

# NAVEX 2024 Global Incident Management Benchmark Study Reveals Significant Third-Party Reporting to Companies

*Reporting volume at an all-time high; accounting-related reporting takes center stage*

**PORTLAND, Ore.—March 26, 2024** – [NAVEX](#), the global leader in integrated risk and compliance management software, has released its [2024 Whistleblowing & Incident Management Benchmark Report](#). The annual benchmark report offers valuable insights into workplace culture, analyzing trends from 1.86 million global reports spanning thousands of organizations that together employ more than 50 million employees. Amid a record number of tips to the SEC and a burgeoning DOJ whistleblowing program, NAVEX's comprehensive analysis sheds a critical light on the state of workplace environments worldwide, guiding organizations toward program improvement.

"NAVEX remains the gold standard in risk and compliance data analytics, continually innovating our benchmarks to enhance corporate compliance programs and offer business leaders insights into the trending risk areas for their organizations," says NAVEX Chief Risk and Compliance Officer Carrie Penman. "This year's report introduces crucial third-party reporting insights, highlighting an organization's need to adopt internal and external reporting avenues to bolster integrity, foster accountability and equip the organization to tackle emerging challenges effectively."

This year's analysis of the data revealed several key themes and notable findings, including:

**Report volume and case substantiation reach milestones.** Internal reporting programs saw a record level of use as measured by NAVEX's *Reports per 100 Employees* metric. In addition, the *Substantiation Rate* metric reached an all-time high, meaning more reports were received *and* more were found to be true.

Report volume, and the substantiation rates of the reports received, are two of the most highly watched metrics in the annual NAVEX publication. To see both reach the highest levels ever is good news. For those with trusted and effective internal reporting programs, this added up to greater visibility into the trends of risk, ethics and culture playing out in their organizations' operations – real-time intelligence to inform business decision-making.

In 2023, organizations received a median 1.57 *Reports per 100 Employees* across their internal reporting systems, exceeding the previous record of 1.47 set in 2022. More organizations (23%) received five or more *Reports per 100 Employees*, making this population the largest in the NAVEX data set. And while year-over-year values fluctuated, every size of organization – from the smallest companies to enterprises with over 100,000 employees – has seen report volumes rise comparing 2021 and 2023. At 45%, the overall median share of substantiated or founded reports in 2023 reached an 11-year high.

**Third parties more likely to report business integrity and financial misconduct issues.** In a first for this report, NAVEX analyzed its database by both employees and third-party reporters. Its analysis shows these two groups are distinct across several metrics, highlighting the insight organizations see by promoting their reporting programs internally and externally.

Third parties as a group delivered a far greater median share of reports related to *Business Integrity* matters than employees in 2023 (50% versus 17%). Encompassing topics like conflicts of interest, vendor issues, fraud, global trade and human rights, this category of issues can manifest in various elements of a

supply chain. Third-party reporters also showed twice the median share of *Accounting, Auditing & Financial Reporting* reports as employees in 2023 (10% versus 4.5%).

**Story emerging on accounting-related reporting – internally and externally.** Accounting-related reports -- while lower in overall percentage of reports received internally by organizations at a median of 4.3% in 2023 -- often receive an outsized share of attention due to potential for regulatory action and the well-publicized bounty program offered by the SEC and its Office of the Whistleblower. The SEC's program is witnessing unprecedented growth in tips and generously rewarding valuable information. Now, the U.S. Department of Justice is launching a similar initiative.

Specifically, reports related to *Accounting, Auditing, and Financial* reporting:

- Showed the longest time between when an incident was observed and when it was reported to the organization
- By a large margin, were least likely to be reported anonymously
- Comprised an outsized share of cases for organizations that receive very few *Reports per 100 Employees* – meaning while these organizations received well below the benchmark number of reports, they had a much more significant percentage of accounting-related reports
- Experienced the longest time to investigate and close the case
- Had among the highest median *Substantiation Rates*, at 50%
- Were most likely to cause an employment separation event as a result of a substantiated case
- Accounted for twice as many of the reports submitted by third parties than those submitted by employees

**Small increase in report volume shows big payoff in healthy report mix.** A diverse array of topics, inquiries, and allegations in internal reporting indicates a robust program. NAVEX's findings reveal that even minor efforts to promote internal reporting significantly improve the mix of report types received.

For instance, in organizations with the lowest report volume, only 8.7% of reports pertain to *HR, Diversity, and Workplace Respect*. However, in the next tier, this proportion jumps to 36.3%. This trend persists across different report volumes, emphasizing the importance of fostering a reporting culture. A varied mix of report types signifies trust in internal reporting to address a broad spectrum of issues. Even a slight increase from minimal reporting yields a more comprehensive and insightful flow of reports.

"With NAVEX's integrated data platform, companies gain unparalleled risk signal data that empowers them to foster healthier workplace cultures, helping them achieve outcomes that matter most," explains NAVEX Chief Product Officer A.G. Lambert. "Data isn't just numbers; it's the compass guiding organizations toward success and ensuring they stay ahead in the ever-evolving landscape of risk and compliance."

**Additional notable findings include:**

- Workplace behaviors and discord were clearly visible in the data as more organizations return to office environments. As is always the case in these reports, workplace behaviors and other human resources related matters are by far the highest percentage of reports received by organizations. *Workplace Civility* matters continued to increase in prominence in 2023, representing a median of 18% of reports and the highest median reporting rate in 2023. This

was followed by *Discrimination*, at a median 12%, *Harassment*, at a median 7.1%, then *Retaliation* at a median of 2.0%. The *HR, Diversity and Workplace Respect* category overall has seen a multi-year increase in its median share of all reports (from 50% in 2021 to 55% in 2023). These figures underscore the growing importance of fostering a respectful and inclusive work environment.

- Highlighting the seriousness with which organizations are taking reports received, more substantiated reports (18%) resulted in separation from employment in 2023, up significantly from 14% in 2022 and 12% in 2021. The share of reports resulting in no action – effectively the opposite end of the outcome spectrum – fell from 17% in 2022 to 14% in 2023.
- Nearly nine out of 10 reports of *Imminent Threat to a Person, Animals or Property* were substantiated in 2023 highlighting the importance that reporters possess the training, knowledge, tools and trust that promote rapid reporting of dangerous issues. This need is made even greater by a new California workplace violence prevention law expected to take effect this year that includes requirements for reporting, incident management and training around this issue.

For more insights on the [2024 Whistleblowing & Incident Management Benchmark Report](#), join Jane Norberg, Arnold & Porter partner and former chief of the SEC Office of the Whistleblower, Keith Thomas, FedEx corporate integrity & compliance lead counsel, Carrie Penman, NAVEX chief risk & compliance officer, and Anders Olsen, NAVEX senior data scientist, for an informative webinar where they will discuss the results of this year's analysis in detail. [Watch the webinar here.](#)

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