

Ethics & Compliance Management

KPMG Ethicsline Consulting



Questions relating to misconduct, violations and fraud, should first and foremost, be dealt with by direct line managers. However, this is not always enough. Employees can be hindered by barriers when it comes to raising certain issues, particularly if these are of a structural nature or if their manager is part of the problem. Particularly in the case of larger organizations, the establishment of a reporting line is important in this respect, often desirable and sometimes even obligatory.

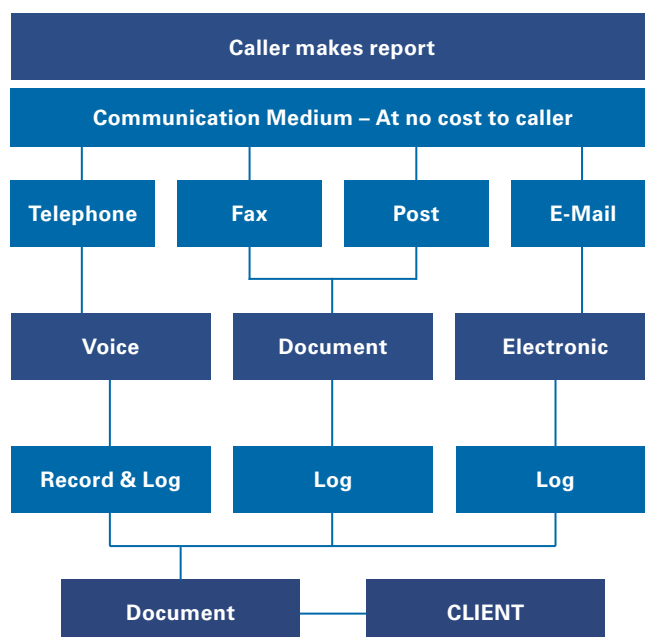
The KPMG Ethicsline

- Is a simple, yet highly effective management tool designed to enable concerned employees, as well as third parties associated with an organization, to put a stop to practices that have a negative effect on that organization.
- Will contribute to ensuring an honest work ethic in your workplace by providing an independent conduit whereby employees can report incidents of unethical practices.
- Can serve as a living suggestion box to manage a range of unethical practices that do not fall within the specific category of criminal conduct.
- Ensures that a caller wishing to remain anonymous can be guaranteed complete anonymity.

How can KPMG help?

- We will assist you in selling this concept to your stakeholders as well as determining a marketing drive.
- We are able to offer our services on a 24-hour basis, 7 days a week and 365 days a year as well as global coverage in all main languages.
- Presence in more than 40 international countries.
- Dedicated call centre with full time KPMG staff.

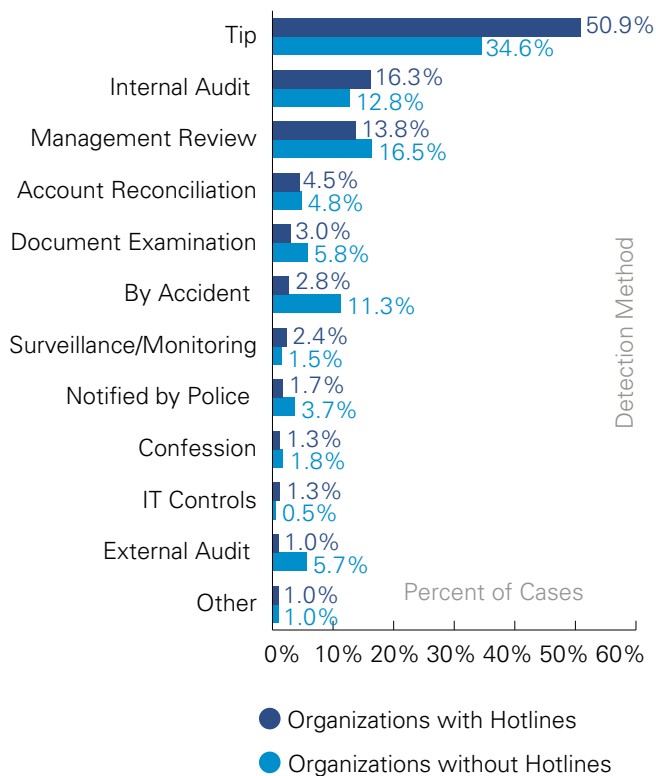
Four reporting possibilities



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Why you should have a reporting procedure

According to the Association of Certified Fraud Examiners' (ACFE) organizations lose around 5% of their annual turnover due to occupational fraud. In companies with a Hotline more than 50% of cases are being detected by tips from whistleblowers:



ACFE, Report to the Nations on Occupational Fraud and Abuse, 2012, p. 17

The Importance of having an effective reporting procedure

• Lowering the impact of non-compliance

Surveys show that with a well functioning reporting procedure fraud and misconduct is usually detected earlier and that way lowering the (financial) impact.

• Avoiding Legal Prosecution and Respective Consequences

Having an effective reporting procedure in place is being considered as a requirement to prove that an organization had an effective risk management with regard to preventing and detecting of fraud and misconduct. International anti-corruption laws such as the FCPA and the UK Bribery Act.

• Preventive effect

Whistleblowers are usually loyal employees. If your organization motivates its employees to report any misconduct that they witness, it strengthens their awareness of a business culture in which illegal or unethical behavior is not tolerated.

Investigating incoming reports

Incoming reports must be followed-up and investigated by either an internal or an external investigation. If specialized skills and methodologies are required to investigate a certain allegation that has been reported, KPMG Forensic can be appointed to assist you with our extensive knowledge and experience.

Why KPMG?

- KPMG stands for integrity and confidentiality.
- The KPMG Ethicsline is compliant with data secrecy and data privacy requirements.
- The KPMG Ethicsline service has been operating effectively according to the latest security standards for the past 15 years with clients throughout the globe.
- KPMG Ethicsline is available in all main languages, but if required we can provide a country tailored solution.
- KPMG can advise on procedure options and responds quickly to follow up investigations globally. We have many years of experience in fraud and misconduct risk management and forensic investigations.

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