BRCGS

Four steps to an effective whistleblowing system

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The 2018 Report to the Nations from the Association of Certified Fraud Examiners found that reports from employees and outside parties are by far the most common method of detecting wrongdoing. The same report found that half of all corruption cases were detected by a tip.

Several of BRCGS' Global Standards also require the implementation of a confidential reporting system.

Given the importance of safety in the sectors covered by the Standards, and its associated impact on consumer trust, an effective whistleblowing system is clearly a worthwhile investment; but the key word here is 'effective'.

If you are in the process of selecting a whistleblowing solution to comply with Issue 8 of the Global Standard for Food Safety or Issue 1 of the Global Standard for Ethical Trade and Responsible Sourcing; if you are thinking about a change of provider; or if you just want to make your existing system better, follow our four steps to get the most out of your solution.

1. Choose the right system

There's a bewildering array of whistleblowing solutions on the market and finding the right fit for your organisation is key to success. Start by clearly defining what you need – ideally as a set of **written requirements** that you can use to evaluate vendors objectively and build internal buy-in for the solution from the outset. Some points to consider are:

Reporting channels	Think about the demographics of your likely user-base and how to make it as easy as possible for them to report concerns to you. • Do you need effective support for reports in multiple languages? • Do you need easy access for geographies where calling toll-free numbers isn't always straightforward? • Would a mobile app be useful? • Will the system be just for internal employees or do you also want to make it available externally, to your supply chain, customers or other third parties, for example?
Process and workflow	Plan a process and workflow for managing reports and investigations that will work for your organisation and make sure any solution you choose can be easily configured to meet your needs.
Case management	A couple of key reasons whistleblowing systems are underused is that employees are concerned about confidentiality and/or are worried that nothing will be done about their report. A good case management tool addresses these issues.
Confidentiality and data privacy	Make sure the system you choose meets the highest standards of data protection and security. Consider how the system will comply with the General Data Protection Regulation (GDPR) and any other applicable data protection requirements. If you're based in the EU, will your data be stored and/or processed outside of the EU and how will you meet GDPR requirements?
Reporting	The data you gather in your whistleblowing solution can provide deep insight into the risk profile of your business and the operation of your compliance programme. Ensure the reporting capabilities of your proposed solution allow you to leverage this opportunity in an informative but concise manner. • What reports are packaged as standard? • How easy is it to create additional reports and what are the cost implications? • Can you present these reports directly to the Executive team or Board or will they need redesigning?
Implementation overhead	Consider how easy the proposed system is to implement and how much of the heavy lifting will you be expected to do for yourself. If time and resource are issues for you, ensure you choose a provider that offers full implementation services at a reasonable cost. And make sure you are clear on implementation timescales and that you hold your supplier to them, particularly if you have deadlines to meet.
Ongoing resource requirement	• How much internal resource will you be required to devote to the ongoing management of the system and is this a realistic ask? • What training is provided at the outset? • How much ongoing support is available from your proposed provider (and at what cost)?
Budget	What is the true total cost of ownership including any additional support fees associated with, for example: • translation and interpretation services • telecommunications costs • system configuration changes If you're extending use of the system outside of your organisation, are there cost implications in terms of licensing?

Once you have clearly defined your requirements, you can survey the market making sure that you make a **like-for-like comparison** between providers.

It can be useful to prepare a checklist of your requirements, ranking each one as high, medium or low, or assigning a score to each according to their importance to you. This will help you to evaluate each supplier on their overall offering.
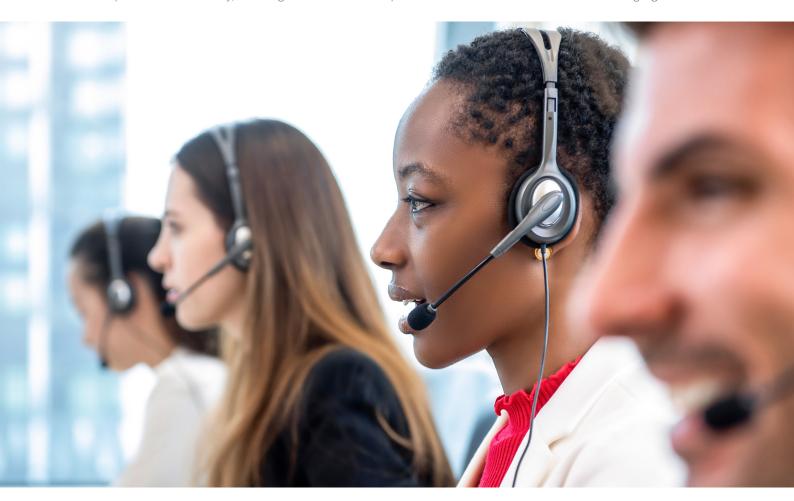
As a minimum, any potential provider should be prepared to meet with you in person and should give you access to a sandbox or demo system so that you can test the solution for yourself.

2. Get up and running

Fast and efficient implementation is vital to start driving value from your investment as soon as possible. Make sure you have engaged the right **internal stakeholders** from the outset to ensure that your project is properly resourced and managed. This could include the General Counsel, Head of Legal, Internal Audit, Human Resources, and the Technical and Risk teams, amongst others. If you can, assign an **internal project manager** to take ownership of the process and coordinate internal resources.

Work with your chosen supplier to configure your system, complete any data migration or imports and **test the system** before going live. Testing is particularly important for any solution that is heavily reliant on a traditional call centre – ensure that phone access from all geographies works as expected checking that:

- All lines work.
- The calls are answered promptly.
- The call experience is satisfactory, including the wait time if interpreters need to be involved for calls in local languages.

For anyone involved in administering the system or managing cases and investigations, **training and support** will reap benefits as the system rolls out across the organisation. Consider:

- What training the supplier provides as standard.
- What ongoing support is provided.
- Where managers and investigators are spread globally, how this will be delivered to regional locations.

Finally, consider a **formal launch** or re-launch of the campaign using all of the internal marketing tools and techniques at your disposal. If this is the first time you have implemented a whistleblowing solution, then your launch campaign will help people to understand the how and why of using the system. If you are replacing an old system this is a chance for you to reset expectations and send clear messages about a new and improved solution.

3. Drive adoption

One of the biggest challenges associated with the implementation of any whistleblowing solution is encouraging employees to actually use the system to report concerns and wrongdoing. The 2018 IBE survey of Ethics at Work found that 46% of employees who observe misconduct do not report it. The reasons most often cited are:

- Fear of retaliation.
- Fear that confidentiality will not be respected.
- A belief that the report will not be taken seriously.

At Waypoint GRC we advocate a '3 Cs' approach to **driving appropriate use** of reporting hotlines:

Clarity	Communication	Culture
Your whistleblowing policies and systems should be clear, unequivocal and easy to understand. You should have a clear and communicated stance on non-retaliation and confidentiality.	Use as many internal marketing tools and techniques as you have at your disposal to communicate about your hotline. It is important to focus not just on the how to use the system but also why it is important.	Take steps to build an organisational ethical culture that supports speaking up. Understand any current barriers. Engage the visible and vocal support of leadership and middle management. Publicise positive outcomes. Build coherence between 'what we say' and 'how things get done round here'..

4. Learn and Improve

Your whistleblowing solution should provide you with a range of reporting tools that will afford you meaningful insights into the risk profile of your organisation and the operation of your compliance programme.

Ensure that whistleblowing reports are regularly reviewed in order to identify issues and hotspots, and where further action may be required. Consider combining your hotline data with other indicators such as training performance, audit findings, and culture and engagement surveys to get a holistic view of compliance behaviour and risk. Use this data to consider how to adjust your programme accordingly.

For assistance with any aspect of your whistleblowing programme contact BRCGS:

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