



# INFORMATION REPORT

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	January 23, 2017
<b>SUBJECT/REPORT NO:</b>	Whistleblower Information Update for Q4 2016 (AUD17004) (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 Q4 2016 (October - December 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
Q4 (Oct.-Dec)	0	0	0	0

**Total Intake Volume in 2016: 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 the final stages of completion.

Q3: One staff inquiry was received and information was provided to the individual making the inquiry. One whistleblower item was received and assessed. During Q4 the decision was made to proceed with further action, this work is currently being planned.

Q4: N/A-there was no intake activity in Q4 2016.

**Analysis:**

Number and Nature of Disclosures, 2010-2016:

<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
2016	1	3	1	5
<b>Total</b>	<b>8</b>	<b>10</b>	<b>3</b>	<b>26</b>

The total volume for 2010-2016 Whistleblower Intake was 26 items. These sustained low volumes in comparison with other cities may indicate a need for further action to ensure staff are entirely comfortable with reporting concerns. It is our intention to investigate options for anonymous reporting.

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 enable employees to utilize the Whistleblower By-law in a manner that they feel comfortable with.

- 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-Q2 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:

- Early 2017-Policy Update and Development of Corporate-Wide Investigation Guidelines (this work is currently in progress in collaboration with Legal Services and Human Resources)
- 2017- Additional Program Development, Intake & Investigations
- 2018 and onwards-Intake, Investigations and Reporting