




Office of the City Auditor Policy	 Hamilton	Content Updated: 2020-02-20
Reporting Serious Matters to Council		Supersedes Policy: N/A
Policy No: OCA-03		
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City Auditor Reporting of Serious Matters to Council Policy

POLICY STATEMENT	<p>The City Auditor reports functionally to City Council via the Audit, Finance and Administration Committee. The intent of this policy is to provide clarity on when the City Auditor is to communicate serious matters to Council that fall outside of the typical reporting process for the Office of the City Auditor (OCA).</p> <p>The City Auditor is one of the Accountability Officers at the City of Hamilton.</p>
PURPOSE	<p>The purpose of this policy is to outline and provide guidelines on when the City Auditor should proactively inform Council about a serious matter pertaining to the City of Hamilton. The provisions and standards in this policy should be followed to keep Council informed and minimize the risk of Council not being aware of serious matters that come to the attention of the City Auditor.</p>
SCOPE	<p>This policy applies to the City Auditor who is the appointed Auditor General for the City and to any matter that comes to their attention. It applies to serious matters uncovered through investigations launched under the Fraud and Waste/Whistleblower protocols or in the course of audits or other engagements.</p>
DEFINITIONS	<p>The following terms referenced in this Policy are defined as:</p>
Accountability Officer	<p>Independent parties that ensure transparency and accountability and receive and investigate complaints. This can include the City Auditor, Integrity Commissioner, Lobbyist Registrar or Ombudsman.</p>
Information	<p>All hard copy, electronic records and meta data.</p>
Sensitive and Confidential Information	<p>Information that is protected, including information excluded from MFIPPA and PFIPPA FOI requests.</p>

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PRINCIPLES	<p>Independence</p> <p>The Office of the City Auditor, the City Auditor and its staff are independent of City administration and operations. This independence is a safeguard that enables the OCA to fulfil its auditing and reporting responsibilities objectively and fairly.</p> <p>Confidentiality</p> <p>Under the <i>Municipal Act</i> the OCA has the mandate and the authority to set the parameters of an audit or investigation. All dealings with the OCA shall be respectful of that authority.</p> <p>Responsibility</p> <p>Per the Municipal Act Section 223.19, the Auditor General (City Auditor) reports to Council and is responsible for assisting the council in holding itself and its administrators accountable for the quality of stewardship over public funds and for achievement of value for money in municipal operations. The Auditor General is to perform their responsibilities in an independent manner.</p> <p>Need to know basis</p> <p>Information regarding investigations should be disclosed on a need to know basis, and members of management will be informed of investigations (including those regarding serious matters) relevant to their scope of authority/work.</p>	
TERMS AND CONDITIONS	<p>Investigation Standards</p> <p>While conducting an investigation, Auditors are obliged to follow investigation standards and Fraud Investigation protocols of the City. Auditors are required to maintain an attitude of professional skepticism in ensuring that all the information examined is supportable.</p> <p>The following considerations are important to the interpretation and implementation of this policy:</p> <ul style="list-style-type: none"> • During an ongoing investigation, it is generally best to avoid discussion of particulars before all facts are known, and specifically to avoid discussing the investigation plan, excepting the principals that are involved where necessary. 	

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	<ul style="list-style-type: none"> • Confidentiality is integral to the integrity of an investigation. • Knowledge of investigations by Management or members of Council prior to their conclusion, must be balanced against the need to protect the integrity of investigations and the privacy and dignity of people involved. • Disclosing information before an investigation is complete may: <ul style="list-style-type: none"> ○ Be harmful to the investigation in terms of eliciting cooperation of witnesses, the availability of information, or revealing the investigation strategy. ○ Be prejudicial to a fair outcome. ○ Adversely affect the City's position in litigation. ○ Have an unintended negative impact on people and their reputation(s). 	
Serious Matter	<p>Urgent attention and disclosure to Council is called for with respect to serious matters that:</p> <ul style="list-style-type: none"> • Pose a security threat (e.g. cybersecurity exposure) to the organization's information systems/hardware/software applications or involves major privacy breach. • Threaten public safety. • Involve potential fraud over \$100,000. • Could have a significant adverse impact on the City's vulnerable populations. • Result in investigation by OCA and referral to the Police • In the judgement of the City Auditor are deemed to be of a significant risk to the Corporation. <p>For a serious matter the City Auditor will:</p> <ul style="list-style-type: none"> • Report the matter to the Audit, Finance and Administration Committee at the earliest opportunity from the time there is sufficient information to judge that a criterion for reporting has been met or in the case of a Police referral the earliest opportunity from the time of referral • Consult with the Clerk on the appropriateness of reporting the item in-camera. <p>For a serious matter, the City Auditor may also:</p> <ul style="list-style-type: none"> • Alert Legal Services and Risk Management of the matter to ensure actions enable appropriate mitigation of damages/costs to the City and support a timely recovery. • Inform functions/leadership individuals where necessary to enable effective discharge of their responsibilities. 	

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<p>Confidentiality</p> <p>Reporting</p>	<p>Confidentiality is an integral part of the audit and investigation process and the OCA has a duty to protect the confidentiality of information received and cannot communicate information other than as part of the report (if applicable) and in prescribed situations. Accordingly, per section 223.22 (4) of the <i>Municipal Act</i>, the OCA's working papers shall not be made available as they are confidential. Information collected by the auditors is not subject to public access under <i>the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA)</i>.</p> <p>If an investigation does not meet the criteria listed above as being a "serious matter", the investigation matter will be reported as part of the periodic statistics report and the more in-depth annual report for the Fraud and Waste Hotline.</p>	
<p>RESPONSIBILITIES (if applicable)</p>	<p>The following positions and/or departments are responsible for fulfilling the responsibilities detailed in this Policy as follows:</p> <p>City Auditor and designate(s) Office of the City Auditor</p>	
<p>COMPLIANCE</p>	<p>The City Auditor is expected to comply with this Policy. Consequences of failure to comply with this Policy are at the discretion of Council.</p>	
<p>RELATED DOCUMENTS</p>	<p>The following related documents are referenced in this Policy:</p> <p>None.</p>	
<p>HISTORY</p>	<p>This is a new policy.</p>	