Why efficient whistleblowing channels matter in fraud prevention



KPMG Sweden Forensic

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Fraud can be difficult for organizations to detect, particularly when misconduct takes place away from established controls and oversight. Whistleblowing channels can provide an important source of information by enabling employees and other stakeholders to raise concerns about suspected fraud and other misconduct. For the second consecutive year, our Forensic team has analyzed data from KPMG Sweden's whistleblowing services. Building on last year's report, this year's edition examines recurring themes and trends in the reporting data and explores what the data tells us about the broader function and value of an effective whistleblowing channel.

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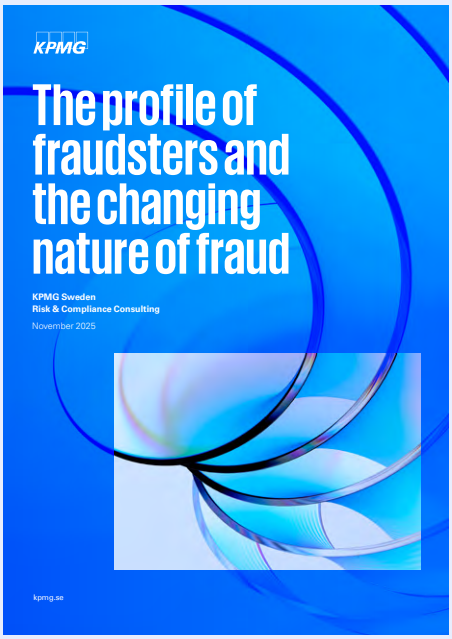
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The definition of "Occupational Fraud"

The Association of Certified Fraud Examiners (ACFE) recently published the 14th edition of its report, **"Occupational Fraud 2026: A Report to the Nations",** one of the most comprehensive global studies on occupational fraud. The report is based on more than 2,000 investigated fraud cases from organizations across a wide range of industries and jurisdictions.

ACFE classifies **occupational fraud*** using the Fraud Tree, a framework that categorizes fraud into three primary groups: **asset misappropriation, corruption, and financial statement fraud.** The report provides valuable insights into how fraud schemes are carried out, detected, and addressed, as well as the controls organizations used to mitigate fraud risk.

> **"'Fraud' is any activity that relies on deception in order to achieve a gain."**
>
> *– Association of Certified Fraud Examiners (ACFE)*



This report is a continuation of KPMG Sweden's November 2025 report, **"The profile of fraudsters and the changing nature of fraud"**.

This year's report combines the research done on fraud by organizations such as ACFE with KPMG's Forensic services data from Q1 2025 – Q3 2026 and explores the role of **whistleblowing channels** as a key component of an organization's fraud risk management framework.

The purpose is not to suggest that every whistleblowing report concerns fraud. Rather, the aim is to illustrate how **a trusted reporting channel** can bring forward crucial information about fraud as well as other topics including conflicts of interest, breaches of internal guidelines, procurement, working conditions and other organizational risks. Effective whistleblowing channels can help **organizations prevent misconduct, detect potential fraud at an early stage, and facilitate timely investigation and remediation.**

→ Read the report from 2025

*Throughout this white paper the term "fraud" will refer to the definition of occupational fraud.

Effective fraud detection starts with creating the conditions to speak up

"Tips" remain the leading method of fraud detection

In ACFE's latest study (2026), fraud was **three times** more likely to be detected through tips than through the second most common detection method. Tips have consistently been the most common method of detection across all 14 editions of ACFE's study.

A "tip" refers to information about suspected misconduct reported by a whistleblower, either through formal reporting channels, such as web-based systems and telephone hotlines, or directly to someone within the organization.

ACFE found that when whistleblowers reported their concerns directly to an individual rather than through a formal reporting mechanism, direct supervisors were the most common recipients. This highlights that e**ffective whistleblowing arrangements are built on trust** but also that they extend beyond formal reporting channels. Those who may receive concerns need to know how to recognize, escalate, and respond to them appropriately.

Without clear procedures and adequate training, valuable information may be overlooked, potentially delaying the detection, assessment, and investigation of fraud.

2x Employees whose organizations provided fraud awareness training were **more than twice as likely** to submit a tip that resulted in the detection of fraud

Organizations with both a hotline and employee training had **50% lower fraud-related financial losses.** **50%**

40% These organizations also **detected fraud 40% faster** than organizations without these measures.

Source: ACFE, 2026

What this means in practice

A formal whistleblowing channel is only the starting point. Employees need to know what can be reported, how confidentiality is protected and what happens after a report is submitted. Managers and case handlers need corresponding routines for documentation, escalation, legal assessment and allocation of responsibility.

INFO

Transparency International Sweden operates a support service where individuals can ask questions and seek guidance on whistleblowing. Based on three years of experience, the organization has observed that people remain uncertain about what they can report.

It has also identified significant differences between reporting channels, including whether anonymous reporting is possible and how easily the channels can be accessed. Some, for example, are only available through an organization's intranet. (Transparency International Sweden).

DATA FROM KPMG

Only 30% of client organizations using KPMG's whistleblowing solution received at least one report during Q1–Q3 2026. A low number of reports, however, does not necessarily mean that there are few concerns to report.

Our discussions with clients point to a broader challenge also highlighted by Transparency International: having a whistleblowing channel in place does not necessarily mean that employees will use it. Limited accessibility, low awareness of the channel and uncertainty about what can be reported can all create barriers to speaking up.

Whistleblowing channels provide the opportunity to speak up; awareness and trust determine whether concerns about suspected fraud are actually reported.

Why every report matters

The statistics presented on this page are based on reports submitted through whistleblowing services provided by KPMG Sweden to client organizations. Data from 2025 covers the full year while 2026 includes Q1-Q3 data.

4 most common topics among incoming reports in KPMG's whistleblower services

Report topic	General dissatisfaction		Issues related to working conditions		Other		Breach of internal guidelines	
Year	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**
Share of total reports	25%	19%	18%	24%	10%*	21%**	9%	13%
Share of reports within that topic falling under the provisions of the law	0%	0%	14%	17%	30%	35%	76%	76%

* The most common topics in "Other" were fraud, GDPR, and safety questions.
** The most common topics in "Other" were health and safety questions, GDPR, and follow-up questions on previous reports.

KPMG's data shows a growing share of reports concerning working conditions. These matters are typically assessed as falling outside the scope of the Swedish Whistleblower Act, unlike categories such as breaches of internal guidelines, where a larger share of reports are assessed as falling within the Act.

The upward trend in reports about working conditions highlights an important point: that whistleblowing channels are increasingly being used to raise concerns that may require attention, even when they do not meet the criteria for protection under whistleblowing legislation.

A report that falls outside the Act is not necessarily unimportant. It may still reveal workplace misconduct, health and safety concerns, leadership issues or weaknesses in internal controls. Investigating or otherwise addressing such information can help the organization prevent problems from escalating, meet obligations under other applicable rules and regulations and strengthen trust in its reporting arrangements.

The increasing share of reports concerning working conditions, together with the high share of general dissatisfaction, also raises a broader question: do employees know where to raise different types of concerns? Clear guidance on the purpose of the whistleblowing channel, combined with accessible alternative reporting channels for HR matters, grievances and customer complaints, can help ensure that concerns reach the right people.

The Swedish Whistleblower Act (2021:890)

protects individuals who report serious work-related misconduct of public interest.

A whistleblower

is an individual who reports suspected misconduct, fraud or other work-related wrongdoing through designated reporting channels.

Legal scope and organizational relevance are two separate assessments. First, the organization should determine whether the report meets the criteria of the Swedish Whistleblower Act. It should then assess whether the underlying information warrants further action, even if the Act does not apply.

Clear ownership and effective triage are therefore essential. Reports falling outside the Act should be documented and, where appropriate, referred to HR, Legal, Compliance, Health and Safety or another responsible function. This to ensure that useful warnings about conduct, working conditions, internal controls or organizational culture are not overlooked solely because of their legal classification.

Ensuring a clear process for all reports

1 Raise awareness

Provide a secure and accessible channel. Explain who can report, what can be reported and how confidentiality is protected.

2 Initial assessment

Perform legal classification and risk assessment. Determine whether the matter belongs with Legal, Compliance, HR, Internal Audit, Security or another function.

3 Investigate and remediate

Where the information warrants further action, preserve relevant evidence, establish an appropriate investigation mandate and address identified control or conduct issues.

4 Learn and improve

Use aggregated reporting data to identify recurring themes, clarify ownership, improve controls and target communication or training.

How KPMG can support

Effective whistleblowing channels help organizations identify risks early, investigate concerns, and strengthen internal controls. KPMG Sweden provides a full-service whistleblowing solution to help organizations comply with the Swedish Whistleblower Act (2021:890).

The service includes:

- A web-based reporting system
- A voicemail reporting system
- Reporting in person
- A secure case management platform
- An initial assessment by KPMG specialists to determine the nature of the report and whether the case falls within the scope of the Swedish Whistleblower Act (2021:890)

KPMG can support organizations in investigating concerns raised through whistleblowing channels. Our multidisciplinary forensic team combines investigative, financial, legal and forensic technology expertise to establish the relevant facts and provide a clear basis for appropriate action.

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