



Hamilton

INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	August 15, 2019
SUBJECT/REPORT NO:	Whistleblower, Fraud & Waste Information Update for Q2 2019 (AUD19012) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Brigitte Minard CPA, CA, CIA, CGAP (905) 546-2424 Ext. 3107
SUBMITTED BY:	Charles Brown CPA, CA, CPA (Illinois) City Auditor Office of the City Auditor
SIGNATURE:	

COUNCIL DIRECTION

By-law 19-181 (Whistleblower By-law), Section 19 – Responsibility of the City Auditor requires a quarterly report for, in the aggregate, on the number, nature and outcome of disclosures of serious wrongdoing made under this By-law.

On June 27, 2018, Council directed the City Auditor to implement a Fraud and Waste Hotline with intake performed by an independent third party as part of a three-year pilot project.

INFORMATION

This Information Report contains information about the number, nature and outcome of disclosures relating to By-law 19-181 for Q2 2019 (April – June 2019), along with historical information.

On June 27, 2018, Council directed the City Auditor to implement a Fraud and Waste Hotline. After this direction was received, it received some media coverage and there was an increase in the volume of items reported by both staff and citizens. To capture this volume, additional categories were added starting in Q3 2018 to this report and will continue to be included on a go-forward basis. This report is a Whistleblower, Fraud and Waste Information Update.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

**SUBJECT: Whistleblower, Fraud & Waste Information Update for Q2 2019
(AUD19012) (City Wide) - Page 2 of 4**

The City of Hamilton's Fraud and Waste Hotline was formally launched in early July 2019. This report does not contain volume information related to the launch, the next Whistleblower, Fraud and Waste Information Update for Q3 2019 will include this information.

Number and Nature of Disclosures/Investigations in 2019

Timeline	Categories				Total Volume
	Staff Inquiry/ Report	Whistle-blower	External Inquiry/ Citizen Complaint	Sourced from Audit Findings	
Q1 (Jan - Mar)	2	0	6	0	8
Q2 (Apr - Jun)	3	1	2	0	6
2019 (Jan – Jun)	5	1	8	0	14

Total Volume in 2019 (January to March): 14

Nature and Outcomes

Timeline	Open	Closed	Total Volume
Q1 (Jan - Mar)	3	5	8
Q2 (Apr - Jun)	2	4	6
2019 (Jan – Jun)	5	9	14

Q1:

Five cases from 2019 are closed and three are ongoing. The items related to fraud, financial management, misconduct, accountability and theft.

Q2:

There were six cases assessed and/or investigated in Q2. The items related to fraud, financial management, misconduct, theft and service complaints. Four of the items are closed and two are ongoing.

Number and Nature of Disclosures from 2010 – 2019

Year	Categories				Total Volume
	Staff Inquiry	Whistle-blower	External Inquiry/Citizen Complaint*	Sourced from Audit Findings*	
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
2017	1	0	1	*	2
2018	5	0	6	1	12
2019 (Jan-Jun)	5	1	8	0	14
Total	20	14	19	1	54

** Citizen Complaints and investigations resulting from Audit Findings were not included in this report from 2010-2017. Due to the approval by Council to implement a Fraud and Waste Hotline, this information has been included from 2018 onwards.*

The total volume from 2010 – 2019 is 54 items. These sustained low volumes for an organization the size of the City of Hamilton, with almost 8,000 employees, in comparison with other cities indicated a need for further action to ensure employees are comfortable with reporting concerns.

Fraud and Waste Hotline

In 2018, action was taken. On June 27, 2018, Council approved the implementation of a Fraud and Waste Hotline with intake performed by an independent third party as part of a three-year pilot project.

A competitive procurement for an external vendor to provide 24/7 telephone and online hotline intake services occurred via a Request for Proposal (RFP). The RFP closed in March 2019, and the hotline launched in early July 2019.

Submit a Report

The Fraud and Waste Hotline is now available for the public, employees, and vendors that do business with the City of Hamilton.

The Fraud and Waste Hotline accepts reports via the following methods:

- **Online:** www.hamilton.ca/fraud there is a button that links through to the third-party vendor page
- **Email:** cityofhamilton@integritycounts.ca
- **Phone:** 1-888-390-0393
- **Mail:** PO Box 91880, West Vancouver, BC V7V 4S4
- **Fax:** 1-604-926-5668

If any reports are received directly by the Office of the City Auditor via telephone, email, fax, mail, or the web-based suggestions form (www.hamilton.ca/audit) these complaints will be entered directly into the case management system for the Hotline and assessed similar to any other report.

APPENDICES AND SCHEDULES ATTACHED

None.