

## SYSTEMATICALLY AGAINST CORRUPTION



To minimize risks to a company's or to an administration's image and financial standing the most important task after prevention is the early detection of internal misconduct.

**Internal whistleblowing is an important risk management component in companies and administrations.**

Approximately 40% of all such cases are revealed by whistleblowers with insider knowledge although it is not only employees who contribute to such disclosure but customers and suppliers as well. Studies show that whistleblowing is the most effective measure in the clarification of misconduct. Moreover, organisations that do not implement a whistleblowing system suffer, on average, losses due to fraudulent offenses more than twice as often as those that have set up a secure communication channel.

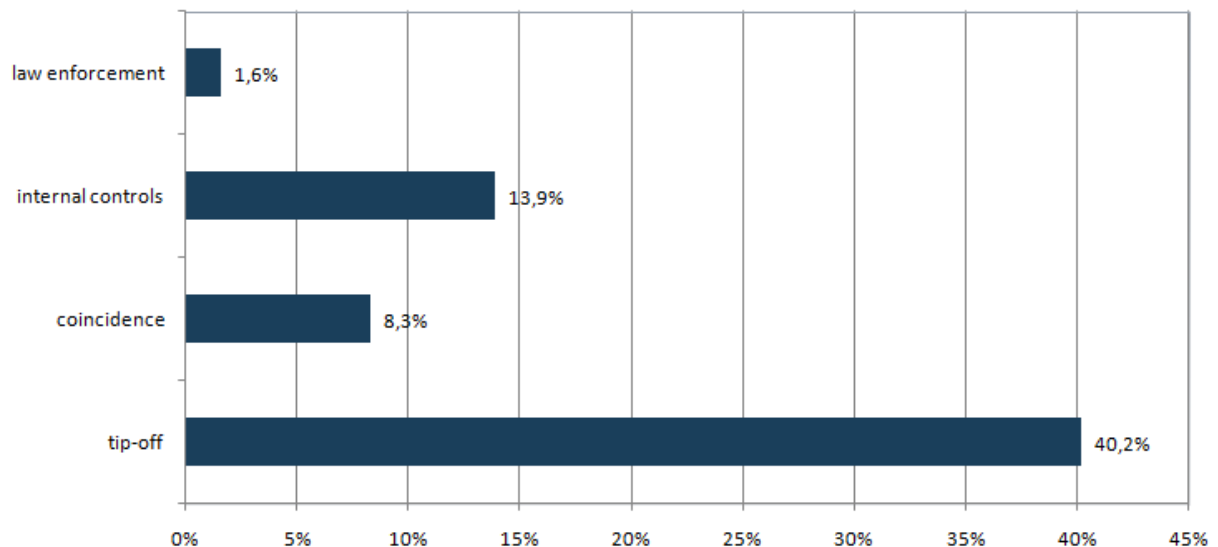


Figure 1: Detection methods (source: Association of Certified Fraud Examiners 2010)

Because of the lack of juridical protection for whistleblowers in many countries and their fear of repressive measures by colleagues and supervisors, the ensured anonymity of whistleblowers that protects them from negative personal reprisals, as well as lowering their inhibition to report fraudulent behaviour, is essential.

Previous whistleblowing systems are either not able to guarantee the whistleblower's anonymity or cannot establish the dialogue that is essential for the quick clarification of cases.

**The BKMS® system establishes a connection between these ostensible contrasts for the first time: anonymity and dialogue. At the same time it ensures the highest possible data security.**



Figure 2: Security concept of the BKMS® system

The anonymous giving of tips is possible anytime and anywhere through the homepage of the customer or via the Business Keeper homepage. Through an individual encryption, every tip is secured with respect to content and channel and can only be decoded by the customer; even the Business Keeper AG has no access here. The external BKMS® server is situated in a high-security location like those used by banks, such as the European Central Bank, to secure their data and servers.

**The special feature of the certified BKMS® system is an anonymous dialogue between the whistleblower and the client's examiner** (audit or compliance office, ombudsmen), to give feedback or to ask questions. In order to avoid the problem of unidirectional communications, the whistleblower can leave a message in a self-created, anonymous mailbox.

**Examiners often encounter limits due to the lack of further information. Despite his anonymity the whistleblower's insider knowledge can be used continually to guide and accelerate the investigation.** The critical potential of the employees is an important company resource and an early warning system, to expose misconduct in its early stages. This protects the company or administration from extensive follow-up costs and damage to its image.

With the prevention and internal clarification of cases, the organisation avoids material and immaterial damages and therefore establishes confidence – a value-building factor for investors und shareholders.

