



# INFORMATION REPORT

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	November 21, 2016
<b>SUBJECT/REPORT NO:</b>	Whistleblower Information Update for Q3 2016 (AUD16023) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
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<b>SIGNATURE:</b>	

## Council Direction:

By-law 09-227 (Whistleblower By-law), Section 19 – Responsibility of the Director of Audit Services requires a quarterly report for, in the aggregate, on the number, nature and outcome of disclosures of serious wrongdoing made under this By-law.

## Information:

A standard process has been implemented by the Audit Services Division for the implementation of forms, procedures and document storage relating to the administration of the Whistleblower By-law.

This Information Report contains information about the number, nature and outcome of disclosures relating to By-law 09-227 for Q3 2016 (July - September 2016) along with historical information.

## Number and Nature of Disclosures:

Categories:	Staff Inquiry	Whistleblower	External Inquiry	Total Intake
Q1 (Jan.-Mar.)	0	0	0	0
Q2 (Apr.-Jun.)	0	2	1	3
Q3 (Jul.-Sep.)	1	1	0	2

**Total Intake Volume in 2016 (January - June): 5**

## Nature and Outcomes:

Q1: N/A-there was no intake activity in Q1 2016.

Q2: One external inquiry was made and an assessment was completed by Audit Services. Outcome-no further action required. One whistleblower investigation has concluded, management has committed to taking corrective action. A second whistleblower investigation is in progress.

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Q3: One staff inquiry was received and information was provided to the individual making the inquiry. One whistleblower item is currently being assessed, once completed, a decision to proceed or not proceed with an investigation will be made.

**Analysis:**

Number and Nature of Disclosures, 2010-2015:

<b>Categories:</b>	<b>Staff Inquiry</b>	<b>Whistleblower</b>	<b>External Inquiry</b>	<b>Total Intake</b>
<b>Year:</b>				
2010	0	2	1	3
2011	1	2	0	3
2012	1	1	1	3
2013	2	2	0	4
2014	3	2	0	5
2015	1	1	1	3
<b>Total</b>	<b>8</b>	<b>10</b>	<b>3</b>	<b>21</b>

The total volume in 2015 for Whistleblower Intake activity was three items. Total volume for the first nine months of 2016 was five items.

This is a low volume for an organization the size of the City of Hamilton, with almost 8,000 employees. The total volume for 2010-2016 Whistleblower Intake is 26 items. These sustained low volumes indicate that the awareness of the Whistleblower By-law is likely quite low in the organization and/or that employees do not feel comfortable utilizing a Whistleblower service that is managed in-house.

Future Actions:

It was approved by Council in the 2016-2018 Audit Services Work Plan (Report AUD16005) that the Audit Services Division would be developing an Organization-Wide Fraud Prevention and Detection Program. This work includes:

- Updating the Fraud Policy and Protocol and initial program development and implementation of a comprehensive fraud prevention and detection program (including employee training).
  - The program development work includes reviewing the Whistleblower By-law to determine if any changes to the management of this program are needed, including assessing how to raise awareness of the By-law amongst employees via a communications strategy.

- Work completed to-date includes development of a current state process map, one-on-one interviews with key stakeholders and subject matter experts, and preliminary synthesis of interview findings into emerging themes.
- Next steps include a facilitated stakeholder session to determine what / where in the process Audit Services should direct attention first, followed by developing potential solutions and drawing a revised process map. This work is scheduled for Q1 2017.
- Developing and providing education/training to the organization, investigation support, case documentation and management and maintaining a roster of fraud/forensic accounting specialists.
- Implementing a hotline and anonymous reporting system
- Modernizing the “Accountability” webpage on [www.hamilton.ca](http://www.hamilton.ca)

Timing for this work is scheduled as follows:

- Late 2016 to early 2017-Policy Update and Development of Corporate-Wide Investigation Guidelines
- 2017- Additional Program Development, Intake & Investigations
- 2018 and onwards-Intake, Investigations and Reporting