




# INFORMATION REPORT

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	November 21, 2024
<b>SUBJECT/REPORT NO:</b>	Auditor General Reporting of Serious Matters to Council (Case #78878) (AUD24007) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
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<b>SUBMITTED BY:</b>	Charles Brown, CPA, CA Auditor General Office of the Auditor General
<b>SIGNATURE:</b>	

## COUNCIL DIRECTION

On June 24, 2020, Council directed the Auditor General to implement a policy on Reporting of Serious Matters to Council. The policy outlines specific situations that require the Auditor General to make a report to Audit, Finance and Administration Committee in order to proactively inform Council about serious matters uncovered through complaints, reports, and investigations launched under the Fraud, Waste and Whistleblower process, or in the course of audits or other engagements.

## HISTORICAL BACKGROUND

On June 24, 2020, Council directed the Auditor General to implement a policy on Auditor General Reporting of Serious Matters to Council. Under this policy, timely disclosure to Council is called for in situations that:

- 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

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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.

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- Involve potential fraud over \$100,000
- Could have a significant adverse impact on the City's vulnerable populations
- Result in investigation by Office of the Auditor General and referral to the Police
- In the judgement of the Auditor General are deemed to be of a significant risk to the Corporation.

This report of a serious matter is the fifteenth (15<sup>th</sup>) serious matter reported that implements this policy. The criterion being applied is: the matter was referred to the Hamilton Police Service.

**INFORMATION REPORT SUMMARY**

In October 2024 the Office of the Auditor General (OAG) received a Fraud and Waste Hotline report from the Customer Service and POA Division (Customer Service). The report was made to notify the OAG of suspected counterfeit funds that were received by Customer Service and flagged for further review with Corporate Security, who then reported the matter to the Hamilton Police Service.

Per the Council-approved Fraud Policy and Protocol, of which the Office of the City Auditor has responsibility for, an item such as these suspected counterfeit funds falls within the scope of the Protocol.

As the payment was for a parking ticket, the ticket payment was cancelled, and the registered owner of the vehicle has been advised. As there was some change provided, the incident has resulted in a cash shortage of \$20.00.

Risk Management Services was notified of the incident by Customer Service. Corporate Security preserved the closed-circuit television (CCTV) footage for the incident.

The OAG has requested that Customer Service handle this matter by cooperating with the Hamilton Police Service and to report back any relevant updates to the OAG.

**APPENDICES AND SCHEDULES ATTACHED**

None.