NAVEX GLOBAL™
The Ethics and Compliance Experts

9 External Benchmarks for Helpline Reporting

A Brief Explanation of External Benchmarks

Executives and board members rely upon reports and metrics to gauge progress and make decisions that drive business results. The ethics and compliance function is no exception. Benchmark data gives business leaders external points of reference with which they can assess the performance of their programs. The following are 9 external benchmarks that every organization should be measuring and comparing against others in their industry with respect to helpline reporting and case management.

1 | Report Volume

Companies should review the total number of reports they receive in a given period from all intake methods (Phone, Email, Walk-in, etc.). Receiving too many reports is not good and may indicate significant problems or a misunderstanding of appropriate helpline usage. Too few reports may indicate a lack of awareness of policies and/or reporting channels, poor understanding of expectations and responsibilities around reporting, or elevated concerns about retaliation.

2 | Anonymous Report Rate

Nearly all companies allow their employees to make reports anonymously. Certain reporters, especially those fearing retaliation, would be reticent to make a report if they were required to give their name when making it. Others prefer to not be involved directly but want the issue to be addressed. The Anonymous Report Rate can provide a sense of how fear of retaliation affects those who report and how it may be affecting report volume.

3 | Follow-up Rate on Anonymous Report

Often investigators need more information to complete their investigation than was captured at the point of contact with the reporter. With named reporters the investigator can directly contact the reporter to ask them questions, but this is not possible with anonymous reports. For this reason, it is vital that these reporters check back in periodically in order to answer any questions which investigators may have. Employees should be trained on their follow-up responsibilities with anonymous reporting and tracking this metric will provide visibility into the effectiveness of this training/communication.

4 | Substantiation Rate

The substantiation rate is a metric that reflects the rate of allegations made which were determined to have at least some merit (Substantiated or Partially Substantiated). A high substantiation rate is reflective of a well-informed employee base making high-quality reports. A low substantiation rate could indicate a specific management problem or a lack of quality in investigative processes.

5 | Anonymous Report Substantiation Rate

A bias exists among some senior leaders and board members against anonymous reports. Many feel as though employees who choose to withhold their identity are doing so because they are making a false or frivolous report. Research also indicates this bias often extends to investigators. In our experience, names are withheld typically out of fear of retaliation and not because the issue reported is not a matter of concern. A significantly lower substantiation rate on anonymous reports could indicate a serious issue either among reporters or investigators.

6 | Case Closure Time

In order to engender the belief among employees that their concerns are important and are being seriously considered, it is vital that companies complete investigations in a timely fashion. If months go by without case resolution, reporters will conclude that the company is not listening or condones inappropriate behaviors. Such a belief could be detrimental to an organization on a number of levels and undermines the effectiveness of compliance initiatives.

7 | Intake Method/ Online Reports

Most companies offer employees the option of making a report to a third-party via a web portal in addition to a helpline phone number. Providing multiple avenues for employees to report is important as some may be reluctant to report via the helpline. The use of online reporting mechanisms has doubled in the last five years with no decrease in report quality. Ensuring that employees are aware of, and are comfortable with, online reporting options is becoming more important.

8 | Report Priority

Not all reports are created equal. Certain allegations require more immediate attention than others, and some require timely escalation to the audit committee or senior leadership. The use of a prioritization system allows companies to react quickly to urgent reports so that they can be handled in a timely fashion. By confirming that cases are being properly categorized companies can not only be more certain that cases are receiving the level of attention that they warrant, they can also ensure that their investigative resources are being optimally utilized.

9 | Report Category

Reviewing the types of reports which are being received provides insight into the efficacy of a company's training and policies by reflecting employees' understanding of what should be reported and when. Although many different categorization methods exist, we roll up reports into five major categories for benchmarking comparison:

1. Accounting, Auditing, and Financial Reporting
2. Business Integrity
3. HR, Diversity, and Workplace Respect
4. Environment, Health, and Safety
5. Misuse or Misappropriation of Corporate Assets