

Center for
Government
Innovation



Office of the
Washington
State Auditor

Making It Easy to Report Concerns

The Association of Certified Fraud Examiners' 2022 Report to the Nations indicated that organizations with hotlines detected fraud by tip more often than those that did not have a hotline.



Employees and citizens are more likely to report concerns if there is a known, discreet way to do it, and they have confidence their disclosure will be handled appropriately and taken seriously.

Employees and citizens might have concerns about many areas including:

- Suspected fraud
- Unusual or suspicious activity
- Policy or law violations
- Ethical issues
- Waste or abuse
- Questionable accounting practices

Here are a few things to think about in setting up your own program, as well as some great resources to reference.

How should concerns be submitted?

You can choose from many options, including more traditional formats such as phone or mail-in forms. Newer options include email or online reporting, such as use of an electronic form. You can also use a third party that will collect the information on your behalf, which might not be as costly as you might think. Of course, you can always provide more than one reporting option to accommodate different preferences.

For a simple internal approach, designate a manager outside of a department to take concerns for that group. For example, public works staff could be given the option to report concerns to the finance director.

How will you protect those who come forward?

Often, those who submit concerns would like to remain anonymous. However, it can be challenging (and costly) to make these promises in certain circumstances. For example, if you have a small number of staff, it can be especially difficult to maintain confidentiality. The bottom line is that you should only promise confidentiality if you can deliver on it. Employees will want to know how you plan to protect them from retaliation in the workplace, especially if you can't promise confidentiality. Citizens also are often interested in anonymity for many different reasons.





What will you call it?

Be careful to describe the reporting mechanism so that it includes all the types of complaints you want to receive. For example, if you call it a “fraud hotline” then you might be excluding certain types of concerns, such as policy violations or ethical issues.



Who will perform the investigation?

Performing follow-up or conducting investigations on complaints can involve quite a bit of work. Choosing to perform this work in-house will depend on whether you have employees with the skills and expertise needed, and whether using your own employees makes sense for the situation. Some governments contract out for investigative work when it is appropriate, such as hiring a law firm to investigate a compliance-related complaint.



Do you have a whistleblower policy in place?

Local governments should look to [RCW Chapter 42.41](#), “Local Government Whistleblower Protection” for some requirements to include in your policy. If you comply, you should be able to save 10 cents on our Office’s hourly billing rate. If you are interested, contact us at accreceivable@sao.wa.gov to request the waiver form.

Complying with the statute is just a starting place. It’s best if your policy also covers ethics, and what this means for your organization as well as how your complaint reporting program operates.



How will you share the news?

Once you’ve formed your plan, you’ll want to communicate about your reporting process frequently so that staff and citizens know what to do. Training and reminders are really important! If you’ve decided to include citizens, then how you will share this information externally is important, too. You might need to repeat your communications using many different avenues to get the message out.



Additional resources

Government Finance Officers Association Best Practices on Whistleblowing: www.gfoa.org/materials/whistleblowing

Government Finance Officers Association, Model Ethics Policy Templates: www.gfoa.org/trust

Fraud Magazine, Top 10 Factors leading to hotline distrust (includes six tips for building a trusted hotline reporting program and culture): <https://www.fraud-magazine.com/article.aspx?id=4294993654>

For assistance

This resource was developed by the Center for Government Innovation of the Office of the Washington State Auditor. Please send any questions, comments, or suggestions to Center@sao.wa.gov.

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