



INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	October 22, 2020
SUBJECT/REPORT NO:	Fraud and Waste Annual Report (AUD20007) (City Wide)
WARD(S) AFFECTED:	City Wide
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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 reporting to Council semi-annually, 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. The City's Fraud and Waste Hotline launched in July 2019.

This report is the Annual Report of Fraud and Waste activity and includes the reporting period of January 1, 2019 to June 30, 2020, meeting the 2019 year-end reporting requirement for whistleblower disclosures and the 2020 mid-year reporting requirement for whistleblower disclosures.

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.

INFORMATION

This Information Report contains a summary of Fraud, Waste and Whistleblower reports for the period January 1, 2019 to June 30, 2020 including the Fraud and Waste Hotline's activity in the first 12 months since its launch in July 2019. This report does not represent an overall picture of fraud, waste or other wrongdoing at the City of Hamilton as there may be items that were not reported to the Office of the City Auditor or items that remain undetected.

HISTORICAL BACKGROUND

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. The City's Fraud and Waste Hotline launched in July 2019.

INFORMATION REPORT SUMMARY

Due to the launch of the City of Hamilton's Fraud and Waste hotline the level of fraud and waste activity reported has substantially increased from previous years. The total volume of reports received and assessed was 99 between January 1, 2019 to June 30, 2020. Since the hotline launch, in the first 12 months of operation (July 2019 to June 2020), 85 reports were received from all sources. Previously, the highest volume of reports in a 12-month period (calendar year) received was 12 (in 2018).

A detailed report containing the types of reports received, investigations opened, and report examples can be found in Appendix "A" to Report AUD20007.

An infographic summarizing the activity can be found in Appendix "B" to Report AUD200007.

Since the Fraud and Waste Hotline launch, there has been an increased level of awareness by employees and management to report fraud, waste and whistleblower matters to the Office of the City Auditor. The Office of the City Auditor would like to acknowledge the reports submitted by employees and management, along with the assistance provided to complete assessments and investigations. Reporting these matters so they can be assessed and investigated increases the City of Hamilton's transparency and accountability.

The Office of the City Auditor would like to thank members of the public that submitted reports and for providing additional information as requested by the Office of the City Auditor.

FUTURE REPORTING

The City of Hamilton's Whistleblower By-law (19-181) has a semi-annual reporting requirement. Information about the number, nature and volume of whistleblower disclosures for the first six months of 2020 are included in this report. The next status report for whistleblower disclosures for the final six months of 2020 (July to December) will be issued in early 2021.

The next Fraud and Waste Annual Report will cover the 12-month period July 2020 to June 2021 and is planned to be issued in the second half of 2021.

HOW TO SUBMIT A REPORT

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



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

- **Online:** www.hamilton.ca/fraud A "Submit Report" button links 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 by telephone, email, fax, mail, or the web-based suggestions form (www.hamilton.ca/audit) these complaints will be entered directly into the Hotline case management system and assessed similar to any other report.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report AUD20007 - Fraud and Waste Annual Report

Appendix “B” to Report AUD20007 – Fraud and Waste Annual Report Infographic

Appendix “C” to Report AUD20007 – Fraud and Waste Annual Report Presentation