



FORENSIC / ETHICS LINE

# KPMG Ethics Line

AUDIT / TAX / ADVISORY



# KPMG Ethics Line

A corporate governance tool for addressing fraudulent and unethical behaviour in the workplace

*Those who do not prevent crimes when they could, encourage them*

*Cato the Elder (234 – 149 BC)*

KPMG Ethics Line is a simple and effective management tool designed at enabling concerned employees to help put a stop to practices which have a negative effect on their employer's ability to provide a stable and ethical work environment.



# The Enemy Within

The 2005 KPMG Africa Fraud and Misconduct Survey revealed that companies are at risk from the enemies within their own corporations

The survey pinpointed the main source of fraud within companies in South Africa as:

- Employees having perpetrated 88% of frauds; and

- The problem of corruption (54% of frauds as a result of collusion between employees and 3rd parties).

Better and additional armoury is required to combat fraud



# How is fraud discovered?

The 2005 KPMG Africa Fraud and Misconduct Survey revealed that 53% of successfully detected fraud in South Africa is as a result of a tip-off provided by a Whistleblower.

This statistic demonstrates the tremendous value which can be derived from maximising every opportunity of obtaining information relating to dishonest practices from employees and trading partners.



# Ethical Principals

Perform your duties with honesty and integrity

Treat people with respect, fairness and courtesy

Accept accountability for your actions and decisions

Behave in a way which is above reproach

Comply with the rules, procedures and regulations of the company, and laws of the country



# Ethical Principals

Use company information for the purpose for which it is intended

Do not misuse assets/property of the company, its customers or suppliers

Declare conflicts of interest or potential conflicts of interests

Refuse any gift that could be regarded as exerting undue influence



# KPMG Ethics Line

Is an independent and objective service

Provides a conduit for concerned employees and trading partners to inform management of unethical behaviour in the workplace

Provides the assurance to employees and trading partners that all information will be treated with confidentiality

Is an essential element in a Fraud Prevention Strategy



# Features of the KPMG Ethics Line

0800 toll-free number – 0800 86 46 56

Secure e-mail address – [fraud@kpmg.co.za](mailto:fraud@kpmg.co.za)

0800 fax number – 0800 200 796

Free post address – BNT 371, PO Box 14671 Sinoville, 0129

The KPMG Ethics Line call centre is manned 24 hours a day, 365 days a year where calls are fielded by experienced call-operators able to field calls in all 11 official languages

All reported information is immediately captured onto a call-sheet and transmitted directly to a designated person appointed by your organisation

Anonymity is encouraged – confidentiality is paramount

# The KPMG Ethics Line Process





# The KPMG Ethics Line Process

A person wishing to make a report phones the hotline

Detailed information is extracted from the caller by experienced call operators

The caller is provided with a reference number which may be used in follow-up calls or for the purposes of obtaining feedback on the matter reported

A Hotline Memorandum (report) is compiled and forwarded to a designated person within your organisation



# How do I report to the Hotline?

Step 1: Dial **0800 86 46 56** toll-free from any Telkom landline phone

Step 2: Provide full details in respect to the violation. Such details should include:

Who is involved or doing what?

What has happened?

How was it done and how often?

Where is it done?

When was the incident observed?

Values involved – monetary value

Step 3: You will be given a secret reference number by the operator – keep this number confidential as you will need this number if you want to make a follow-up call (call at a later date to add to the report) or feedback call (call at a later date to obtain feedback)



# What do I report?

Fraud

Corruption

Abuse of company resources

Theft of Company Assets

Nepotism and favouritism

Not adhering to company policies and procedures

NB: We want the information **NOT** your **NAME**



# What not to report?

Employment grievances

Employment complaints

Petty arguments amongst staff

Personality clashes



# Checklist before you call?

In which division/department did the incident take place?

Where specifically did it happen?

What is the nature of the incident?

Date and time the incident took place?

How long has this been going on?

How often does this happen?

Number of people involved and names?

Does anybody else know about it?

Do you have any proof?

Are there any witnesses?

# JHI – SPOT THE FRAUD!

