

Board of Directors - Whistleblower Helpline Responsibilities

As a Corporate Director, you have a fiduciary duty to act fairly and in good faith for the long-term best interests of the corporation. Because you are in a position of trust and confidence, as a Director you owe the company honesty, loyalty, and the duty to put the company's interest over your own. And this includes providing a place where all stakeholders can speak up about any misconduct that will harm the company if left unchecked.

Without the ability to safely and anonymously speak-up about wrongdoing, you are opening the company up to potential damage financially and reputationally.

1

Know About Fraud, Abuse, or Other Misconduct Sooner

The median duration of fraud is typically around 18 months before being found out. This represents about 5% of revenue lost to fraud. Many organizations with hotlines have opened them up to vendors and customers to report misconduct and these organizations have received valuable reports made by their third-parties.

2

Employees or Other Stakeholders May Not Believe Your 'Open-Door Policy'

Some managers might be nervous about being blamed for misconduct and employees may feel hesitant when reporting sensitive information to a manager who may become defensive. The employee may also be worried about retaliation and may be concerned about working with the person or people he or she reported about.

3

Small Organizations Need Helplines Too

Small businesses suffer greatly because of the potential hit to revenue and reputation – both critically damaging for not for profits, or other businesses that leaves the public questioning their business practices. Where resources are limited or departments are siloed, an ethics helpline can provide an extra layer of security to protect the business.

4

A Helpline Won't Be Abused by Frivolous Reports

It is a legitimate concern that a helpline will open a box and suddenly everyone is complaining about everything. Ensure your whistleblower policy outlines the types of concerns that you expect to be reported to the helpline. Encourage your employees and other stakeholders to speak up about any concerns they have or misconduct they have witnessed that meets the guidelines of your policy.

5

A Helpline Doesn't Cost as Much as You May Think

An ethics helpline should be budgeted into every company's annual planning strategy, and it isn't really that expensive. One issue identified could return your investment tenfold. Generally, you have one shot at getting to the truth of any misconduct and if an internal reporting hotline is not available, you may run the risk of employees going outside the organization to regulators or the media to tell their story.

6


Your Internal Speak-Up Program Is Not Generating Feedback So Why Outsource?

There's no right or wrong number of calls to a helpline, but usage rates can provide clues as to the effectiveness of your internal program and workplace culture. For example, if you are receiving a smaller number of reports, or none at all, especially if you are a larger organization, the question could be asked "do employees know when and how to speak up". Or do employees feel safe speaking up?

As a member of the Board, you have a fiduciary duty and obligation to maintain and protect confidential corporate information and this includes reported ethical misconduct. A trustworthy compliance case management tool provides a single source of truth that's accurate, complete, and up-to-date. A centralized database captures reports of ethical concerns and provides visibility into your organization's risk level.

Contact Us



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