



## The Whistle

We have just released our new and improved website! For the latest news on compliance and governance regulations, you can check out [www.whistleblowersecurity.com](http://www.whistleblowersecurity.com). Watch for our French site coming soon!

WhistleBlowerSecurity.com

File a Report  
Start Demo

Our Services Corporate Governance Compliance  
Employee Relations Customer Service Privacy

WhistleBlower Security provides customizable risk management reporting solutions to protect and shelter organizations from potential risks and alert those in charge to take actions before any damage is done. Our reporting solutions are combined with advanced security and data management, anonymous communication channels of up to 1500 languages and industry-trained bi-lingual contact specialists to ensure all incidents reported are documented and resolved in a timely manner.

Contact Us

Whether it is for regulatory compliance, financial transparency, corporate governance, employee, client, investor or patient relations, WhistleBlower Security can customize a solution according to your organization's requirements.

Information Centre

Regulatory Documents  
Alliance Partners  
News & Media

making good companies better.  
About Us

WhistleBlowerSecurity

Customer Service

Let WhistleBlower Security help you deliver the stellar customer service your clients desire. Our online services are clearly positioned to offer your customers a means to which to communicate their feedback, be it positive or negative. As an objective third party, you can ensure that customer comments you receive won't be biased, filtered, or tampered in any way. However, you can be guaranteed that those all important customer complaints won't get lost in the complexities of an internal escalation program. Increased customer retention and loyalty is but one of the many benefits WhistleBlower Security can offer your organization. There are the possibilities we can offer in terms of gathering customer testimonials and product feedback, or even use our services to get employee feedback on service related policies and procedures. Armed with the knowledge WhistleBlower Security will provide, you are guaranteed to ensure a greater success of any customer service initiative.

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making good companies better.

WhistleBlowerSecurity

News and Media

The WhistleBlower Security Quarterly Newsletter

July 2007  
Gaps revealed in mandatory disclosure  
Many Canadian companies are violating a new securities regulation that requires disclosure of their corporate governance standards, a recent review by regulators has concluded [Read more...](#)

Back Issues  
Estimate 2007  
September 2006

To learn more about WhistleBlower Security -- contact us today!

Call toll free: 1-888-921-8714  
Telephone: 416-921-8875  
Email: [info@whistleblowersecurity.com](mailto:info@whistleblowersecurity.com)

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WhistleBlowerSecurity

Corporate Governance

Anti-fraud Program  
White-collar crimes cost the United States more than \$300 billion annually according to the FBI. In Canada, it is estimated Canadians pay increased taxes and prices for consumer goods amounting to as much as \$20 billion a year as a result of white-collar crime. WhistleBlower Security Inc. has developed anti-fraud programs to help businesses and organizations to prevent, deter and detect fraudulent activity.

WhistleBlower Program  
A whistleblower hotline is probably the easiest and least expensive means available to improve corporate governance. Waste, fraud and the abuse of authority can all be combated by having an independent reporting mechanism that uses employees to report malfeasance. The procedures and practices for complaints from employees, customers or investors regarding questionable accounting or auditing matters are a necessity for every Section 30(14) of the Sarbanes Oxley Act in US and Sub-Lateral Instrument 52-110 in Canada to have a whistleblower system. However, these systems are also valuable for private companies.

Our whistleblower program is designed to alert those in charge to take action before any damage is done to minimize corporate risk and shelter executives from potential litigation.

Workplace Ethics Program  
Ethical guidelines benefit organizations by steering employees away from ethical risk-taking and into more productive and appropriate kinds of risk-taking. The list of potential benefits linked to an effective ethics program includes the following:

- Recruiting and retaining top-quality people
- Fostering a more satisfying and productive working environment
- Building and sustaining your business' reputation within the communities in which you operate
- Maintaining the trust of members to ensure continued self-regulation
- Legislating open discussion of ethical issues
- Providing ethical guidance and resources for employees prior to making difficult decisions
- Aligning the work efforts of staff with the business' broader mission and vision

Our whistleblower program is combined with workplace ethics consulting, that assists you in designing and implementing an ethics program that is right for your organization.

Risk Management Program  
By integrating risk management with compliance covering laws and regulations, social standards and corporate ethics, our risk management consulting team ensures the fairness and transparency of your management system.

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## The Whistle

### HEALTH CARE

### One in 10 patients receives wrong medication



#### CTV

The chances of an adult contracting an infection while in an acute care hospital are about the same: 1 in 10, while the chances of a child contracting an infection while in hospital are about 1 in 12.

Incidents in which a foreign object is left behind in a surgical cavity are less common, affecting about 1 in 3,000 patients in Canadian hospitals (outside of Quebec and parts of Manitoba). Yet that still adds up to more than 200 incidents per year between 2003-2004 and 2005-2006.

Previous studies show that obese patients are at higher risk of having a foreign object left behind after surgery, though the reasons aren't clear.

Other higher risk groups include: patients who undergo emergency operations, those who have an unexpected change in operation or those who have a change in nursing or surgical staff during a procedure.

"The consequences of leaving a sponge or other foreign object in after surgery can be significant, but experts suggest that targeted strategies can reduce the risk," says Dr. Indra Pulcins, CIHI's director of Health Reports and Analysis.

Those strategies include following a practice of sponge and instrument counts, as well as vigilant inspection of body cavities when the surgery is complete.

One of 21 mothers giving birth by vaginal delivery in hospital experience obstetrical traumas, such as lacerations of the cervix, vaginal wall, or injury to the bladder or urethra. Between April 2003 and March 2006, there were more than 9,100 reported obstetric traumas in Canadian hospitals, outside of Quebec each year.

One in 141 babies born in hospitals outside of Quebec experienced birth trauma, such as injuries to the scalp, skull fractures, or injuries to nervous systems. This represents more than 1,700 cases yearly.

Previous research suggests that risk factors for trauma during birth include newborns weighing more than 4 kg, long labour, the need to use instruments during delivery and a woman's position during birth. CIHI's analysis found that 3.6 out of every 1,000 patients in Canadian hospitals (outside Quebec and parts of Manitoba) experience a pulmonary embolism while in hospital. An embolism occurs when a blood clot or globule of tissue travels through the veins and into the lung, and can occur when patients are bed-ridden or sedentary for long periods.

Dr. Jennifer Zelmer, CIHI's vice-president of Research and Analysis says tracking medical errors and adverse incidents is important in learning how to prevent them.

"While we do not know how to prevent all adverse events, tracking how often they occur and understanding the factors that contribute to them is an important step in improving patient safety," says Zelmer.

Experts have suggested a number of strategies to reduce the risk or errors and patient harm, including automated drug alerts and medication reconciliation -- the process designed to prevent medication errors at patient transition points.

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## The Whistle

### CORPORATE GOVERNANCE

### Corporate governance: Double trouble?

John Gray  
May 7, 2007

For years, corporate governance advocates have complained that the large number of Canadian companies with dual-class share structures are bad for investors. The system helps to entrench management and treats common investors like second-class citizens, they say. But no one seems to be complaining this year. Of the large-cap companies on our annual Investor 500 ranking, dual-class share companies make up five of the top 10. (See first table below.)

Still, it's hard to see how recent gains by companies like Telus, Shaw or Rogers (owner of Canadian Business) have anything to do with share structure. Investors flocked to Canada's telecom sector because of the recent speculation over impending mergers or takeovers. Those gains may have been even higher if not for the fact hostile takeovers of dual-class-share companies are pretty much impossible.

If super-voting rights actually helped companies succeed, you would expect strong performance from firms where the controlling shareholder's votes outweigh their equity stake. But with the exception of Brookfield, performance of those companies is pretty unspectacular. The lesson for investors: dual-class shares may not necessarily destroy shareholder value. But just remember to try to choose one whose controlling shareholder has a lot of skin in the game.

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## The Whistle

### RISK MANAGEMENT

## GAO Finds Problems in Risk-Based SEC Inspections

Canadian Business  
September 12, 2007

WASHINGTON (AP) - The Securities and Exchange Commission's method of inspecting U.S. mutual funds and investment advisers depending on their perceived risk could be improved, a new report concludes, since regulators misjudge the risks of many funds.

The Government Accountability Office report issued Wednesday suggested the SEC could better identify risks – and target its inspections – by requiring funds and advisers to hand over internal compliance reports.

Mutual-fund trading scandals uncovered by then New York Attorney General Eliot Spitzer in 2003 prompted the SEC to rethink its approach to inspecting mutual-fund companies. Spitzer faulted SEC inspectors for missing widespread abuses such as market timing and late trading, which can produce profits for those who engage in such practices while raising costs and lowering returns for other fund shareholders.

The SEC scrapped its practice of conducting routine exams for all funds and advisers in favour of a risk-based approach introduced in fiscal 2005. Under it, 10 percent of firms deemed to pose higher risks would be examined every three years, with annual exams for a small, random sample of the remaining firms.

Success of the risk-based examination approach depends on how accurately the SEC assesses risk levels, and early results show a need for improvement. Fully 75 percent of "high-risk" firms examined in fiscal 2006 were later classified as low risk, while 25 percent retained the designation. The SEC said the wide scale reclassifications were partly due to firms cleaning up previously flagged problems, and partly due to limitations in Radar, the software program it uses to identify and rank compliance risks. The GAO said the software can determine which firms are likely more likely to have problems or conflicts, but doesn't capture how effective firms are at mitigating risks.

Missing risks is another danger. An SEC review of 2006 results showed 9 percent of advisory firms designated as low risk should have been flagged as higher risk companies. A 2007 SEC test of Radar's accuracy also demonstrated that it can understate risks at some firms. The SEC conducted more than 225 reviews of newer advisory firms rated as low risk, which had not yet undergone an examination. The findings: 85 percent remained classified as low risk, while 15 percent were reclassified as higher risk.

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## The Whistle

### TSX VENTURE EXCHANGE



#### TSX Venture Exchange Year-to-Date Statistics

	Aug 2007	Aug 2006	% Change
Value	\$30,718,523,161	\$23,295,577,826	+31.9%
Volume	33,882,538,512	25,751,720,104	+31.6%
Transactions	5,841,770	4,458,110	+31.0%
Issuers Listed	2,283	2,225	+2.6%
Number of New Listings*	159	117	+35.9%
New Equity Financing <sup>1</sup>	\$8,386,518,559	\$5,569,072,730	+50.6%
Market Cap of Listed Equity Issuers (\$ Billion)	\$54.7	\$51.6	+6.0%
<b>Daily Averages (including NEX)</b>			
Value	\$ 180.7 million	\$137.8 million	+31.1%
Volume	199.3 million	152.4 million	+30.8%
Transactions	34,363	26,379	+30.3%



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