



Thank you for joining us!

The presentation will begin shortly.

How to Set Up a World-Class Whistleblower Program

Part 3: Investigation and Reporting

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CPAs & ADVISORS

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Housekeeping

Additional Information

Learning Objective To provide attendees with a road map on how to implement a whistleblower program.	Instructional Delivery Methods Group Internet-based
Recommended CPE 1 CPE Credit	Recommended Fields of Study Specialized Knowledge
Prerequisites None required	Advance Preparation None
Program Level Basic	Course Registration Requirements None
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Presenters

Meet the instructors



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Polling Question #1

How are you doing on sticking with your New Year's resolutions?

- A. *Going Strong*
- B. *Already faltered*
- C. *Given up completely, 2025 will be my year*
- D. *What resolutions?*



Recap from Parts 1 & 2

Current Landscape



Digital transformation and incorporation of new technologies into business processes



Changes in frameworks and regulations (IIA 3 Lines Model, COSO Fraud Risk Management Framework, EU Whistleblower Directive, ESG)



Enhanced reputation risk



Fraud Deterrence Now and in the Future

Deterrence is also supported and enhanced by the knowledge throughout the organization that:

Those charged with governance have made a commitment to comprehensive fraud risk management.

Periodic fraud risk assessments are being conducted

Fraud preventive and detective control activities are being conducted

Suspected frauds are investigated quickly

Fraud reporting mechanisms are in place

Discovered frauds are remediated thoroughly

Wrongdoing has been appropriately disciplined

The entire Fraud Risk Management Program is being constantly monitored

Beyond Fraud

Whistleblower programs can be effective in uncovering wrongdoing and promoting accountability in various areas beyond financial fraud.

- **Workplace Safety Violations:** Whistleblower programs have proven effective in exposing workplace safety violations that can lead to hazardous conditions and endanger employees' well-being.
- **Environmental Protection:** Whistleblowers have played a crucial role in uncovering environmental violations and promoting environmental protection.
- **Safety and Quality:** Whistleblower programs can help identify safety concerns and quality issues that may put people at risk.
- **Academic Misconduct:** Whistleblower programs within educational institutions have been effective in uncovering academic misconduct, plagiarism, and research fraud.
- **Equal Opportunity Employment (EEO):** whistleblowers can also report concerns regarding unfair treatment of employees based on race, color, religion, sex, etc., as well as workplace harassment, culture issues, and other unethical behavior

Where to Start

- Perform a baseline assessment of policies and procedures from Human Resources, legal, anti-fraud program, and other applicable sources
- Baseline policies (hopefully) already in place:
 - Code of Conduct
 - Whistleblower Policy
 - Conflict-of-Interest Policy
 - Accounting/Financial Policies
 - Information Security Policy



Let's Focus on the Whistleblower Policy

- Elements of a whistleblower policy:
 - Introduction – what purpose does the policy serve?
 - Scope – who/what does the policy apply to?
 - Definitions – how does the organization define a whistleblower, wrongdoing, reporting channel, etc.
 - Reporting Process – step-by-step process detailing how a whistleblower can/should submit complaints



Let's Focus on the Whistleblower Policy

- Elements of a whistleblower policy:
 - Confidentiality – statement that confidentiality will be maintained to fullest extent possible
 - Non-retaliation – statement regarding zero tolerance policy against whistleblower retaliation, actions to be taken against alleged retaliation, and consequences for retaliators
 - Investigation Process – step-by-step process detailing how management/Board will follow up on complaints
 - *This will be the focus of today's webinar*

Whistleblower Software Online Platform

These have grown in popularity due to anonymity, user-friendliness, streamlining of case management process, and affordability

Links can be provided through the organization's website to demonstrate commitment to fair practices and zero tolerance policy against fraud and other wrongdoing

Templated forms with customized data fields allow the organization to capture all relevant information in a standardized format

Automated notifications inform applicable personnel as soon as a complaint is received

User Access Rights can be assigned to internal and external members of investigative team to appropriately limit information they can/can't view

Allows for real-time communication with whistleblower in an anonymous format - platforms have the capability to scrub meta data ensuring anonymity



Benefits of Internal Whistleblowing Systems

Internal whistleblowing systems provide real and highly valuable benefits to organizations of all types



Fireside Chat

High-Level Recap

We would like today's fireside chat to be as interactive as possible - we're here to address what's top of mind for YOU:

- We will start by addressing questions that our clients routinely ask when establishing/improving their whistleblower program
- Use the chat and Q&A functions to submit questions/comments during the fireside chat
- We will do our best to address all items submitted but if we can't get to it in our allotted time, we will keep a record of the questions and provide a response following the webinar

Rough breakdown of topics and timing:

- Legal and Compliance considerations when establishing your whistleblower program (15 min)
- Investigations – where to start and what legal/compliance requirements to be aware of (15 min)
- Closing Remarks, Resources, Q&A (10 min)



Polling Question #2

Does your organization have a defined policy/process for performing investigations?

- A. *Yes, we have a formalized policy*
- B. *Yes, but is not written down*
- C. *No, we perform investigations ad hoc*
- D. *Unsure*

A woman in a white short-sleeved shirt and a necklace is sitting at a wooden table. She is looking towards a man who is pointing at a tablet screen. On the table, there is a laptop, a smartphone, a pair of sunglasses, and a tablet. The background is a blurred outdoor setting with greenery and a wooden railing.

Investigation Process



Investigation Process

1. Intake
2. Analyze
3. Investigate
4. Report
5. Close Case



Investigation Team

- Policies
- Procedures
- Templates



Investigation Policy

- Investigation Authority
- Qualifications/Training
- Third-Party Investigators
- Discipline



Investigation Procedures

- Case Management
 - Decision Making
 - Case retention
 - Assigning investigators
- Interviews

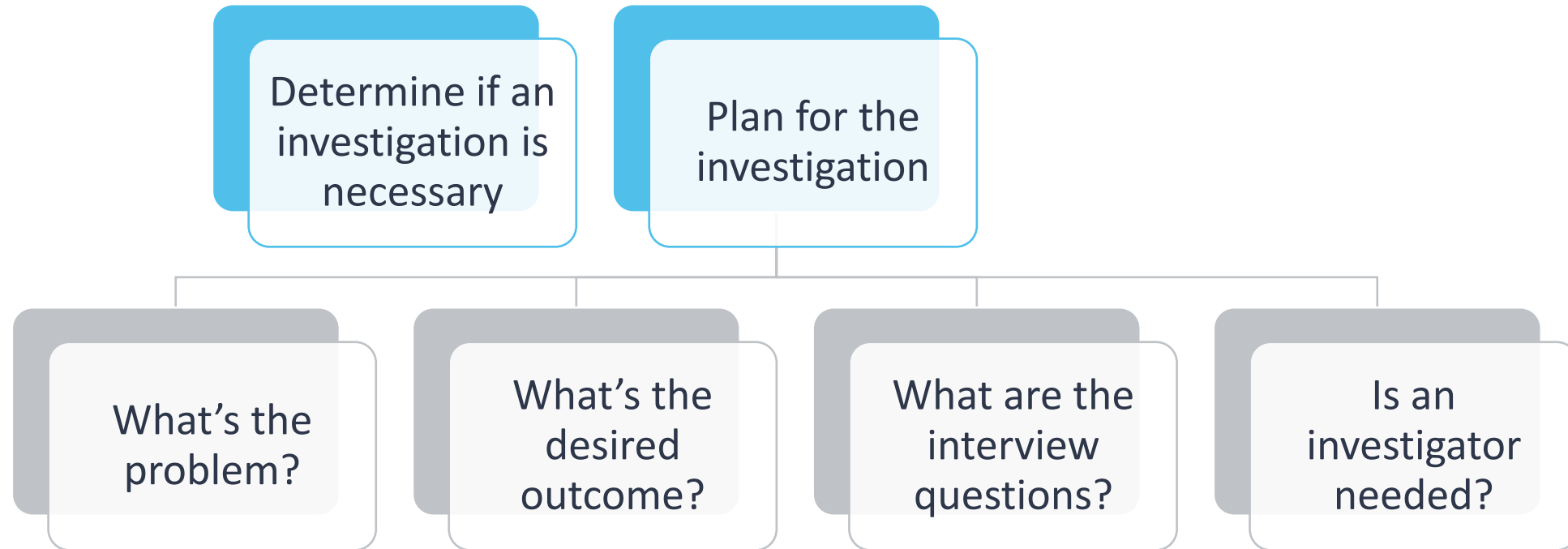


Investigation Templates

- Intake Form
- Report



Initial Steps

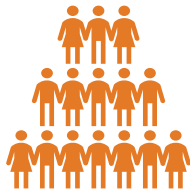


Case Management

- Design a framework for gathering, organizing, and maintaining adequate security for relevant case documents and interview recordings (as applicable)
- Cloud-based platforms provide:
 - Easy accessibility and user friendliness
 - Communication with anonymous/confidential whistleblowers
 - High-levels of security and third-party verification of controls
 - End-to-end case management from complaint submission to investigation conclusion



Interview Process



What order to interview?

Start at the peripheral of the complaint and work your way to the center

- Senior most business leader, complainant, complainant's witnesses/courses, accused, accused's witnesses/sources, repeat interviews as necessary



What Questions to ask?

Funnel approach – start with open ended questions with follow up questions, ask repetitive questions, avoid loaded/accusatory/compound questions



Look for nonverbal signs

Fidgeting, comfortability, shifting in seats, pauses before answering, looking up/down when thinking through responses

Standards of Evidence

- Beyond a reasonable doubt
- Clear and convincing evidence
- Good faith investigation

Key Questions to address through evidence:

- Did the employee know the rules?
- Did they violate the rules?
- Will disciplinary action be appropriate?
Are there mitigating circumstances?

A photograph of two people sitting at a wooden table outdoors. A woman on the left is wearing a white short-sleeved shirt and a necklace. A man on the right is wearing a dark suit jacket and is pointing at a tablet computer. On the table are a laptop, a smartphone, sunglasses, and a folder. The background is a blurred outdoor setting with greenery and a wooden railing.

Reporting and Communication

Report

- Clear, concise, factual
- Contain key information – but all details should be maintained in your organization's case management system



Report

- Key Dates
- Allegation investigated
- Investigation scope
- Individuals interviewed
- Documents reviewed
- Conclusion: substantiated or unsubstantiated
- Individuals not named in the report



Report Distribution

- Make report available in case management system to relevant audience
- Understand the needs of your stakeholders
 - Reporter
 - Board of Directors
 - Regulators
 - Funders



Follow Up & Close Case

- If necessary, follow up with reporter
- Close case in case management system



Polling Question #3

Have you written or read an investigative report?

- A. *Yes*
- B. *No*
- C. *Unsure*

A photograph of two people in a business meeting. A woman in a white short-sleeved shirt and a necklace is seated on the left. A man in a dark suit is on the right, pointing at a laptop screen. The laptop is open on a wooden table, and a tablet is also visible. The background is a bright, outdoor setting with a wooden railing.

What Next?

Next Steps



Review policies and procedures to ensure they're in accordance with best practices



Assess current investigation and reporting process (initial complaint and investigation results) to determine if enhancements, such as leveraging a cloud-based platform, are appropriate for your organization



Confer with legal counsel regarding any compliance requirements applicable to your organization (i.e., SOX, EU Directive)



Identify a short-list of qualified investigators to draw upon to be prepared for allegations received



Whistleblower Resources



[ACFE Building a Best-In-Class Whistleblower Hotline Program](#)



COSO Fraud Risk Management Resources:

- [COSO and ACFE Fraud Risk Management Guide - Executive Summary](#)
- [IIA COSO Fraud Risk Management Update](#)



[ISO 37002:2021 Whistleblower Management Systems - Guidelines](#)

Additional GRF Resources



[Secure Whistleblower Investigation Services](#)



[Try an Online Demo of Whistleblower Software](#)



[Fraud Risk Management and Forensic Accounting Services](#)



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[Article: How Internal Audit Can Support Whistleblower Investigations](#)

Questions?

Contact Us



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