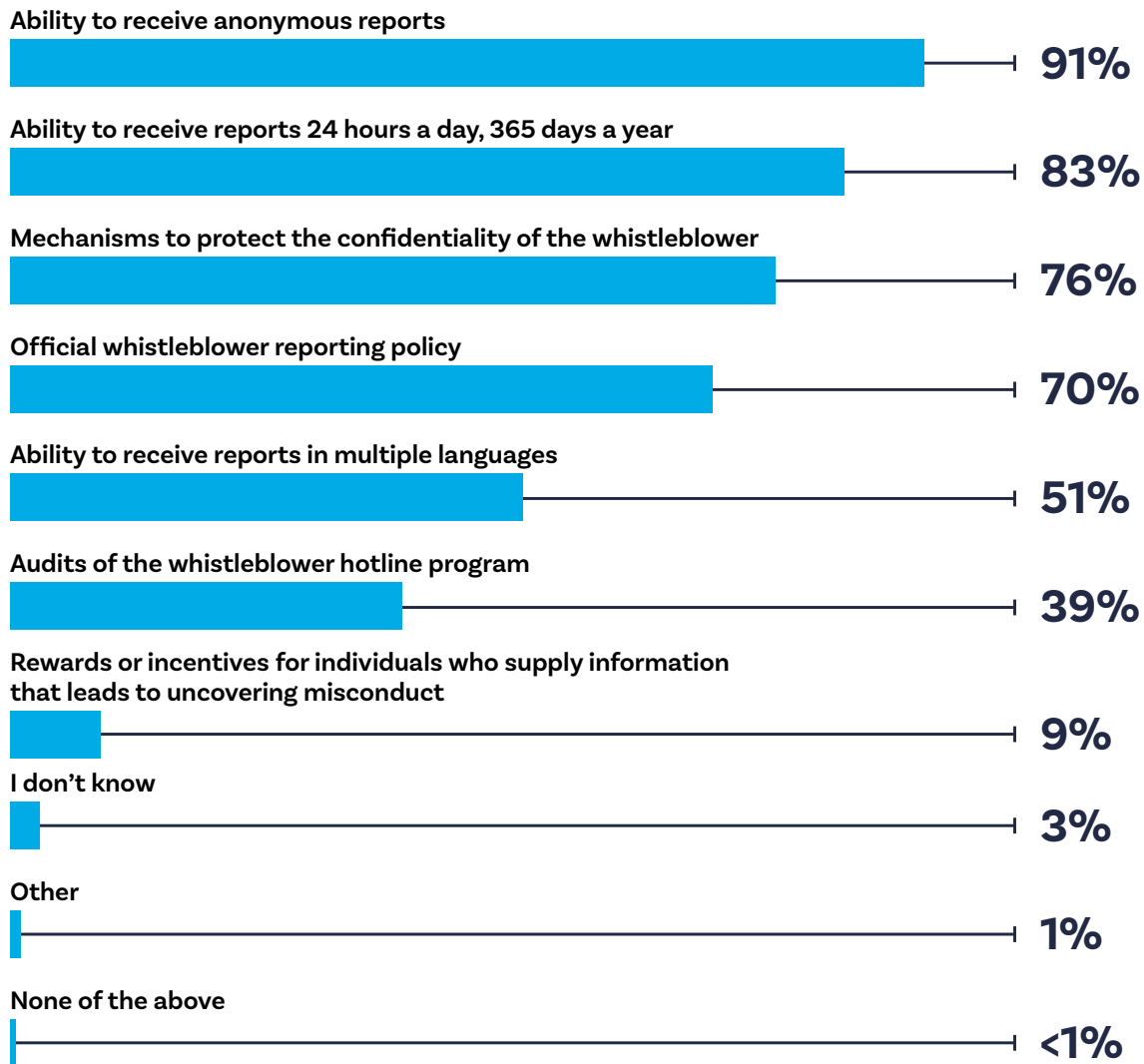
- CONSULTANT, UGANDA



“ The hotline should be easy for employees to access and use. This might include having a phone number and email address that are well-publicized and accessible to all employees, as well as offering multiple languages for non-native speakers. ”

- ANTI-FRAUD PROFESSIONAL, INDIA

FIGURE 7: ANONYMITY AND OTHER HOTLINE PROGRAM ATTRIBUTES



## PROTECTION FOR WHISTLEBLOWERS

Ensuring that parties feel safe and comfortable when making a report is an important part of a comprehensive hotline program. We asked survey respondents about the measures their organizations take to protect whistleblowers from retaliation (Figure 8). The most common approach, employed by 72% of organizations in our study, involves an official anti-retaliation policy, either as a standalone policy or as part of another organizational policy. Additionally, more than half (55%) have an official process or channel for reporting and resolving any form of retaliation that may occur.

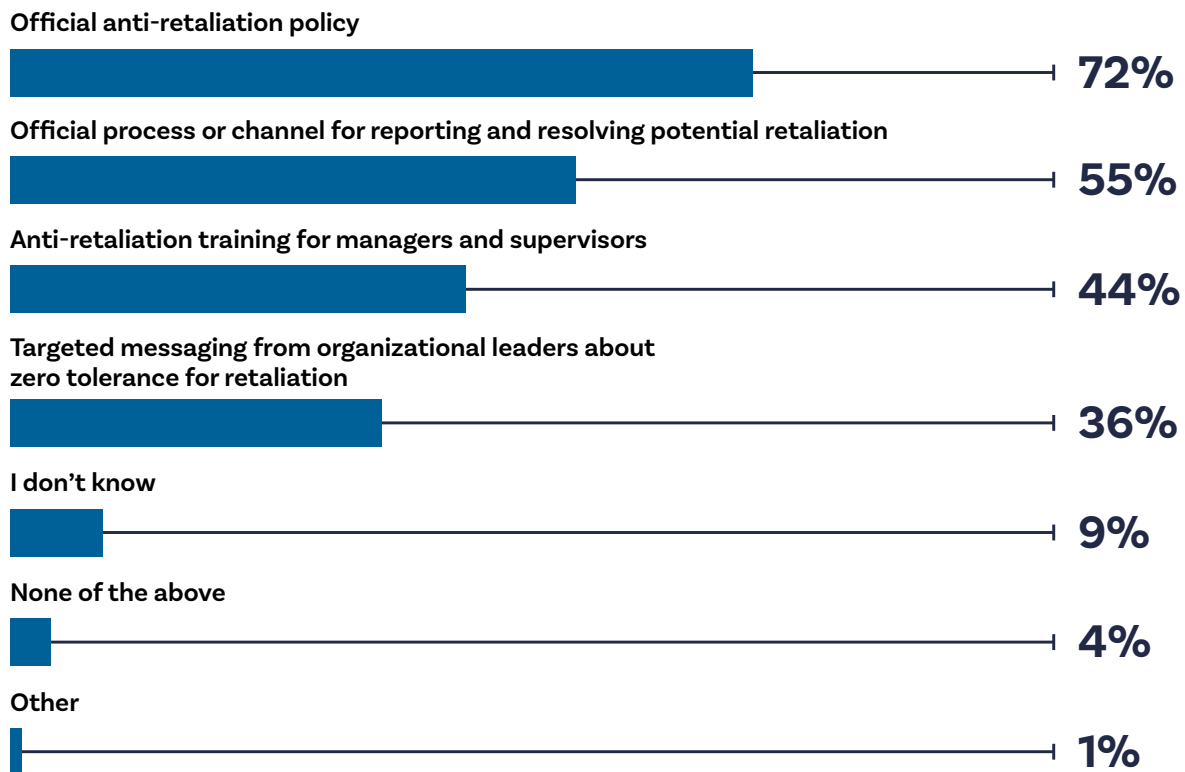
However, less than half of organizations (44%) train their managers on how to avoid, recognize, and respond to potential retaliation, and only 36% have targeted messaging from the organization's leaders about zero tolerance for retaliation—both of which reinforce the effectiveness of anti-retaliation policies and ensure that the policy is enacted effectively.



“ We need to encourage people/ staff to report on every wrongdoing and guarantee that they cannot be retaliated [against] unless they are involved in it. Huge efforts need to be directed in this way to strengthen the trust and faith in the managing team, and [so] that fairness and justice prevail. ”

- RISK AND CONTROLS  
PROFESSIONAL, ITALY

FIGURE 8: WHISTLEBLOWER PROTECTION MECHANISMS



## METRICS USED TO ASSESS THE PROGRAM

Although only 39% of hotline programs undergo formal audits (see Figure 7), the majority of organizations use some metrics or key performance indicators to assess the effectiveness of the program overall. As shown in Figure 9, the most common metric used is the number of complaints received during a given period; two-thirds of organizations evaluate this as part of assessing their program. Other top metrics used include the percentage of complaints substantiated or investigated (47%) and the complaints received by claim type (47%). However, 11% of organizations do not use any metrics to evaluate their hotline program's effectiveness.

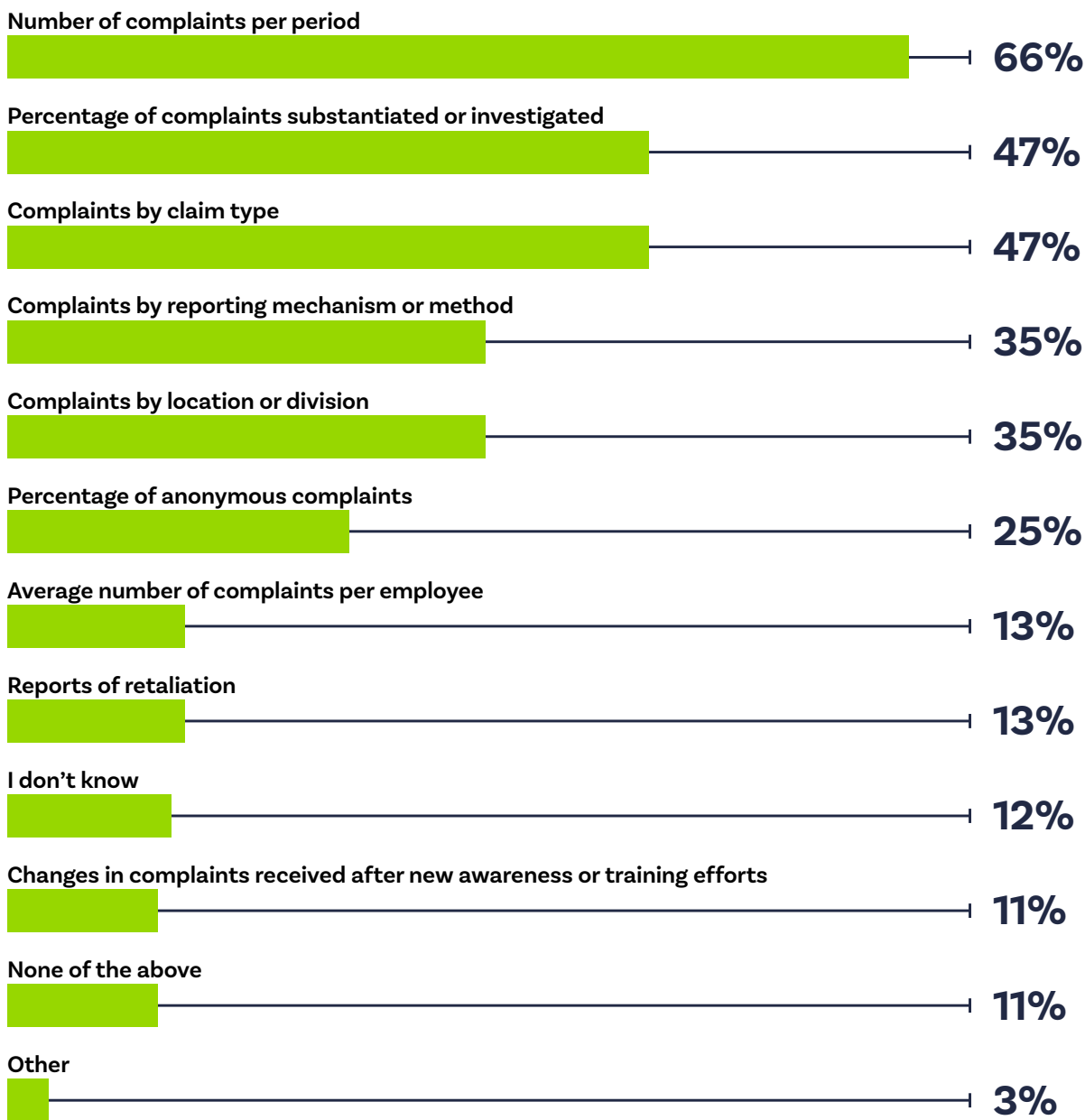


“ My approach [is] to “catch all [complaints],” meaning have employees submit all their concerns and let the intake [team] triage reports. In my experience, putting the burden on the employee to make such determinations results in matters not being reported. ”

- CONSULTANT, UNITED STATES



**FIGURE 9: HOTLINE PROGRAM METRICS USED\***



\*Figure 9 reflects only those responses from executives and directors, as respondents at lower organizational levels had a high percentage of "I don't know" responses.



# PART 2:

## EFFECTIVENESS OF HOTLINE PROGRAMS

While benchmarking program components can be informative and useful for creating a comprehensive hotline program, we encourage organizations to pay special attention to the factors that make the most difference for the program's effectiveness, rather than just implementing the components that are used most commonly.

This section explores program effectiveness based on our survey responses as a whole. See [Appendix C](#) for additional information on how these findings vary by geographic region.



“ I reported an HR issue in the past and was left in the dark as to whether anything came of my reporting effort. This left me feeling less confident in the whistleblower program's effectiveness. ”

- RISK AND CONTROLS PROFESSIONAL, UNITED STATES

# CONSIDERATIONS FOR A SUCCESSFUL HOTLINE PROGRAM

We asked respondents the open-ended question, “In general, what do you think are the most important considerations for a successful whistleblower hotline program?” Responses varied, but several common themes emerged from the perspectives that respondents shared (Figure 10). The top four considerations cited by respondents were anonymity, hotline awareness, follow-up actions, and retaliation protection. Other than hotline awareness, these aspects of the program are all based around trust—that the whistleblower’s identity will remain anonymous, that reports will be taken seriously and acted upon, and that the whistleblower will be protected from retaliation.



“*In my opinion, the most important consideration for a successful whistleblower hotline program is the assurance of non-retaliation of the whistleblower and also effective investigation with unbiased conclusion and feedback.*”

- INTERNAL AUDITOR, CAMEROON



“*[There should be] fearless freedom to express and trust that [the] reported incident would be fairly investigated.*”

- IT/ COMPUTER FORENSICS SPECIALIST, UNITED KINGDOM

**FIGURE 10: TOP CONSIDERATIONS FOR A SUCCESSFUL HOTLINE PROGRAM\***

<b>Consideration</b>		<b>Description</b>
Anonymity	<b>27%</b>	The identity of the whistleblower remains unknown.
Awareness	<b>25%</b>	Employees and/or external stakeholders have knowledge of the program (i.e., high visibility and training provided).
Follow-up action	<b>25%</b>	Reported issues are always investigated and timely feedback is provided. Further, reporters are notified of actions taken.
Retaliation protection	<b>25%</b>	There is protection for the person making an allegation.
Confidentiality	<b>16%</b>	There are enforced restrictions on the disclosure of information.
Ethical culture	<b>12%</b>	Employees are encouraged to raise concerns and have trust in the process and/or confidence in the hotline program. Further, there is a strong moral compass from the top.
Reporting options	<b>11%</b>	There is easy access to and availability of the whistleblowing channels (e.g., hotline, email, and applications). Complaints can be submitted at any time and in multiple languages.
Independence	<b>9%</b>	An independent third party or neutral entity manages the hotline program and/or the follow-up on reports received.
Stakeholder awareness and/or support	<b>7%</b>	Management, audit committee, and/or the board demonstrates support for the hotline program. Further, there is cooperation among related functions (such as legal, HR, and internal audit).
Reward	<b>5%</b>	Compensation is provided to individuals reporting suspected and substantiated misconduct.
Defined policy	<b>5%</b>	There are organizational policies in place that include clearly defined roles in how reports are handled.
Adequate details	<b>4%</b>	Details of the issue or allegation are adequately captured to appropriately focus the investigation.
Key performance indicators (KPIs)	<b>3%</b>	Key data are tracked and reported (e.g., a breakdown of the percentage of what is investigated and/or how investigations are handled).
Knowledgeable investigators	<b>2%</b>	Investigators are qualified (i.e., properly trained).
Continuous development	<b>1%</b>	The hotline program is regularly monitored, evaluated, and improved based on feedback from whistleblowers and other stakeholders.

\*Figure 10 shows the results of analyzing open text responses to the question: In general, what do you think are the most important considerations for a successful whistleblower hotline program?

# PERCEIVED EFFECTIVENESS OF HOTLINE PROGRAMS

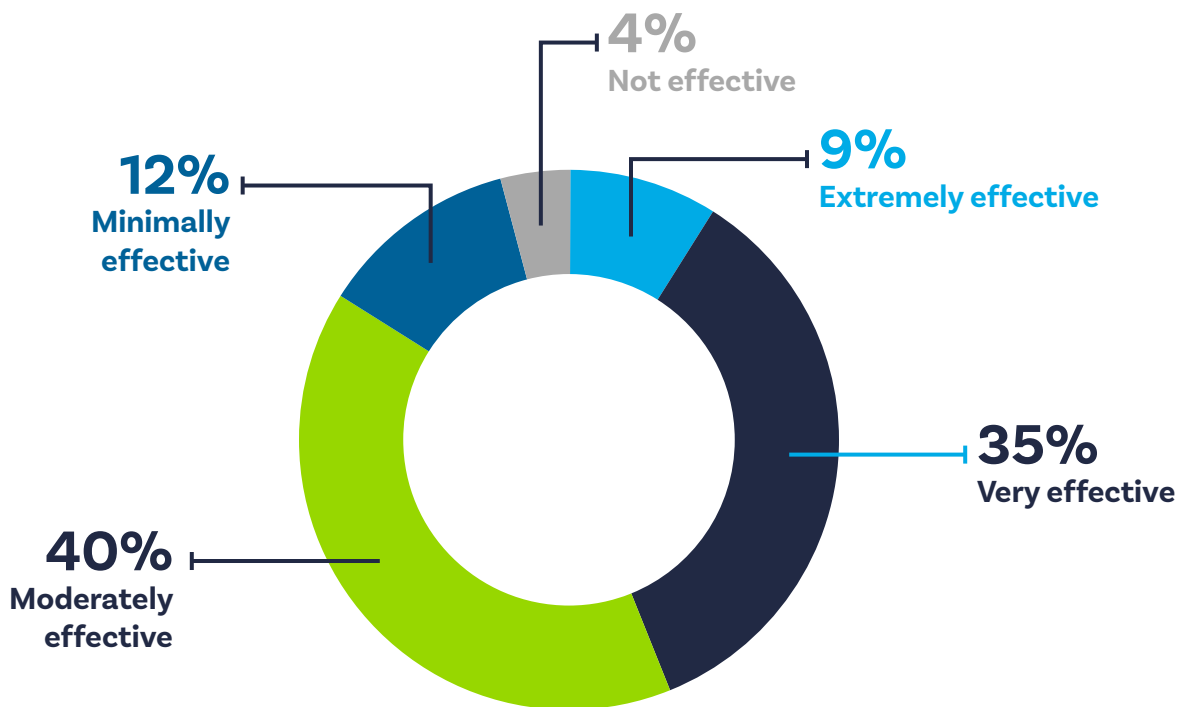
Employee perception of the hotline program’s effectiveness is an important factor in both ensuring and measuring the program’s success; if employees do not perceive the program to be effective, they will be much less likely to use it to report concerns. Consequently, we asked survey respondents—many of whom are actively involved in the oversight or administration of their organization’s hotline program—to provide us with their opinion on the efficacy of their program overall. Figure 11 shows that 44% of programs are perceived to be “extremely” or “very” effective, while 40% are considered “moderately” effective, and 16% are perceived as “minimally” or “not effective.”



**“** The whistleblower program in my organization is ineffective because anonymity is not guaranteed. **”**

- INTERNAL AUDITOR, SOUTH AFRICA

**FIGURE 11: PERCEIVED HOTLINE PROGRAM EFFECTIVENESS**





# FACTORS ASSOCIATED WITH INCREASED HOTLINE PROGRAM EFFECTIVENESS

To better understand which factors might drive perceived effectiveness of hotline programs, we compared the presence of the program components studied in our survey with the respondents' opinion on program effectiveness. Interestingly, many program components were not clearly associated with the programs' level of perceived effectiveness. In other words, an organization can have many common attributes noted in our study and still have a hotline that is perceived as “minimally” or “not effective.” However, the following factors addressed in the survey did correlate with higher perceived effectiveness:

- Presence of a fraud department
- Independent administration of the hotline program
- Ability to receive anonymous reports
- Ability to receive reports 24 hours a day, 365 days a year
- Number of reporting mechanisms
- Protection against retaliation, including leaders expressing “zero tolerance” for retaliation

## PRESENCE OF FRAUD DEPARTMENT

Of the organizations in our study, 54% had a dedicated fraud department. Hotline programs at these organizations had a notably higher level of perceived effectiveness compared to organizations without a fraud department (Figure 12).

**FIGURE 12: HOTLINE PROGRAM EFFECTIVENESS BASED ON PRESENCE OF FRAUD DEPARTMENT**

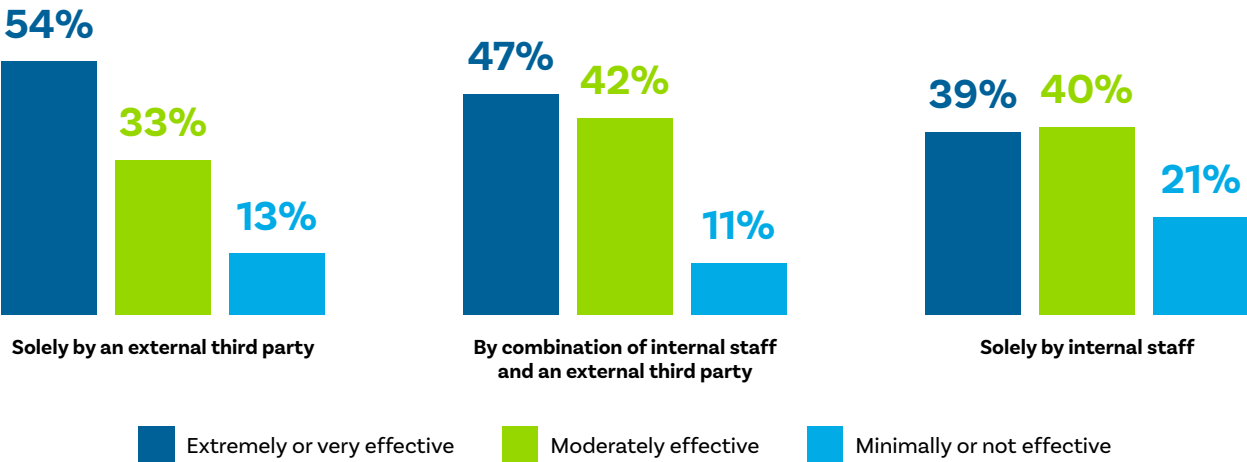




# INDEPENDENT ADMINISTRATION

As shown in Figure 13, hotlines that are either entirely or partially administered by an external third party are perceived as more effective than hotlines administered solely by internal staff. This might be due to the increased expectation of objectivity when the administration is handled externally; employees may trust an outside, professional hotline provider to be more impartial or to better protect incoming reports than inside parties who might be subject to organizational politics or have a vested interest in the outcomes of any reports received.

**FIGURE 13: HOTLINE PROGRAM EFFECTIVENESS BASED ON PROGRAM ADMINISTRATION**





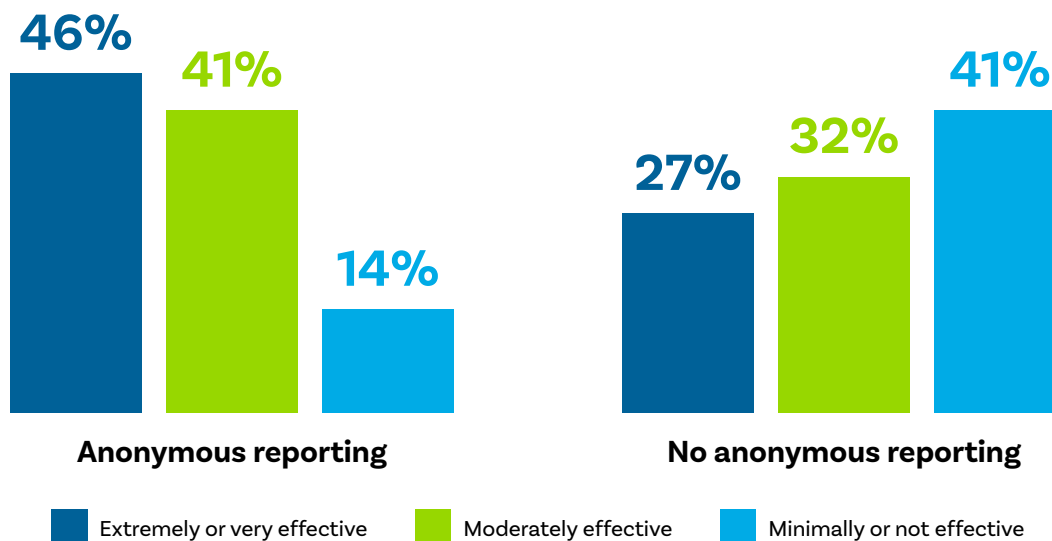
“
*I've reviewed the whistleblower processes of many companies and frequently the compliance officer who reports to the CEO (and who would have received the concern through normal channels) makes the assessment of the merit of the complaint. As a result, a complaint can be deemed of no merit with the board not even being aware of the complaint.*
”

- FRAUD EXAMINER, CANADA

## ABILITY TO RECEIVE ANONYMOUS REPORTS

Our survey data reinforces the observation by respondents that anonymity is a top consideration for an effective hotline program. As Figure 14 shows, organizations that enable whistleblowers to report anonymously have notably more effective hotline programs than organizations that do not provide a way to remain anonymous.

**FIGURE 14: HOTLINE PROGRAM EFFECTIVENESS BASED ON ABILITY TO RECEIVE ANONYMOUS REPORTS**



“ There needs to be [anonymity] when making a valid complaint. Unfortunately, management sometimes asks the wrong or inappropriate question when a complaint is submitted, such as, ‘Who filed the complaint?’ or ‘We need to find out who did this.’ ”

- INTERNAL AUDITOR, UNITED STATES

# MECHANISMS TO PROTECT WHISTLEBLOWER CONFIDENTIALITY

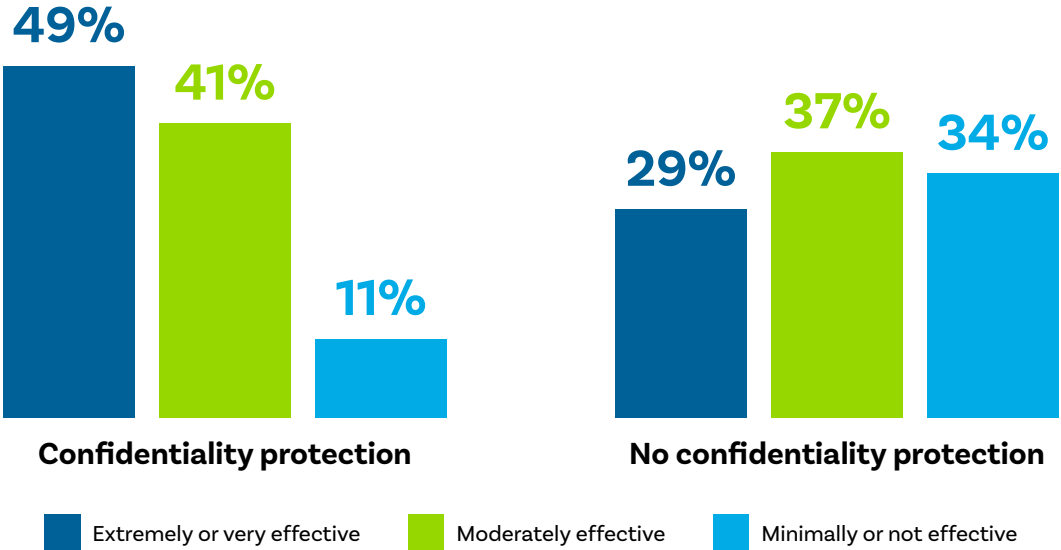
Similarly, hotline programs that include mechanisms specifically designed to protect the confidentiality of the whistleblower are perceived as more effective than programs that lack such mechanisms (Figure 15).



“ Whistleblower protection is the most important. The [identity] shouldn’t be disclosed to anyone. Disclosure of whistleblower information causes a great damage to an organization’s trust. The immediate action and response from the management is very helpful and ensures credibility among the staff. ”

- INTERNAL AUDITOR, DENMARK

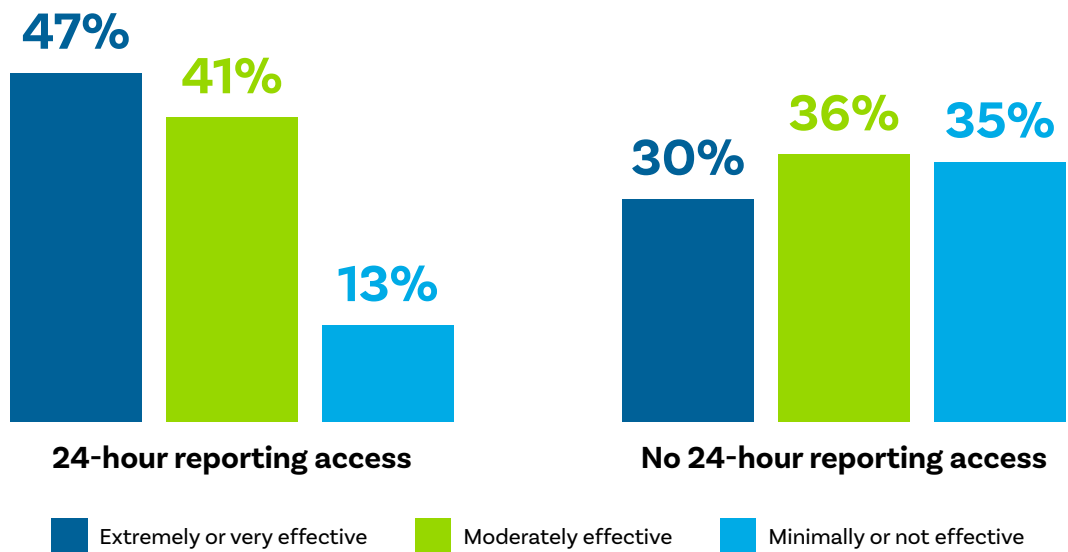
**FIGURE 15: HOTLINE PROGRAM EFFECTIVENESS BASED ON PRESENCE OF MECHANISMS TO PROTECT WHISTLEBLOWER CONFIDENTIALITY**



## ABILITY TO RECEIVE REPORTS 24 HOURS A DAY, 365 DAYS A YEAR

Ensuring the hotline is accessible at all times provides potential whistleblowers with every possible chance to report their concerns. Figure 16 shows that making reporting mechanisms available 24 hours a day, 365 days a year is associated with a much higher level of perceived program effectiveness.

**FIGURE 16: HOTLINE PROGRAM EFFECTIVENESS BASED ON ABILITY TO RECEIVE REPORTS 24 HOURS A DAY, 365 DAYS A YEAR**



# NUMBER OF REPORTING MECHANISMS

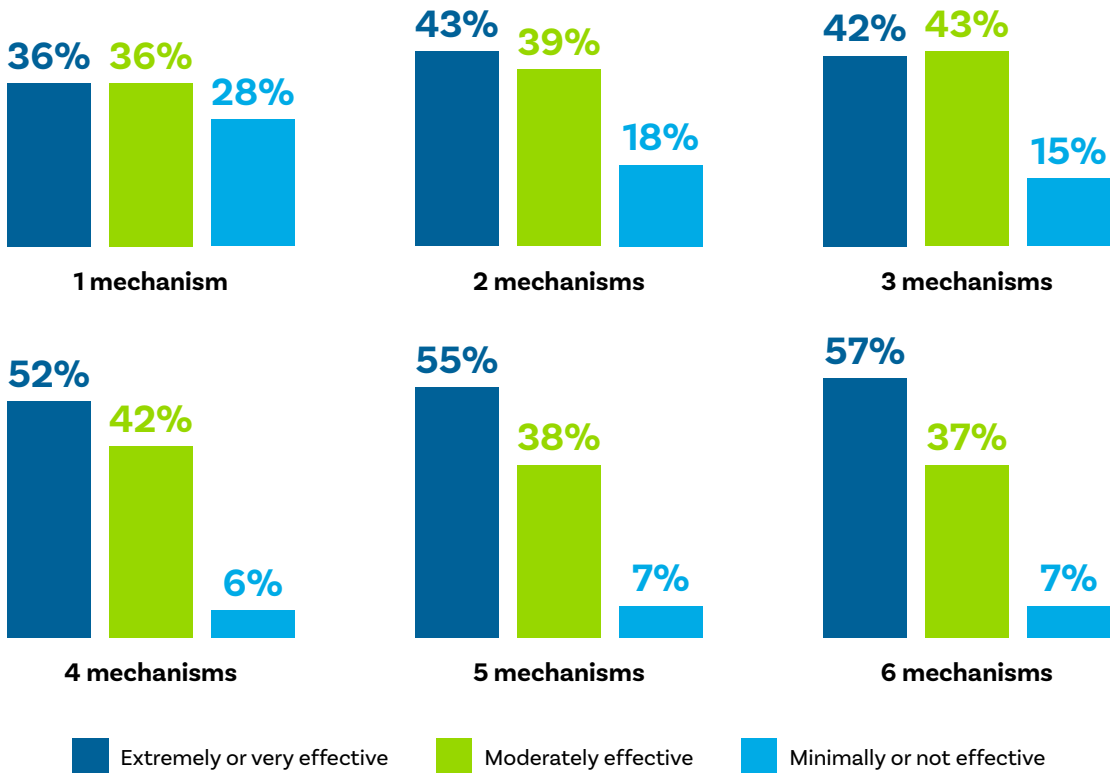
Hotline programs that include multiple reporting mechanisms to collect tips have higher perceived levels of effectiveness. As shown in Figure 17, the perception of effectiveness increases as more reporting mechanisms are provided. These findings emphasize the importance of both the accessibility of the program (i.e., are whistleblowers provided every possible means, within reason, to report their concerns?) and employees' perceived trust in the program. Having multiple avenues of reporting reinforces that management wants to encourage tips and that they are willing to invest in providing alternatives in case people do not feel comfortable using a specific reporting mechanism.



“ The whistleblower hotline is an important element of the process, but it is not the only element. Some people or cultures do not view the hotline as an appropriate mechanism, so we also rely on an open-door policy to encourage team members to discuss concerns directly with their supervisors, Legal, HR, Internal Audit, etc. ”

- INTERNAL AUDITOR, UNITED STATES

**FIGURE 17: HOTLINE PROGRAM EFFECTIVENESS BASED ON NUMBER OF REPORTING MECHANISMS**





# PROTECTION AGAINST RETALIATION

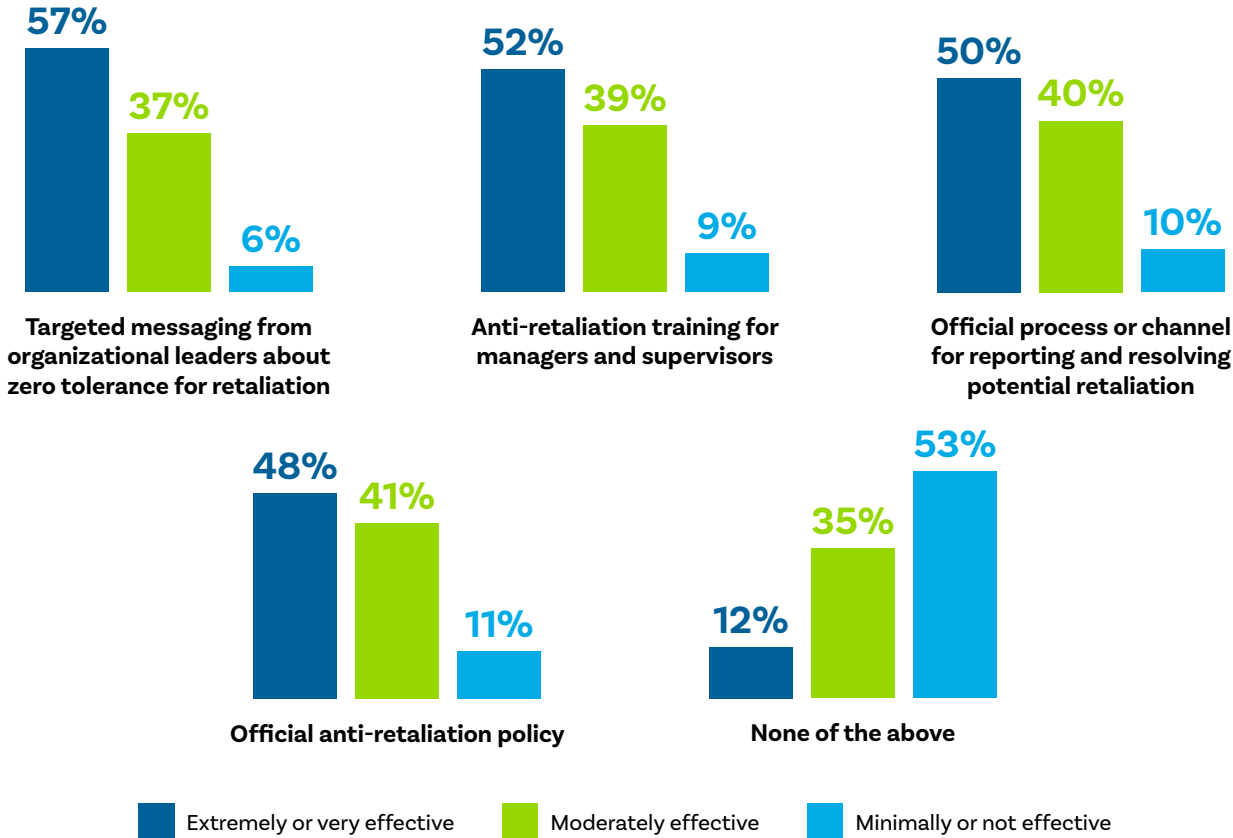
Our survey indicates that hotline programs are greatly strengthened by the presence of proactive measures to protect whistleblowers against potential retaliation. As shown in Figure 18, the presence of any of the anti-retaliation protections was correlated to a notably higher level of perceived effectiveness. In contrast, hotline programs with no anti-retaliation components had a very low level of perceived effectiveness, with more than half of those programs being rated as “minimally” or “not effective.” The measure that is correlated with highest perceived effectiveness is targeted messaging from organizational leaders about zero tolerance for retaliation.



“ Follow up with whistleblowers to see if there is any indication of retaliation. [The policy] must also spell out what disciplinary action will be taken for any form of retaliation. It must also explain how the whistleblower will be protected (e.g., transferred to a unit of choice, paid-for holiday, etc.) ”

- FRAUD EXAMINER, ZAMBIA

**FIGURE 18: HOTLINE PROGRAM EFFECTIVENESS BASED ON WHISTLEBLOWER PROTECTION MECHANISMS**

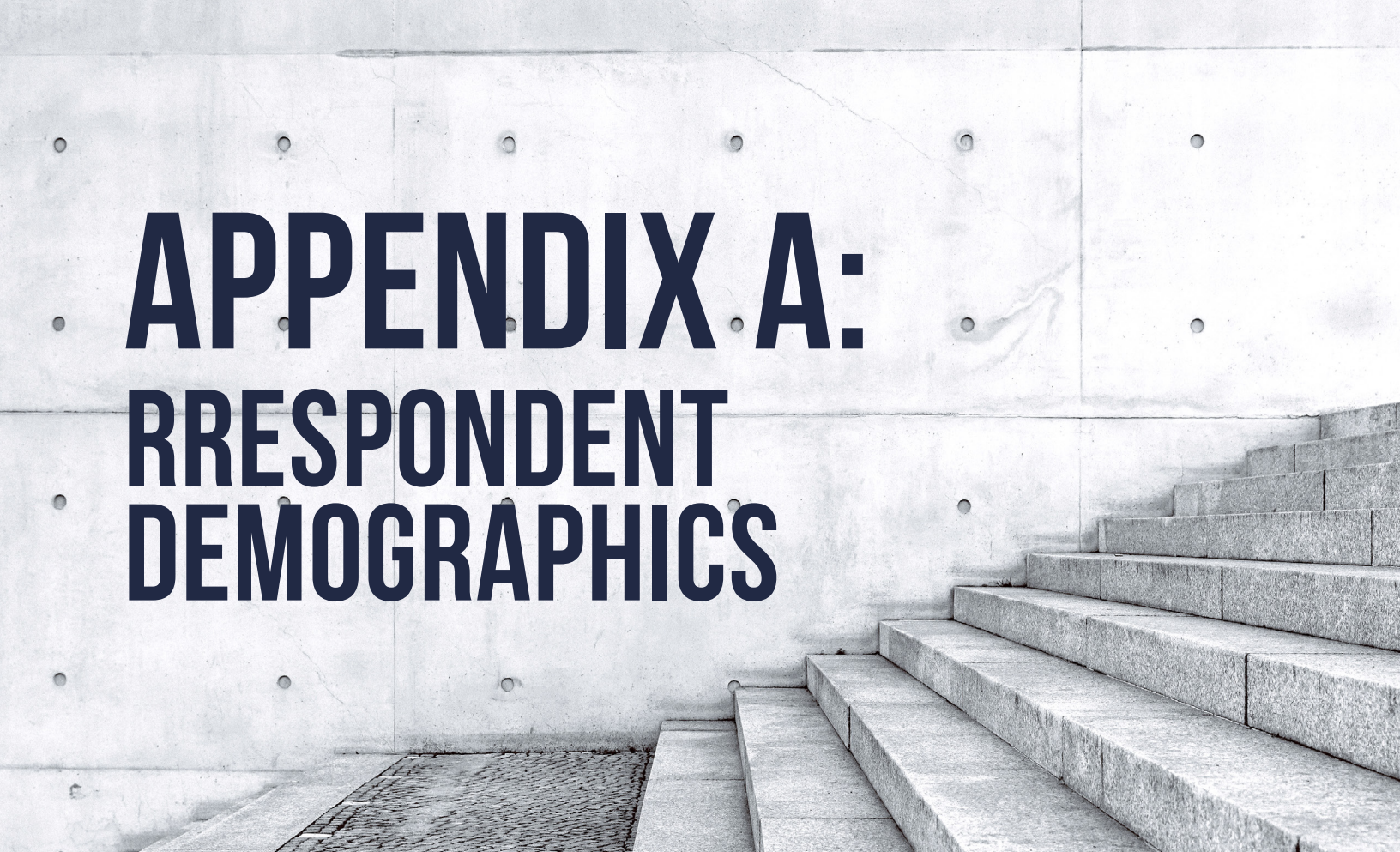


Specifically, perceived hotline program effectiveness is substantially higher when organizational leaders provided targeted messaging that expresses zero tolerance for retaliation (Figure 19). This tone-at-the-top effect is an important consideration, as it likely plays a key role in establishing trust in the hotline program.

**FIGURE 19: HOTLINE PROGRAM EFFECTIVENESS BASED ON LEADERS EXPRESSING ZERO TOLERANCE FOR RETALIATION**







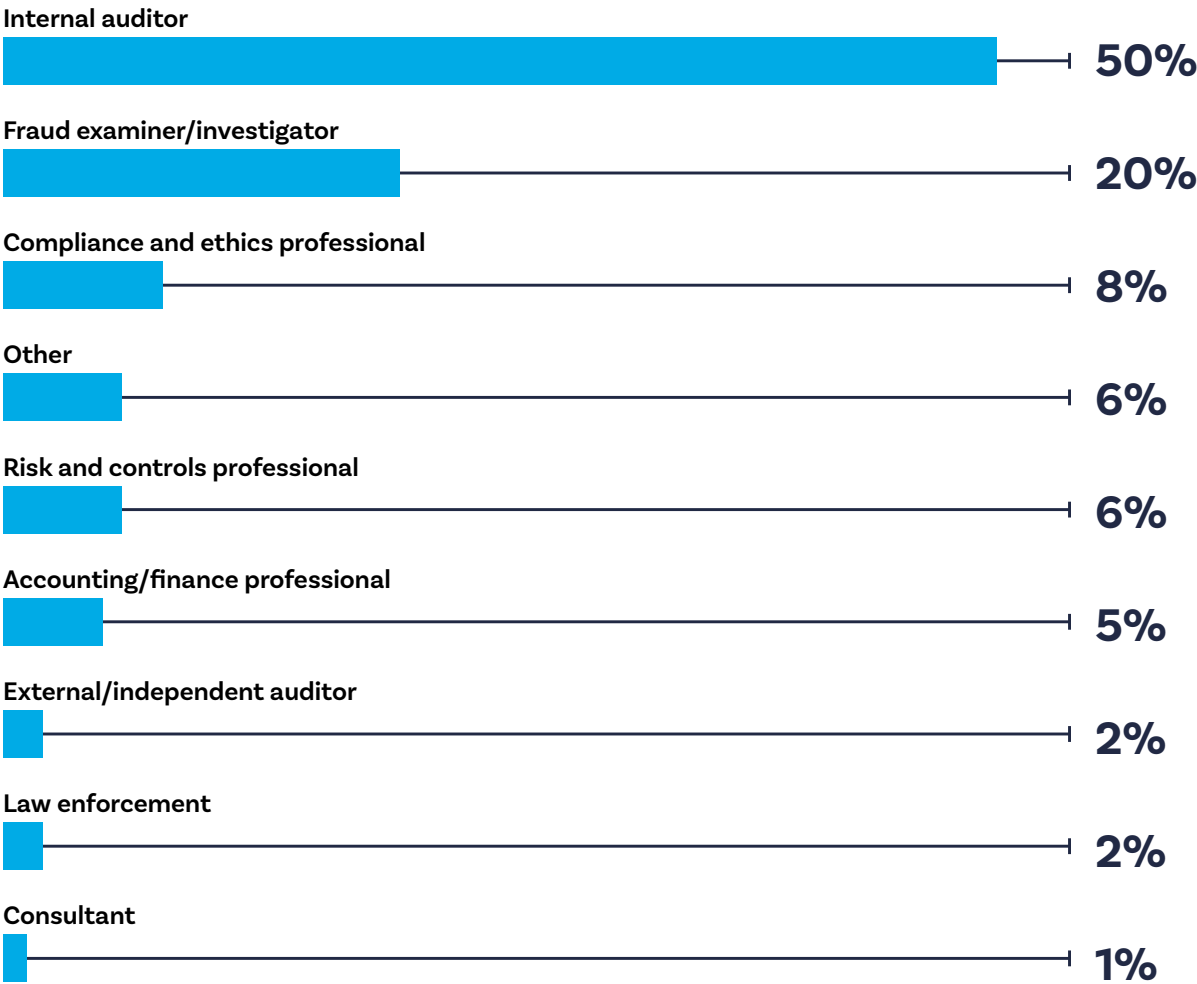
# APPENDIX A: RESPONDENT DEMOGRAPHICS

**T**he following charts reflect the demographics of the survey participants who indicated that their organizations have hotlines in place (i.e., the responses on which the main body of the report is based).

# PRIMARY OCCUPATION

Half (50%) of the participants with hotlines in place are internal auditors, and 20% are fraud examiners or investigators. The remaining 30% are spread between other occupation categories.

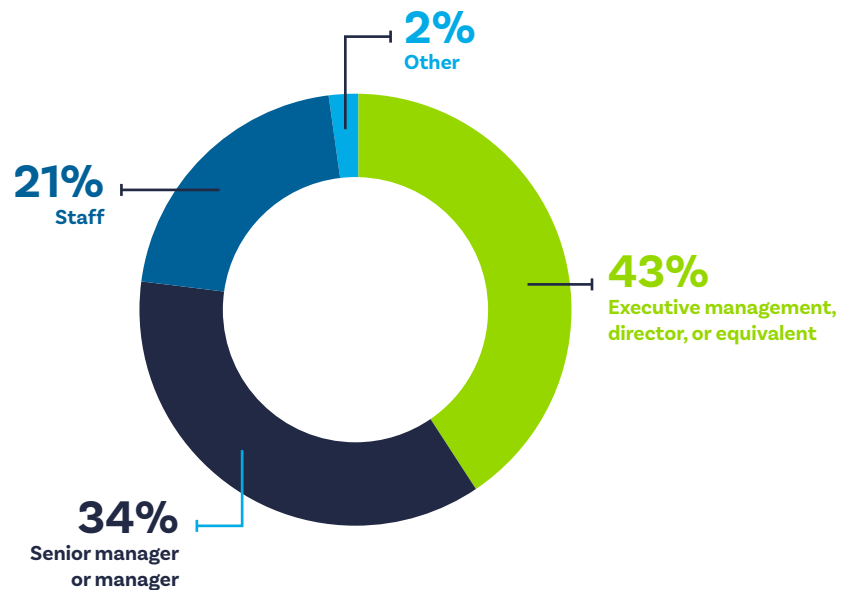
**FIGURE 20: PRIMARY OCCUPATION OF RESPONDENTS WITH HOTLINE PROGRAMS**



# PROFESSIONAL LEVEL

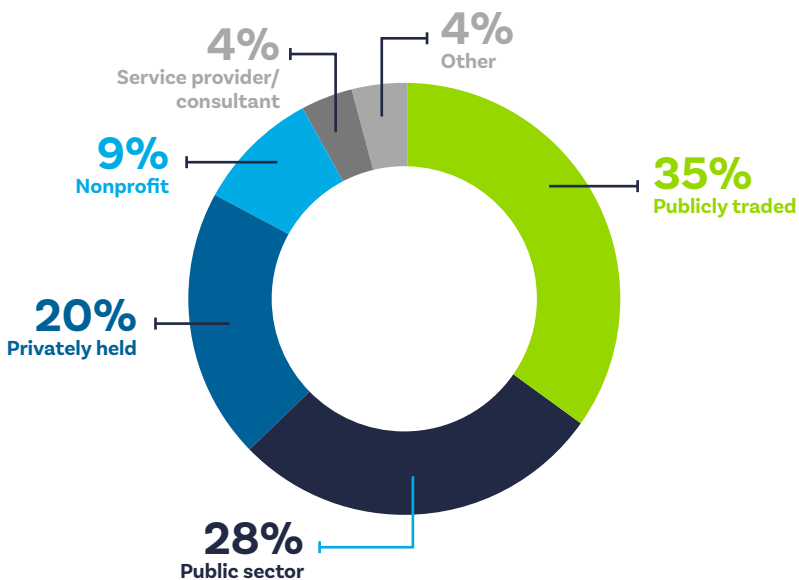
The largest segment of our survey respondents with hotlines (43%) are in roles at the executive management, director, or equivalent level, with another 34% holding senior manager or manager roles. Just over one-fifth (21%) are in staff-level positions.

**FIGURE 21: PROFESSIONAL LEVEL OF RESPONDENTS WITH HOTLINE PROGRAMS**



# ORGANIZATION TYPE

Most survey respondents with hotlines work either for a publicly traded company (35%) or a public sector entity (28%). Another 20% work in privately held organizations, with smaller percentages each in nonprofit organizations (9%) and consultancies (4%).



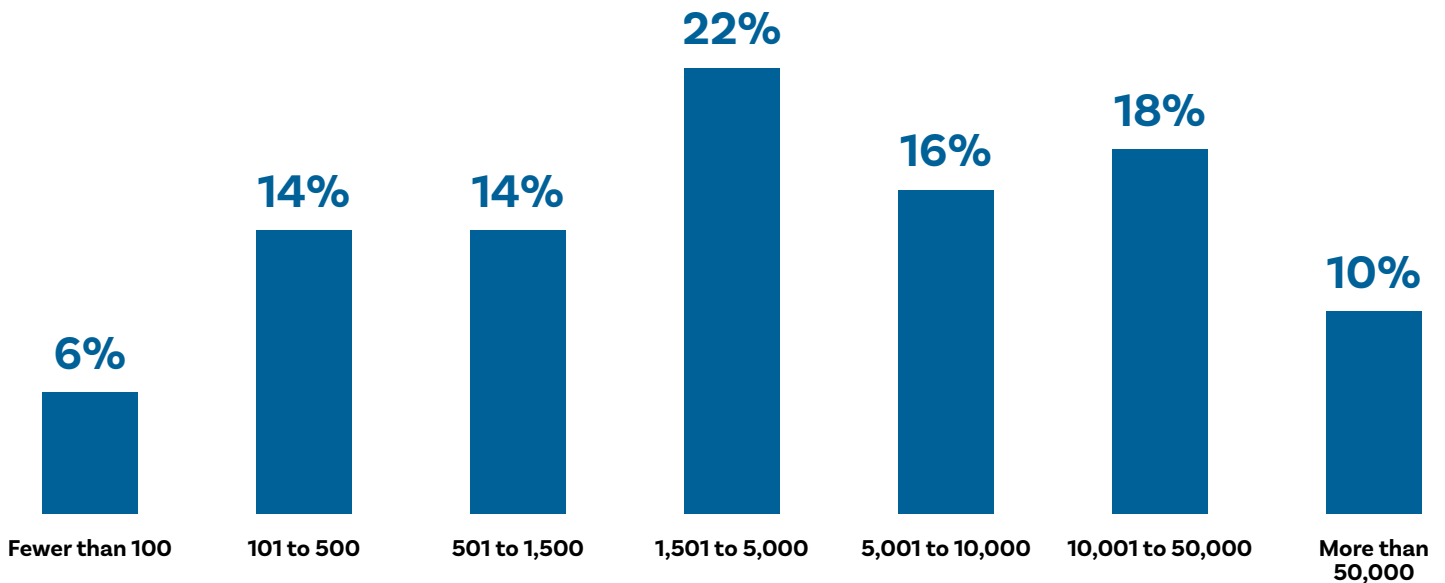
**FIGURE 22: ORGANIZATION TYPE OF RESPONDENTS WITH HOTLINE PROGRAMS**



# ORGANIZATION SIZE

The size of the organizations with hotlines for which survey respondents work varied greatly. The largest proportion (22%) are at organizations with 1,501 to 5,000 employees. Only 6% work for small businesses (those with fewer than 100 employees), while 10% work for the largest organizations (those with more than 50,000 employees).

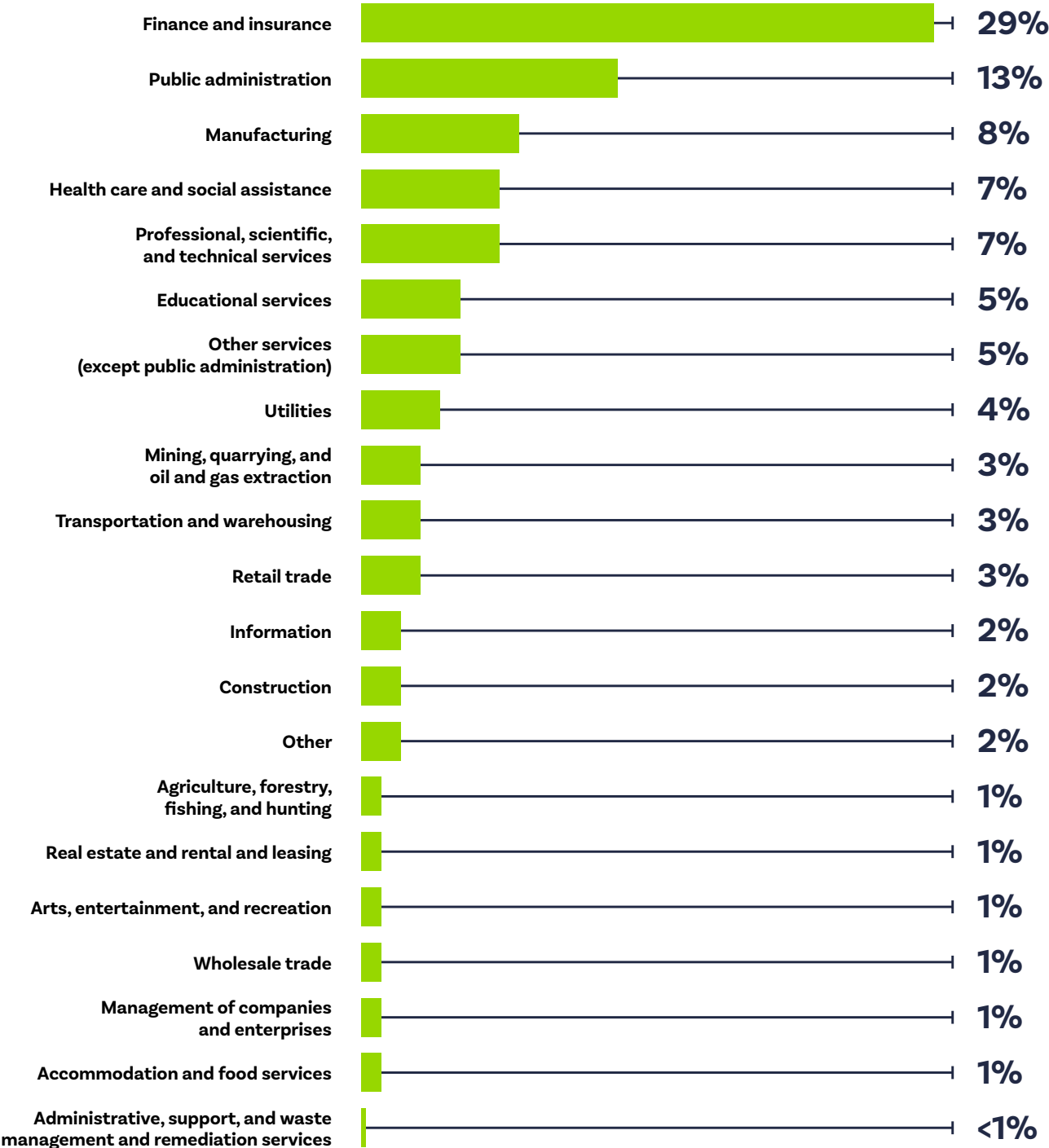
**FIGURE 23: ORGANIZATION SIZE OF RESPONDENTS WITH HOTLINE PROGRAMS**



# INDUSTRY

Survey respondents with hotlines came from a variety of industries, ensuring our study provides a comprehensive picture of hotline programs across sectors. The industry with the greatest representation in our survey is finance and insurance (29% of responses), followed by public administration (13%).

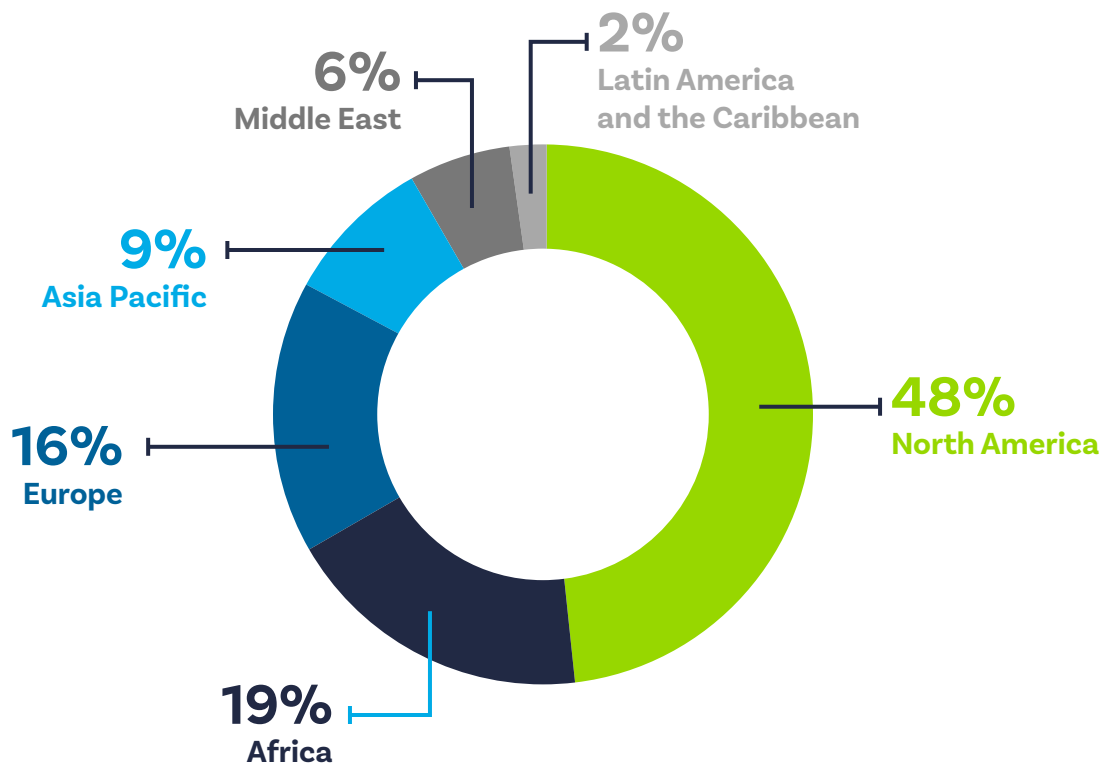
**FIGURE 24: INDUSTRY OF RESPONDENTS WITH HOTLINE PROGRAMS**



# GEOGRAPHIC REGION

The survey respondents at organizations with hotlines work in organizations spread throughout the globe. More than half (52%) come from regions outside North America, with 19% residing in Africa and 16% in Europe. Thus, our study provides a truly global view into the state of existing hotline programs. Additional information on how these programs vary by geographic region can be found in [Appendix C](#).

**FIGURE 25: GEOGRAPHIC REGION OF RESPONDENTS WITH HOTLINE PROGRAM**

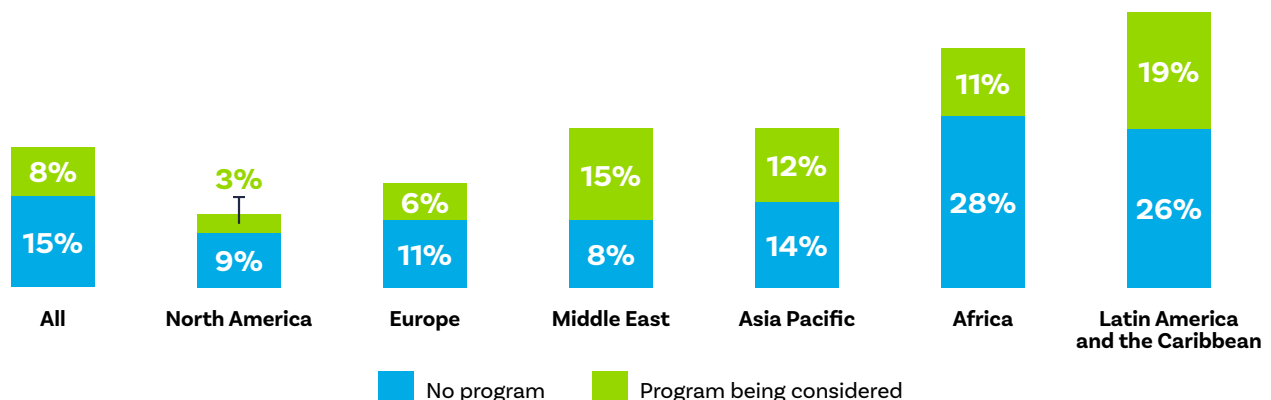




# APPENDIX B: REASONS ORGANIZATIONS DO NOT HAVE A HOTLINE PROGRAM

While the majority of our survey respondents (75%) indicated that their organizations had hotline programs in place (see Figure 2), we were also interested to learn from the roughly 400 participants whose organizations lack a hotline program. As noted in Figure 26, the proportion of respondents who do not have a hotline program varied greatly by region.

FIGURE 26: RESPONDENTS WITHOUT HOTLINE PROGRAM BY REGION



These respondents were presented with an open-ended question asking about the reasons their organizations do not have a hotline program, and several themes emerged from their responses (Figure 27). The most common reason cited was that the organization was too small or immature (31%). A lack of consideration, awareness, or perceived need was the second most common theme, noted by 19% of respondents. Interestingly, cost and budget concerns were rarely cited as the reason for not having a hotline program; only 5% of respondents indicated this as an issue.

**FIGURE 27: REASONS FOR NOT HAVING A HOTLINE PROGRAM\***

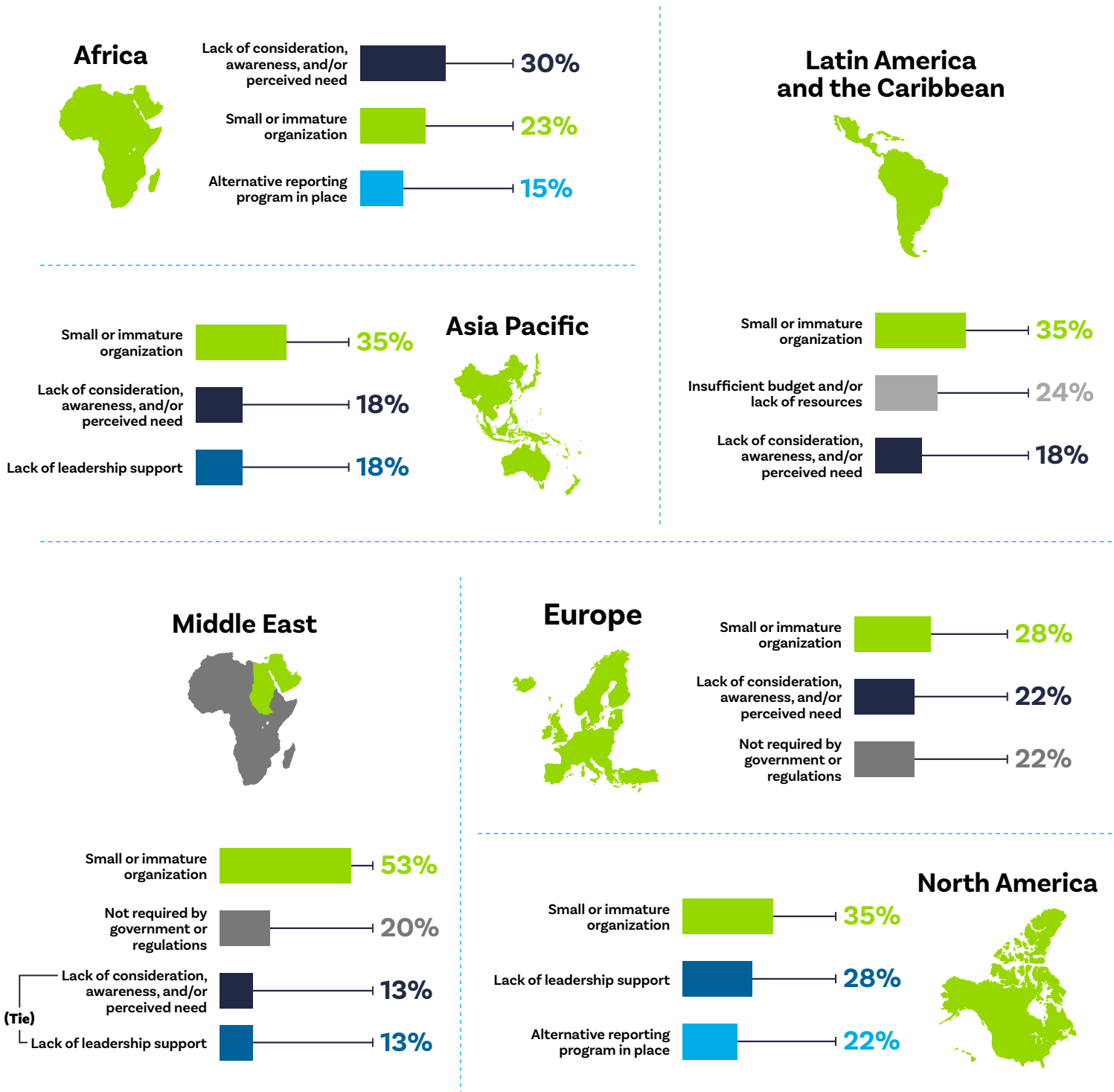
<b>Reason</b>		<b>Description</b>
Small or immature organization	<b>31%</b>	Small organization or a newly established entity
Lack of consideration, awareness, and/or perceived need	<b>19%</b>	Lack of awareness or education on the importance and benefits of a program, as well as not seeing the need
Lack of leadership support	<b>17%</b>	Resistance or lack of support from management, the board, or key stakeholders
Alternative reporting program in place	<b>14%</b>	Some organizations rely on informal procedures or government sponsored programs
Not required by government or regulations	<b>9%</b>	Absence of policies, regulations, or laws and weak state support
Insufficient budget and/or lack of resources	<b>5%</b>	Insufficient budget or lack of resources to invest in the establishment and maintenance of a whistleblower hotline program
Fear of retaliation or misuse	<b>4%</b>	Fear of malicious use of the hotline and of retaliation, concerns about public perception, and lack of trust in the system
Not needed for religious organization	<b>2%</b>	Hotline considered unnecessary or not relevant for a faith-based organization

\*Figure 27 shows the results of analyzing open text responses to the question: What are the reasons that your organization does not have a whistleblower hotline program?



There were also some notable differences in the reasons for a lack of hotline based on an organization's region (Figure 28). For example, organizations in Africa noted lack of consideration, awareness, and/or perceived need as the top reason for not having a hotline program, while organizations within other regions noted their organization was too small or immature.

**FIGURE 28: TOP 3 REASONS FOR NOT HAVING A WHISTLEBLOWER HOTLINE PROGRAM IN PLACE BY REGION**



# APPENDIX C: REGIONAL DIFFERENCES IN HOTLINE PROGRAMS

Our study included responses from all global regions and revealed some interesting differences in hotline programs based on organizational geography. This appendix explores some of our findings across regions, providing a global snapshot into the state of hotline programs around the world.

For purposes of our study, the following tables provide the number of respondents with whistleblower hotlines for the countries within each region.



## Africa

Country/Location	Number of Responses
South Africa	76
Nigeria	44
Ghana	22
Uganda	17
Kenya	16
Tanzania	7
Malawi	6
Zambia	6
Botswana	5
Mauritius	3
Namibia	3
Angola	2
Cameroon	2
Liberia	2
Rwanda	2
Tunisia	2
Cote d'Ivoire	1
Gambia (The)	1
Morocco	1
Mozambique	1
Sierra Leone	1
Togo	1



## Asia Pacific

Country/Location	Number of Responses
India	24
Malaysia	17
Indonesia	16
Philippines	12
Australia	10
Japan	10
Singapore	6
Hong Kong	3
Sri Lanka	3
Taiwan	3
South Korea	2
Cambodia	1
China	1
Fiji	1
New Zealand	1
Vietnam	1



## Europe

Country/Location	Number of Responses
United Kingdom	30
Switzerland	19
Germany	16
France	15
Italy	15
Latvia	12
Netherlands	12
Greece	10
Austria	7
Belgium	7
Spain	7
Luxembourg	5
Serbia	5
Sweden	5
Ireland	4
Norway	4
Slovenia	4
Denmark	3
Turkey	3
Hungary	2
Anguilla	1
Azerbaijan	1
Georgia	1
Pitcairn Islands	1
Poland	1
Romania	1
Russia	1
Ukraine	1



## Latin America and the Caribbean

Country/Location	Number of Responses
Mexico	6
Trinidad and Tobago	6
Paraguay	3
Bolivia	2
Brazil	2
Colombia	2
Ecuador	2
Peru	2
Barbados	1
Belize	1
Chile	1
Panama	1



## Middle East

Country/Location	Number of Responses
United Arab Emirates	27
Saudi Arabia	18
Qatar	9
Lebanon	4
Bahrain	3
Jordan	3
Kuwait	3
Egypt	1
Oman	1
Sudan	1



## North America

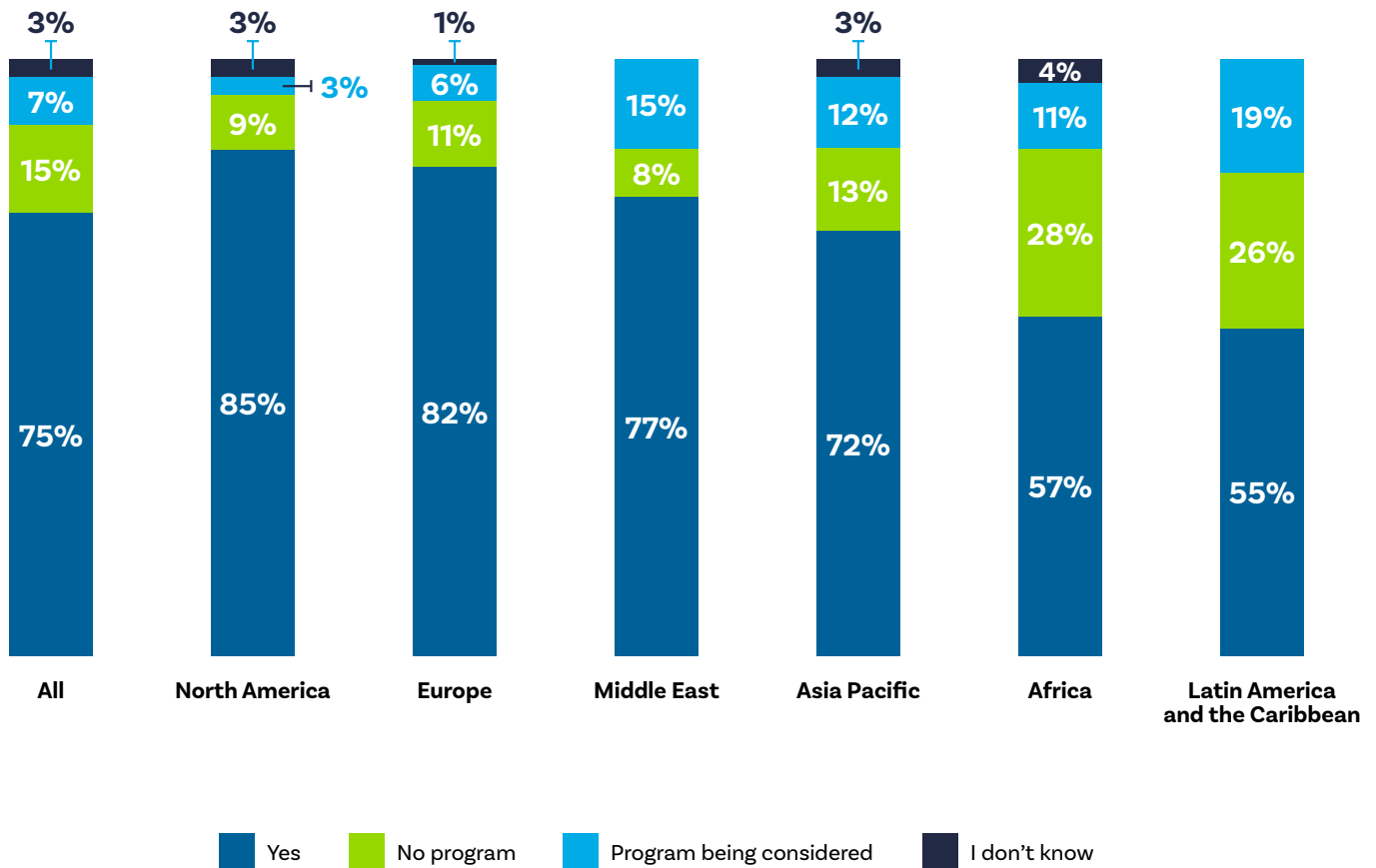
Country/Location	Number of Responses
United States of America	488
Canada	77
Bermuda	2
Puerto Rico	2
Northern Mariana Islands	1
United States Virgin Islands	1



# PRESENCE OF HOTLINE PROGRAM BY REGION

Our survey results indicate that organizations in North America and Europe are most likely to have hotline programs, while organizations in Africa and Latin America and the Caribbean have a much lower adoption rate for these programs (Figure 29).

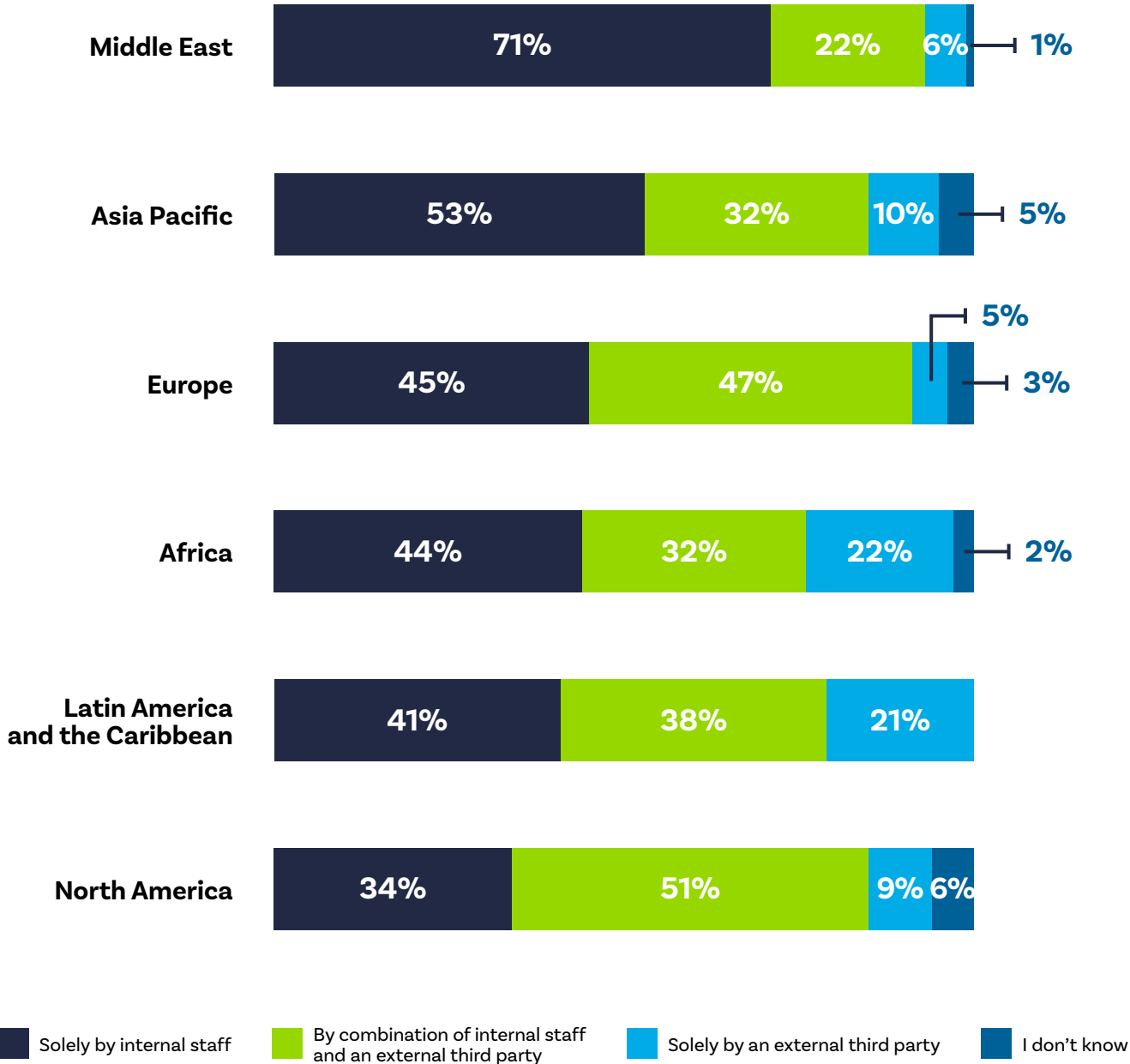
**FIGURE 29: PRESENCE OF HOTLINE PROGRAM BY REGION**



# HOTLINE ADMINISTRATION BY REGION

The administration of hotline programs also varies by region. Organizations in the Middle East are much more likely to have a fully internally administered hotline than organizations in other regions, while the administration of hotlines in Latin American and the Caribbean and in Africa is more commonly fully outsourced to an external third party.

**FIGURE 30: HOTLINE ADMINISTRATION BY REGION**



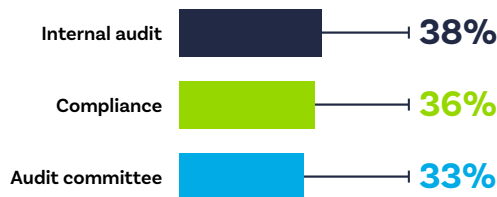
# HOTLINE OVERSIGHT BY REGION

Figure 31 shows the top business units with some oversight responsibility for the hotline program in each region. In all regions, internal audit plays a key role in overseeing these programs. The compliance function and the audit committee are also commonly assigned oversight responsibility in most regions. Interestingly, North America is the only region where the legal department is in the top three business units with this responsibility.

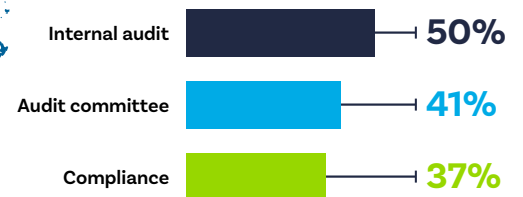
**FIGURE 31: TOP THREE BUSINESS UNITS WITH HOTLINE OVERSIGHT RESPONSIBILITY BY REGION**



## Africa



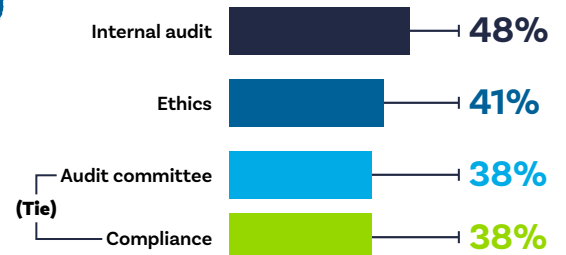
## Asia Pacific



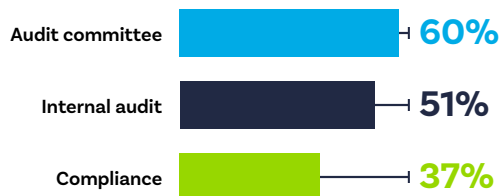
## Europe



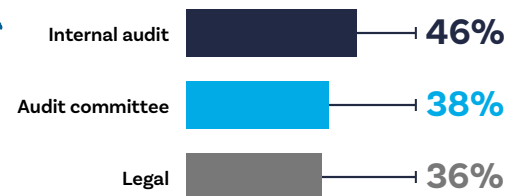
## Latin America and the Caribbean



## Middle East



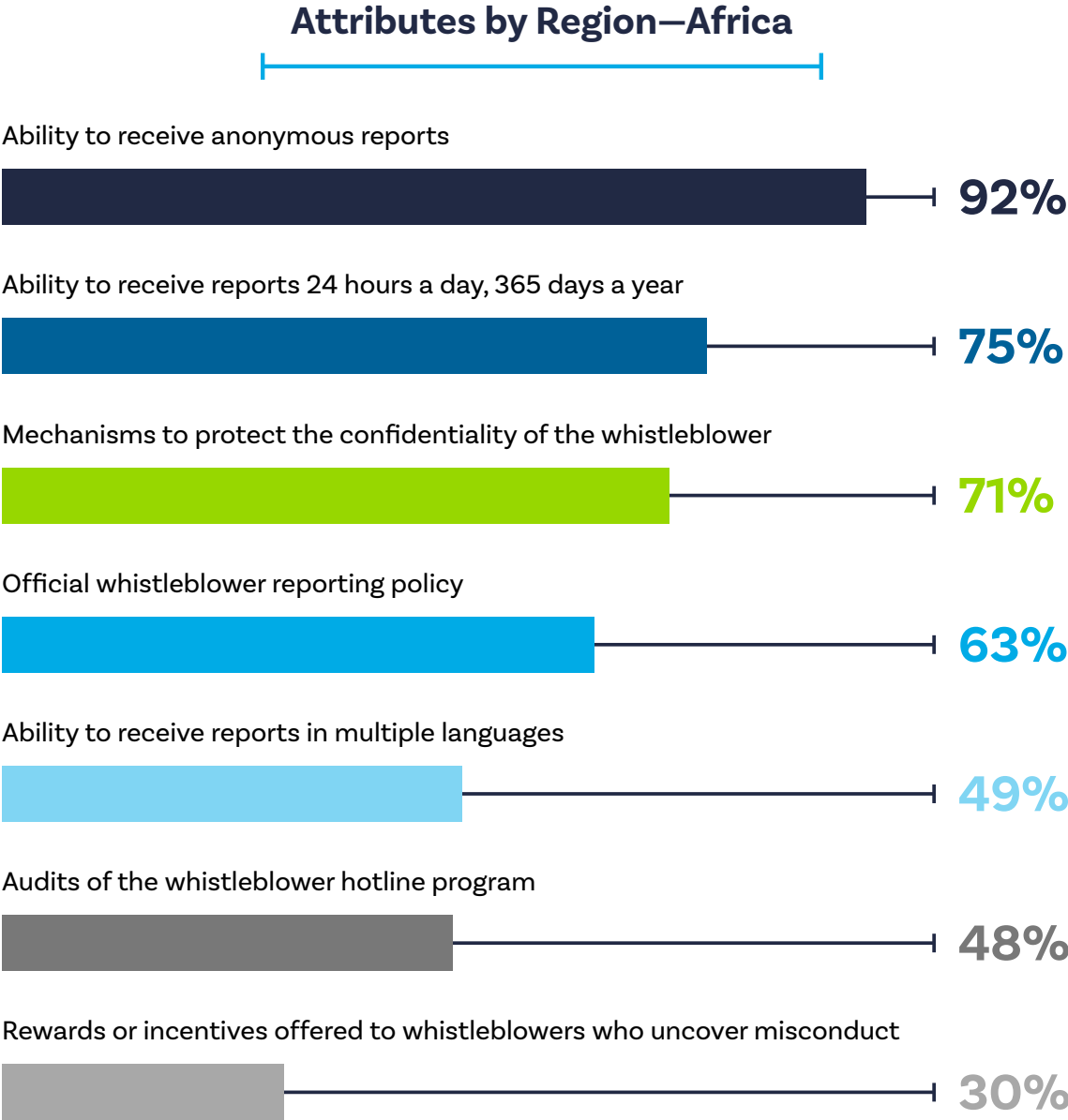
## North America



# PROGRAM ATTRIBUTES BY REGION

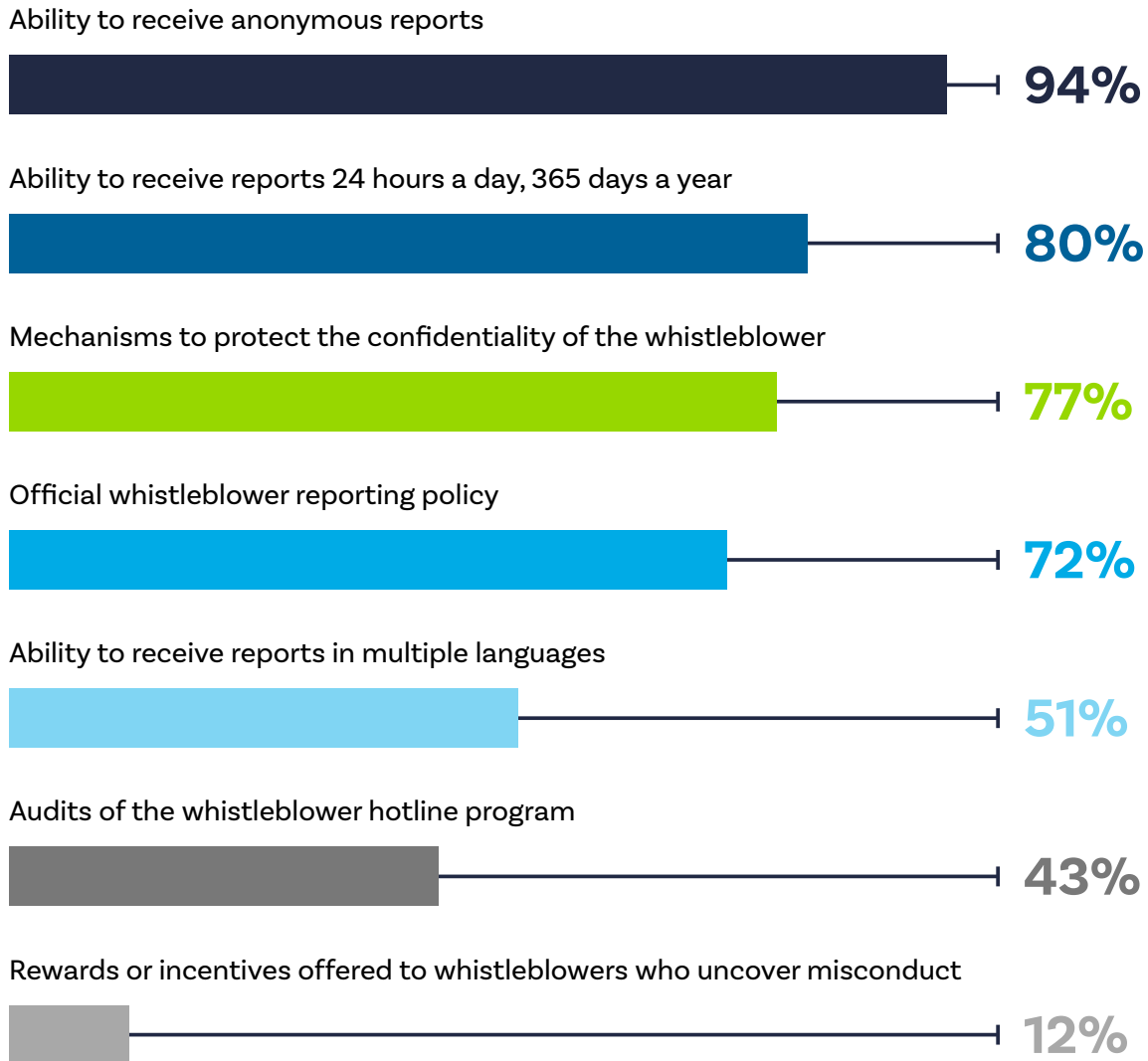
The following figures show the proportion of hotline programs that include the attributes studied based on region. For almost all regions, the ability to receive anonymous reports and the ability to receive reports at all times were the two most common attributes.

**FIGURE 32.1: ANONYMITY AND OTHER PROGRAM ATTRIBUTES BY REGION**



**FIGURE 32.2: ANONYMITY AND OTHER PROGRAM ATTRIBUTES BY REGION**

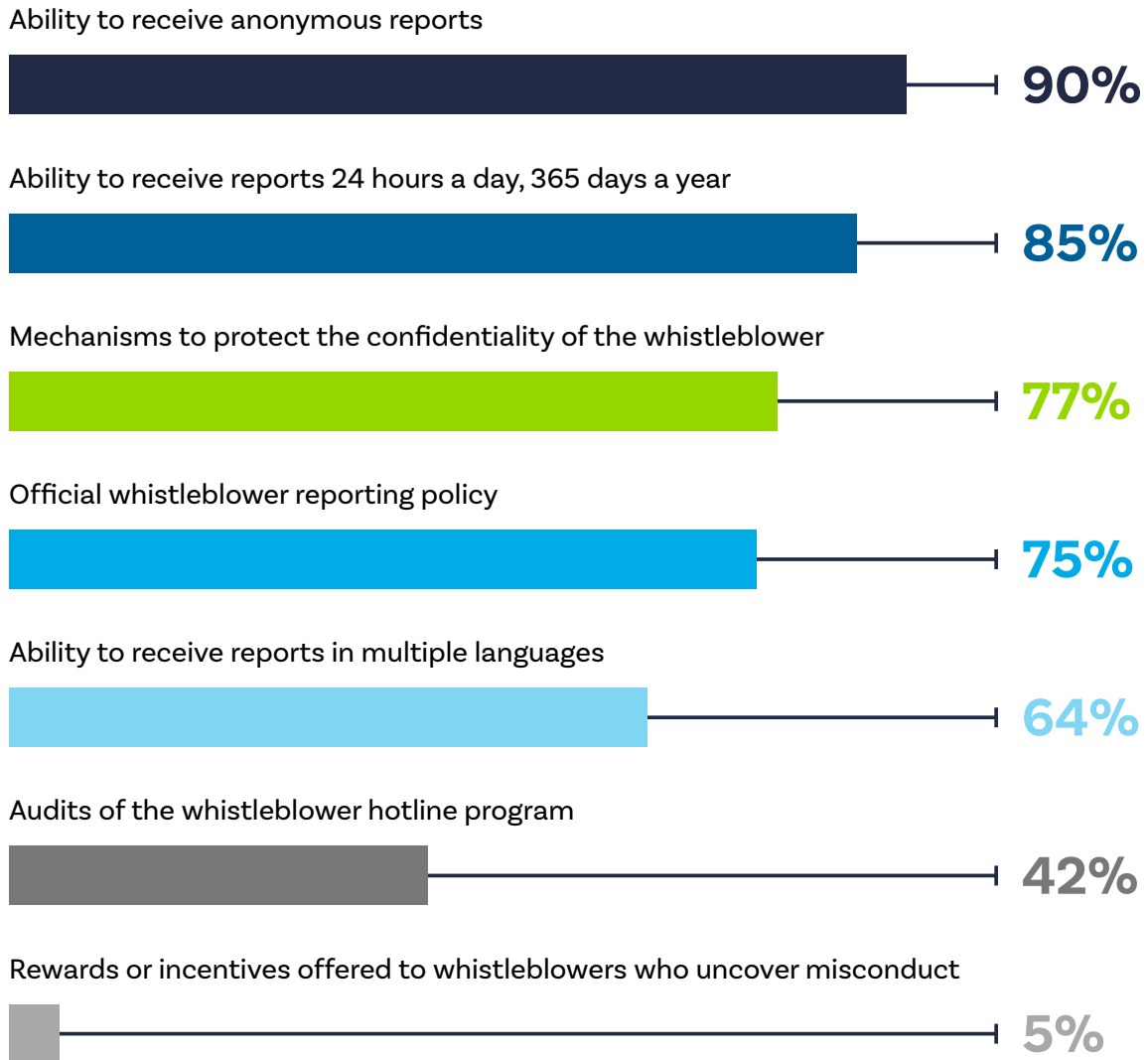
### Attributes by Region—Asia Pacific





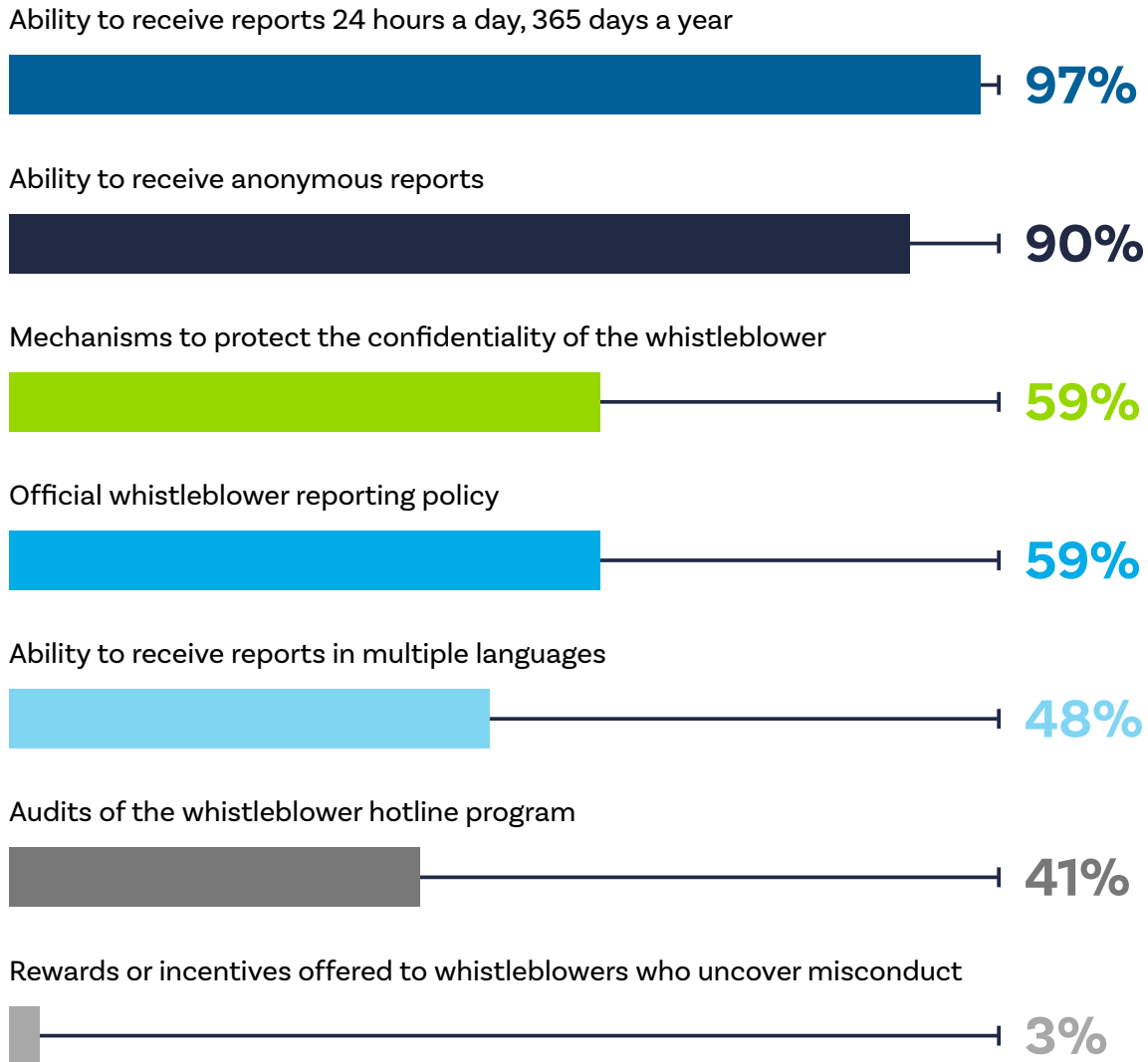
**FIGURE 32.3: ANONYMITY AND OTHER PROGRAM ATTRIBUTES BY REGION**

### Attributes by Region—Europe



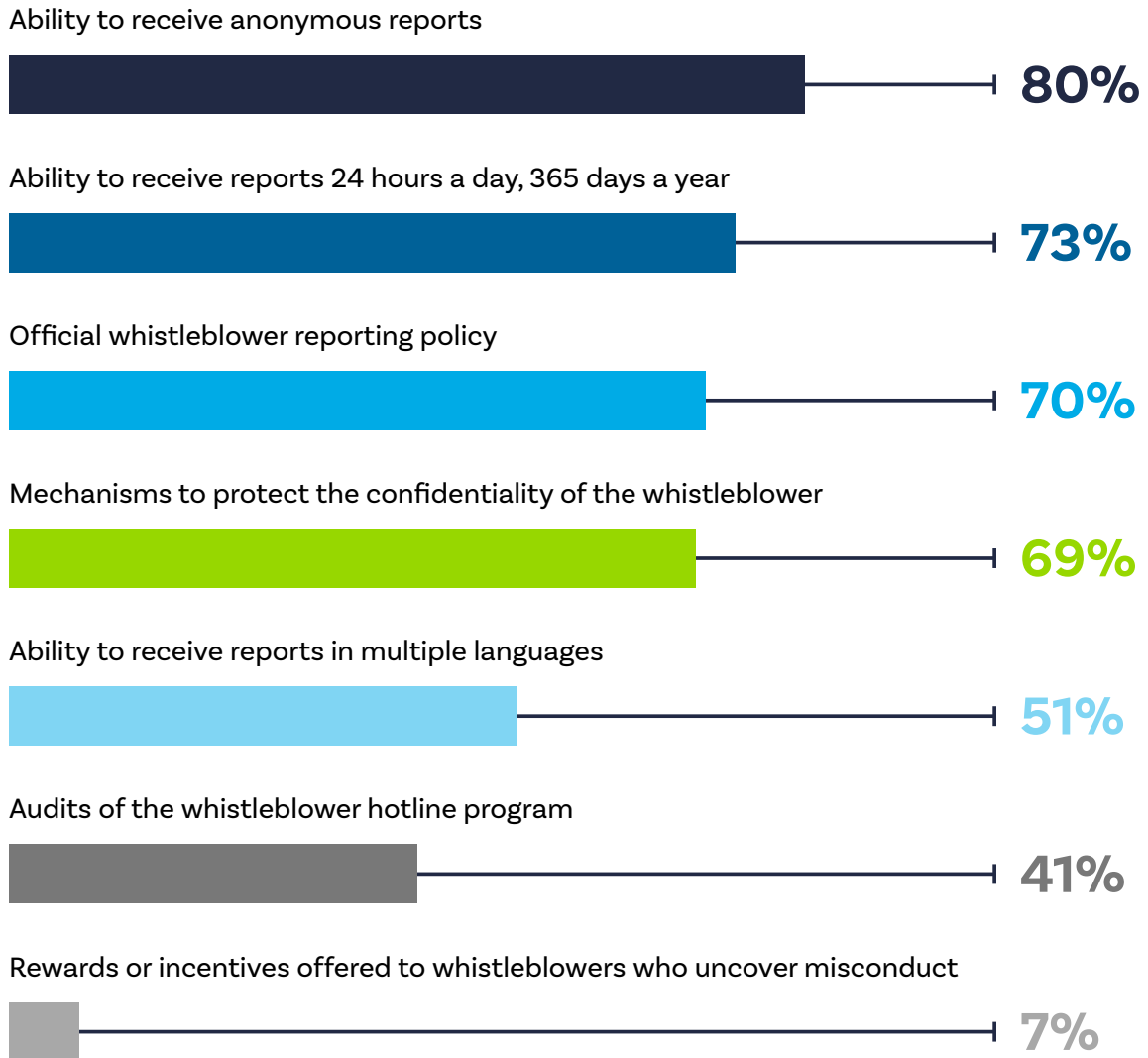
**FIGURE 32.4: ANONYMITY AND OTHER PROGRAM ATTRIBUTES BY REGION**

### Attributes by Region—Latin America and the Caribbean



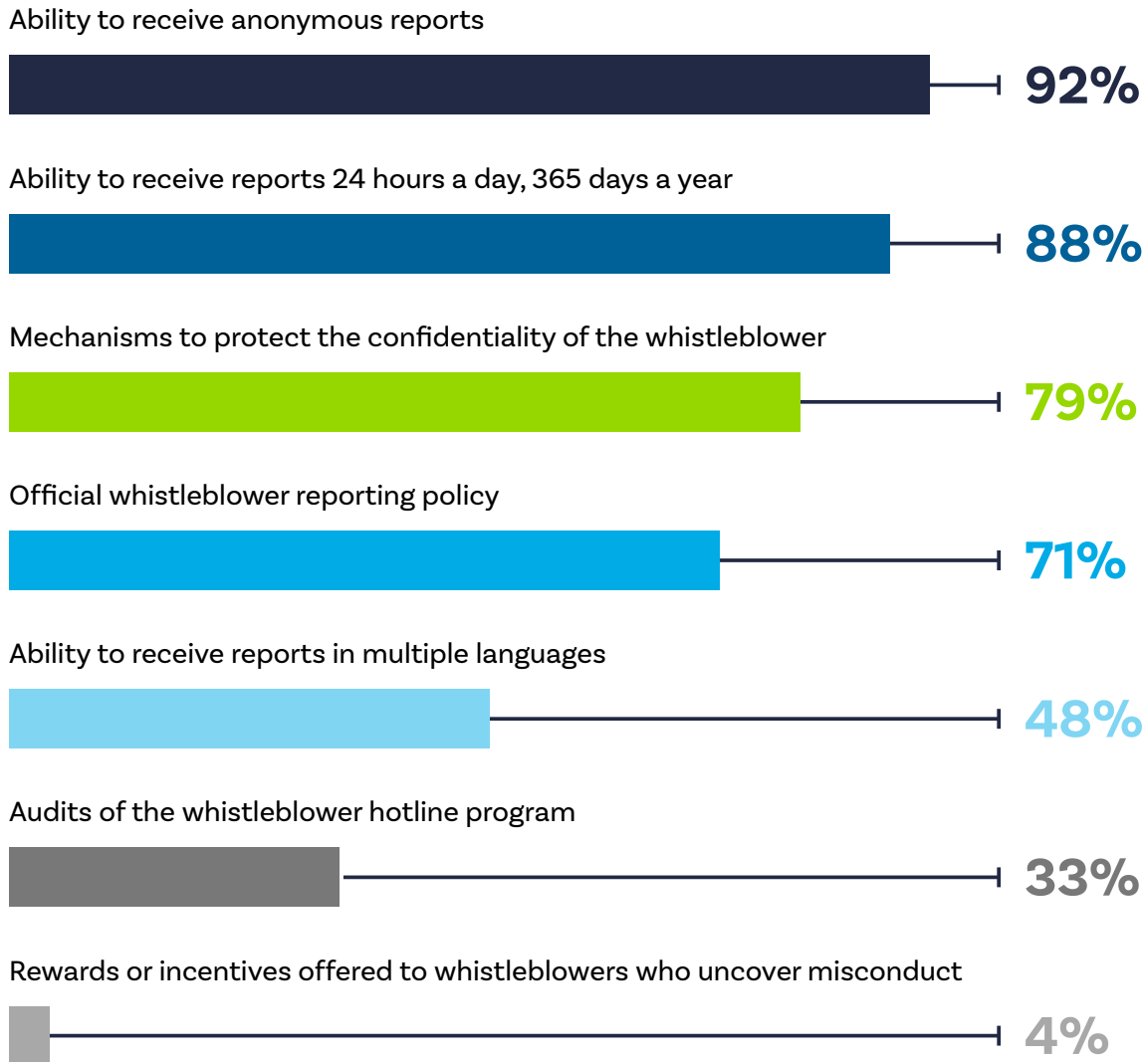
**FIGURE 32.5: ANONYMITY AND OTHER PROGRAM ATTRIBUTES BY REGION**

### Attributes by Region—Middle East



**FIGURE 32.6: ANONYMITY AND OTHER PROGRAM ATTRIBUTES BY REGION**

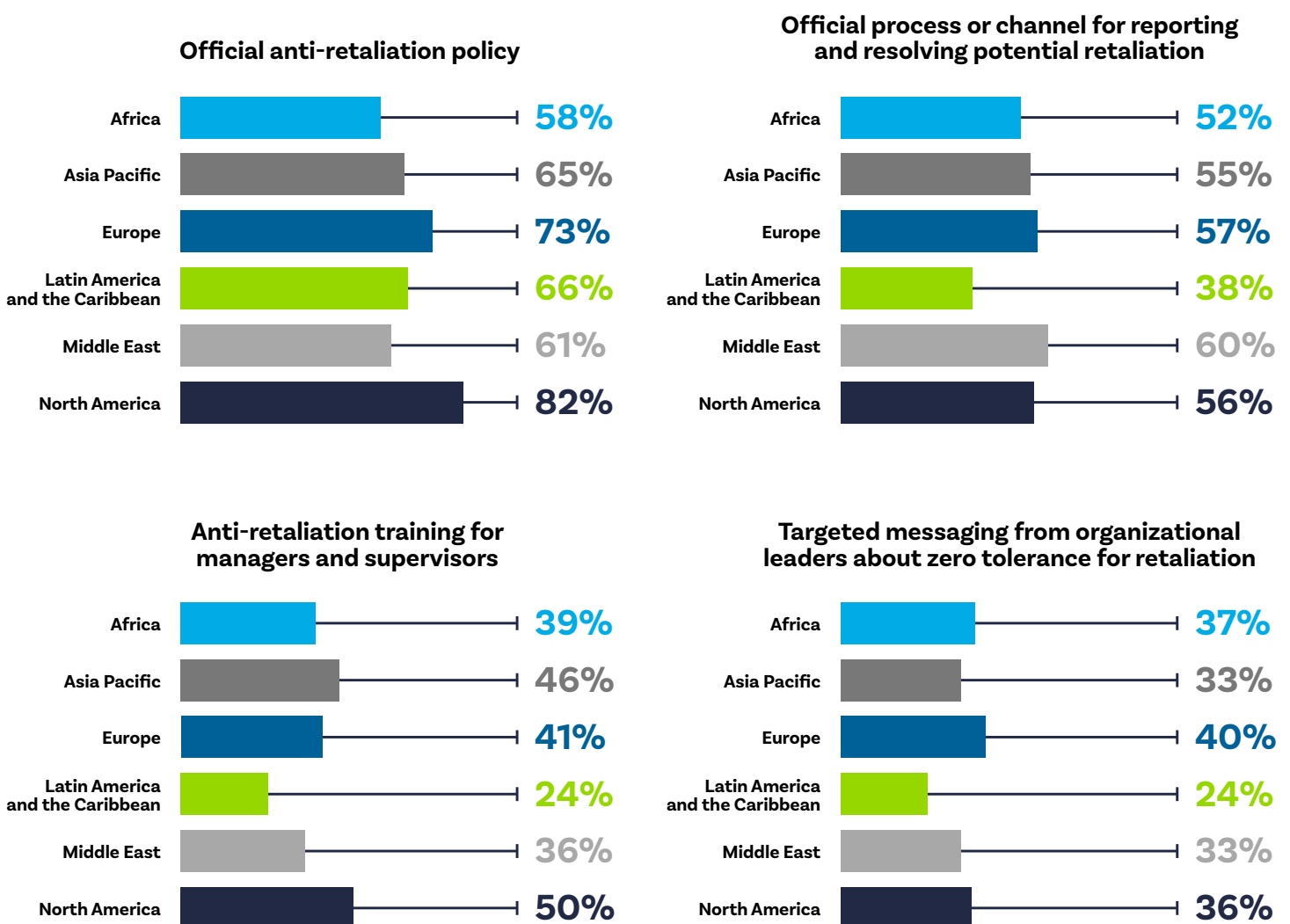
### Attributes by Region—North America



# PROTECTION FOR WHISTLEBLOWERS BY REGION

Across all regions, most organizations have an official anti-retaliation policy that provides the foundation for protecting whistleblowers from repercussions for making their reports (Figure 33). This type of policy is most common in North America (82%) and least common in Africa (58%). Implementation rates of other whistleblower protections also vary widely across geographic regions. Notably, hotline programs in Latin America and the Caribbean are much less likely than those in other regions to include official processes, training, or targeted messages designed to prevent or address retaliation.

**FIGURE 33: WHISTLEBLOWER PROTECTION BY REGION**

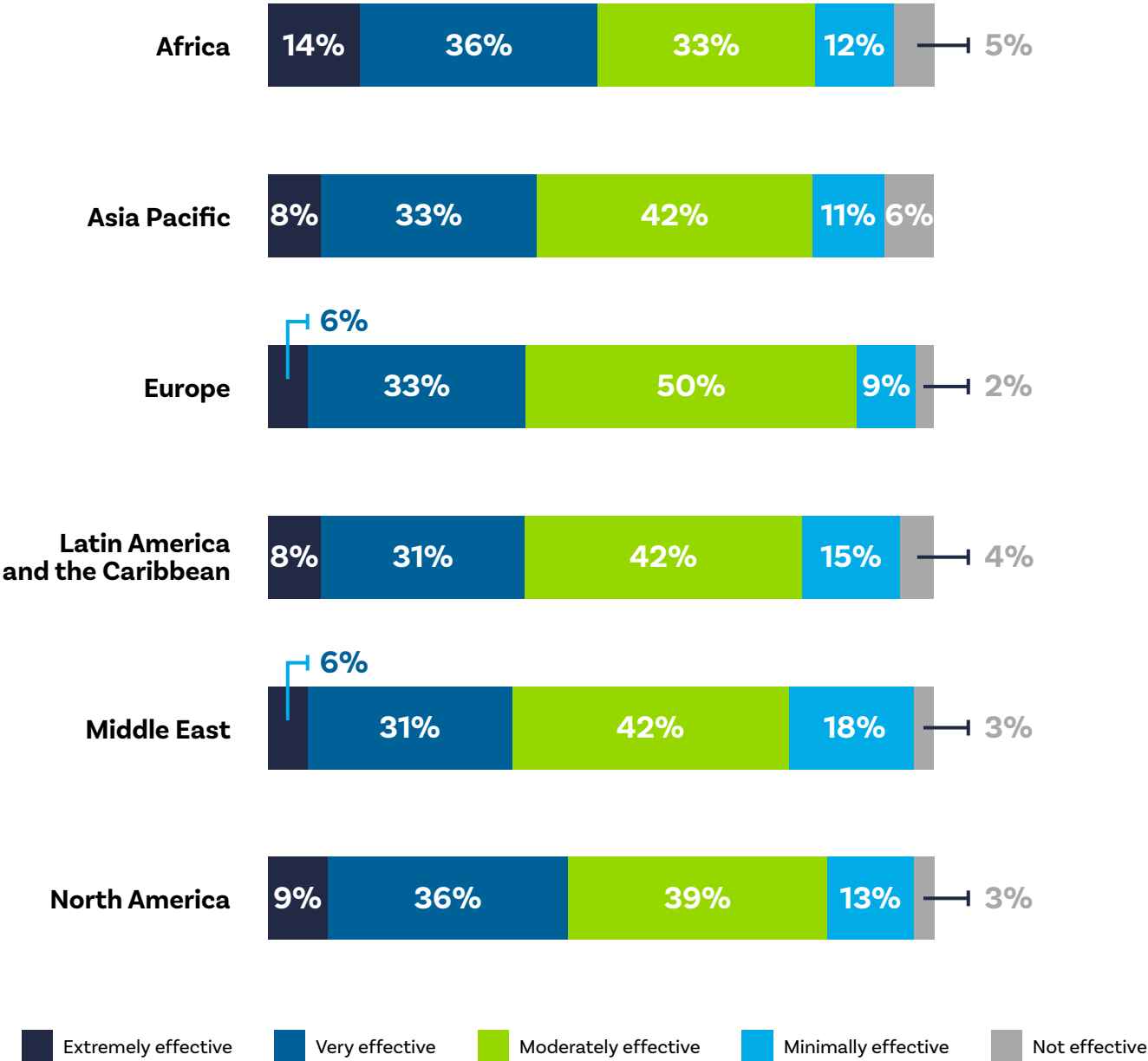




# PERCEIVED EFFECTIVENESS BY REGION

Figure 34 provides a comparison of survey respondents' perceived effectiveness of their hotline programs based on their regions. There were no statistically significant differences between regions in this regard.

**FIGURE 34: PERCEIVED HOTLINE PROGRAM EFFECTIVENESS BY REGION**



# NOTES FOR FIGURES

## Figure 1: All Responses by Region

ACFE and IIA Whistleblower Best Practices Survey 2022. Q27: What is the location of the headquarters for the organization where you work? All respondents. n = 1,600.

## Figure 2: Presence of Whistleblower Hotline Program

ACFE and IIA Whistleblower Best Practices Survey 2022. Q2: Does your organization currently have a whistleblower hotline program? All respondents. n = 1,600.

## Figure 3: Hotline Program Administration

ACFE and IIA Whistleblower Best Practices Survey 2022. Q6: Is your organization's whistleblower hotline program administered and monitored by internal staff or by an external third party? Only respondents with whistleblower programs. n = 1,223.

## Figure 4: Business Units with Hotline Program Oversight Responsibility

ACFE and IIA Whistleblower Best Practices Survey 2022. Q7: Which business units or entities are responsible for managing/overseeing the whistleblower hotline program? (Choose all that apply.) Only respondents with whistleblower programs. n = 1,245.

## Callout Box for Hotline Program Oversight by Fraud Department

ACFE and IIA Whistleblower Best Practices Survey 2022. Q7: Which business units or entities are responsible for managing/overseeing the whistleblower hotline program? (Choose all that apply.) Organizations with fraud departments only. n = 661.

## Figure 5: Hotline Reporting Mechanisms

ACFE and IIA Whistleblower Best Practices Survey 2022. Q10: Which of the following mechanisms are available for parties to make a formal report through your organization's whistleblower hotline program? (Choose all that apply.) Only respondents with whistleblower programs. n = 1,247.

## Figure 6: Number of Reporting Mechanisms in Place

ACFE and IIA Whistleblower Best Practices Survey 2022. Q10: Which of the following mechanisms are available for parties to make a formal report through your organization's whistleblower hotline program? (Choose all that apply.) Only respondents with whistleblower programs. n = 1,226.

## Figure 7: Anonymity and Other Hotline Program Attributes

ACFE and IIA Whistleblower Best Practices Survey 2022. Q12: Which of the following attributes does your organization's whistleblower hotline program include? (Choose all that apply.) Only respondents with whistleblower programs. n = 1,246.

## Figure 8: Whistleblower Protection Mechanisms

ACFE and IIA Whistleblower Best Practices Survey 2022. Q13: What mechanisms does your organization use to protect whistleblowers or informants who report potential fraud or other suspected wrongdoing? (Choose all that apply.) Only respondents with whistleblower programs. n = 1,245.

## Figure 9: Hotline Program Metrics Used

ACFE and IIA Whistleblower Best Practices Survey 2022. Q14: Which of the following metrics does your organization use to monitor and evaluate the effectiveness of its whistleblower hotline program? (Choose all that apply.) Respondents with whistleblower programs. CAEs and directors only. n = 541.

## Figure 10: Top Considerations for a Successful Hotline Program

ACFE and IIA Whistleblower Best Practices Survey 2022. Q17: In general, what do you think are the most important considerations for a successful whistleblower hotline program? Open text responses, coded by The IIA. Only respondents with whistleblower programs. n = 782.

## Figure 11: Perceived Hotline Program Effectiveness

ACFE and IIA Whistleblower Best Practices Survey 2022. Q16: In your opinion, how effective is your organization's whistleblower hotline program? Only respondents with whistleblower programs. n = 1,112.

### Figure 12: Hotline Program Effectiveness Based on Presence of Fraud Department

ACFE and IIA Whistleblower Best Practices Survey 2022. Q16: In your opinion, how effective is your organization's whistleblower hotline program? Compared to Q21: Does your organization have a dedicated fraud department or function? Only respondents with whistleblower programs. *n* = 1,104.

### Figure 13: Hotline Program Effectiveness Based on Program Administration

ACFE and IIA Whistleblower Best Practices Survey 2022. Q16: In your opinion, how effective is your organization's whistleblower hotline program? Compared to Q6: Is your organization's whistleblower hotline program administered and monitored by internal staff or by an external third party? Only respondents with whistleblower programs. *n* = 1,097.

### Figure 14: Hotline Program Effectiveness Based on Ability to Receive Anonymous Reports

ACFE and IIA Whistleblower Best Practices Survey 2022. Q16: In your opinion, how effective is your organization's whistleblower hotline program? Compared to Q12: Which of the following attributes does your organization's whistleblower hotline program include? Topic: Ability to receive anonymous reports. Only respondents with whistleblower programs. *n* = 1,112.

### Figure 15: Hotline Program Effectiveness Based on Presence of Mechanisms to Protect Whistleblower Confidentiality

ACFE and IIA Whistleblower Best Practices Survey 2022. Q16: In your opinion, how effective is your organization's whistleblower hotline program? Compared to Q12: Which of the following attributes does your organization's whistleblower hotline program include? Topic: Mechanisms specifically designed to protect the confidentiality of the whistleblower. Only respondents with whistleblower programs. *n* = 1,112.

### Figure 16: Hotline Program Effectiveness Based on Ability to Receive Reports 24 Hours a Day/365 Days a Year

ACFE and IIA Whistleblower Best Practices Survey 2022. Q16: In your opinion, how effective is your organization's whistleblower hotline program? Compared to Q12: Which of the following attributes does your organization's whistleblower hotline program include? Topic: Ability to receive reports 24 hours a day, 365 days a year. Only respondents with whistleblower programs. *n* = 1,112.

### Figure 17: Hotline Program Effectiveness Based on Number of Reporting Mechanisms

ACFE and IIA Whistleblower Best Practices Survey 2022. Q16: In your opinion, how effective is your organization's whistleblower hotline program? Compared to Q10: Which of the following mechanisms are available for parties to make a formal report through your organization's whistleblower hotline program? (Choose all that apply.). Only respondents with whistleblower programs. *n* = 1,104.

### Figure 18: Hotline Program Effectiveness Based on Whistleblower Protection Mechanisms

ACFE and IIA Whistleblower Best Practices Survey 2022. Q16: In your opinion, how effective is your organization's whistleblower hotline program? Compared to Q13: What mechanisms does your organization use to protect whistleblowers or informants who report potential fraud or other suspected wrongdoing? (Choose all that apply.). Only respondents with whistleblower programs. *n* = 1,112.

### Figure 19: Hotline Program Effectiveness Based on Leaders Expressing Zero Tolerance for Retaliation

ACFE and IIA Whistleblower Best Practices Survey 2022. Q16: In your opinion, how effective is your organization's whistleblower hotline program? Compared to Q13: What mechanisms does your organization use to protect whistleblowers or informants who report potential fraud or other suspected wrongdoing? Topic: Targeted messaging from organizational leaders about zero tolerance for retaliation. Only respondents with whistleblower programs. *n* = 1,112.

### Figure 20: Primary Occupation of Respondents with Hotline Programs

ACFE and IIA Whistleblower Best Practices Survey 2022. Q18: What is your primary occupation? Only respondents with whistleblower programs. *n* = 1,268.

### Figure 21: Professional Level of Respondents with Hotline Programs

ACFE and IIA Whistleblower Best Practices Survey 2022. Q19: Which of the following best describes the level of your professional role? Only respondents with whistleblower programs. *n* = 1,245.

### Figure 22: Organization Type of Respondents with Hotline Programs

ACFE and IIA Whistleblower Best Practices Survey 2022. Q23: What type of organization do you currently work for? Only respondents with whistleblower programs. *n* = 1,241.

### Figure 23: Organization Size of Respondents with Hotline Programs

ACFE and IIA Whistleblower Best Practices Survey 2022. Q25: For your organization as a whole, choose the range that best describes the current total number of full-time equivalent employees (FTEs). Only respondents with whistleblower programs.  $n = 1,228$ .

### Figure 24: Industry of Respondents with Hotline Programs

ACFE and IIA Whistleblower Best Practices Survey 2022. Q24: What is the primary industry classification of the organization for which you work (or your primary client if you are a service provider)?  $n = 1,245$ .

### Figure 25: Geographic Region of Respondents with Hotline Programs

ACFE and IIA Whistleblower Best Practices Survey 2022. Q27: What is the location of the headquarters for the organization where you work? Only respondents with whistleblower programs.  $n = 1,195$ .

### Figure 26: Respondents Without Hotline Program by Region

ACFE and IIA Whistleblower Best Practices Survey 2022. Q2: Does your organization currently have a whistleblower hotline program? All respondents.  $n = 1,600$ .

### Figure 27: Reasons for Not Having a Hotline Program

ACFE and IIA Whistleblower Best Practices Survey 2022. Q3: What are the reasons that your organization does not have a whistleblower hotline program? Open text responses, coded by The IIA. Only respondents without whistleblower programs.  $n = 193$ .

### Figure 28: Top 3 Reasons for Not Having a Hotline Program by Region

ACFE and IIA Whistleblower Best Practices Survey 2022. Q3: What are the reasons that your organization does not have a whistleblower hotline program? Open text responses, coded by The IIA. Only respondents without whistleblower programs.  $n = 193$ .

### Country of Respondents with Hotline Programs (Appendix C)

ACFE and IIA Whistleblower Best Practices Survey 2022. Q27: What is the location of the headquarters for the organization where you work? Only respondents with whistleblower programs.  $n = 1,195$ .

### Figure 29: Presence of Hotline Program by Region

ACFE and IIA Whistleblower Best Practices Survey 2022. Q2: Does your organization currently have a whistleblower hotline program? All respondents.  $n = 1,600$ .

### Figure 30: Hotline Administration by Region

ACFE and IIA Whistleblower Best Practices Survey 2022. Q6: Is your organization's whistleblower hotline program administered and monitored by internal staff or by an external third party? Only respondents with whistleblower programs.  $n = 1,175$ .

### Figure 31: Top 3 Business Units with Hotline Program Oversight Responsibility by Region

ACFE and IIA Whistleblower Best Practices Survey 2022. Q7: Which business units or entities are responsible for managing/overseeing the whistleblower hotline program? (Choose all that apply.) Only respondents with whistleblower programs.  $n = 1,195$ .

### Figure 32: Anonymity and Other Hotline Program Attributes by Region

ACFE and IIA Whistleblower Best Practices Survey 2022. Q12: Which of the following attributes does your organization's whistleblower hotline program include? (Choose all that apply.) Only respondents with whistleblower programs.  $n = 1,196$ .

### Figure 33: Whistleblower Protection Mechanisms by Region

ACFE and IIA Whistleblower Best Practices Survey 2022. Q13: What mechanisms does your organization use to protect whistleblowers or informants who report potential fraud or other suspected wrongdoing? (Choose all that apply.) Only respondents with whistleblower programs.  $n = 1,196$ .

### Figure 34: Perceived Hotline Program Effectiveness by Region

ACFE and IIA Whistleblower Best Practices Survey 2022. Q16: In your opinion, how effective is your organization's whistleblower hotline program? Only respondents with whistleblower programs.  $n = 1,070$ .



# ABOUT THE ACFE

Founded in 1988 by Dr. Joseph T. Wells, CFE, CPA, the Association of Certified Fraud Examiners (ACFE) is the world's largest anti-fraud organization. Together with more than 90,000 members, the ACFE works to reduce business fraud worldwide and inspire public confidence in the integrity and objectivity within the profession.

The ACFE offers its members the opportunity for professional certification. The Certified Fraud Examiner (CFE) credential is preferred by businesses and government entities around the world and indicates expertise in fraud prevention and detection. To learn more, visit [ACFE.com](https://www.acfe.com).





The Institute of  
**Internal Auditors**

# ABOUT THE IIA

## ABOUT THE INSTITUTE OF INTERNAL AUDITORS

The Institute of Internal Auditors (IIA) is an international professional association that serves more than 230,000 global members and has awarded more than 185,000 Certified Internal Auditor (CIA) certifications worldwide. Established in 1941, The IIA is recognized throughout the world as the internal audit profession's leader in standards, certifications, education, research, and technical guidance. For more information, visit [theiia.org/](http://theiia.org/).



No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form by any means—electronic, mechanical, photocopying, recording, or otherwise—without prior written permission of the publishers. Requests to the publishers for permission should be sent electronically to [copyright@theiia.org](mailto:copyright@theiia.org) or to [Research@ACFE.com](mailto:Research@ACFE.com) with the subject line “reprint permission request.”

**Limit of Liability:** This document is for informational and educational purposes and is not a substitute for legal or accounting advice. The publishers do not provide such advice and makes no warranty as to any legal or accounting results through its publication of this document. When legal or accounting issues arise, professional assistance should be sought and retained.

Copyright © 2023 by the Institute of Internal Auditors, Inc. (“IIA”) and the Association of Certified Fraud Examiners, Inc. (“ACFE”). All rights reserved.