



City of Hamilton

Report for Information

To: Chair and Members
Audit, Finance and Administration Committee

Date: May 7, 2026

Report No: AUD26005

Subject/Title: Fraud, Waste, and Whistleblower Semi-Annual Update

Ward(s) Affected: City Wide

Recommendations

- 1) That Report AUD26005 respecting Fraud, Waste, and Whistleblower Semi-Annual Update **BE RECEIVED** for information.

Key Facts

- The Whistleblower By-law, No. 19-181 requires semi-annual reporting of whistleblower activity by the Office of the Auditor General (OAG).
- This report fulfils the reporting obligation for the second half of 2025 (July to December).

Financial Considerations

Not applicable.

Background

Council Direction

On June 27, 2018, Council directed the Auditor General 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 and was made permanent in March 2023.

Whistleblower By-law

By-law 19-181 (Whistleblower By-law), Section 19 – Responsibility of the Auditor General 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.

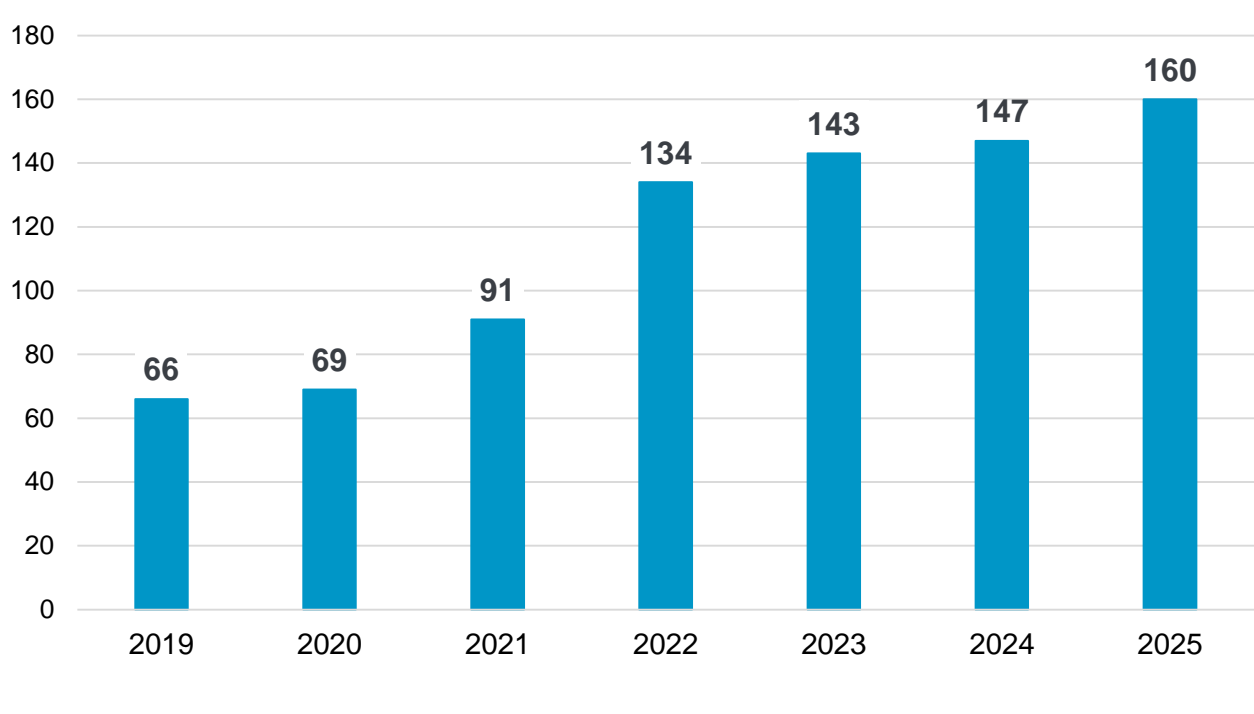
The sixth Fraud and Waste Annual Report (AUD25010) was presented to the Audit, Finance and Administration Committee on November 13, 2025. Report AUD25010 fulfilled the semi-annual reporting requirement for January to June 2025, as it contained the information required by the Whistleblower By-law.

Analysis

This Report contains information about the number, nature and outcome of Whistleblower disclosures relating to By-law 19-181, along with information about Fraud and Waste reports received from July to December 2025, along with historical information.

Fraud and Waste Report Volume Since Hotline Launch in 2019

Fraud and Waste Report Volume (as at December 31, 2025)



Semi-Annual Summary (July 2025 to December 2025)

Report Type

The following table shows Fraud and Waste reporting activity for the second half of 2025 and the disposition of each report, including the number that resulted in an investigation being undertaken.

Report Type	Volume
Referral - Response Required	43
Referral - No Action Required	8
Investigations Launched	5
No Response Required/Not Enough Information/Out of Jurisdiction	31
Assessment In Progress	3
Total Reports (July 2025 to December 2025)	90

Report Category

A wide variety of reports were received by the Office of the Auditor General for the six-months July 2025 to December 2025. The most common report categories were the following:

Report Category	Volume
Social Services – Fraud/Wrongdoing	27
Other Various Category	13
Time Theft and/or Misconduct	12
Service Complaint/Concern	9
Multiple Categories Applicable	9
Waste/Mismanagement	8
Out of Jurisdiction	4
Conflict of Interest	3
Improper Financial Reporting/Budgeting	2
Employee Benefits Fraud	1
Fraud	1
Phishing/Identity Theft	1
Total Reports (July 2025 to December 2025)	90

Investigations Launched – Types

The following table shows a breakdown of the subject matter of the investigation for those launched for reports received from July 2025 to December 2025 (5 in total), plus two investigations that were launched resulting from previously received reports.

Types of Investigations Launched	Volume
 Fraud	1
 Waste/Mismanagement	5
 Combined Fraud and Waste/Mismanagement	0
 Whistleblower	1
Total Investigations launched (July 2025 to December 2025)	7

Each investigation is unique and has a customized approach. The length of time to complete an investigation varies depending on the number of allegations, the scope of the investigation, and the complexity of the matter being investigated.

It should be noted that the definition of fraud is narrower than waste/mismanagement. Fraud encompasses any array of irregularities and illegal acts characterized by intentional deception (forgery, alteration of documents, misrepresentation of information, misappropriation, unauthorized use, disappearance, destruction of assets, authorizing payment for goods/services not received, improper handling of money, false claims, violations of Code of Conduct).

Waste involves taxpayers not receiving reasonable value for money in connection with any government funded activities, due to mismanagement or an inappropriate or

careless act or omission by those with control over or access to government resources. Importantly, waste goes beyond fraud and doesn't necessarily involve a violation of law.

Waste relates primarily to poor management, imprudent expenditure, inadequate oversight, or abuse of policy and includes incurring unnecessary costs or risks due to ineffective practices, systems or controls.

Whistleblower By-law Disclosures

The following table lists the number of Hotline reports that involve reporting by a qualifying Whistleblower. The comparative data is for the time period since the Fraud and Waste Hotline launched in July 2019.



Qualifying Whistleblower By-law Disclosures

Year	Period: July to December	Period: January to June
2025	7	3
2024	2	4
2023	0	1
2022	3	2
2021	1	2
2020	1	0
2019	2	Hotline Launched July 1, 2019

Under By-law 19-181 (Whistleblower By-law), Section 6 – Requirements with Respect to a Qualifying Disclosure, the employee making the disclosure of serious wrongdoing identified themselves and their position with the City; the employee making the disclosure of serious wrongdoing has reasonable grounds to believe there has been serious wrongdoing by one or more employees; the employee making the disclosure of

serious wrongdoing does so in good faith; the employee's disclosure of serious wrongdoing was made to the Auditor General.

In the six-month period from July 2025 to December 2025, seven reports were determined to be a qualifying disclosure per the Whistleblower By-law, as assessed by the Office of the Auditor General.

For all seven reports, the category is Conflict of Interest. The seven reports all pertain to the same matter, so a single investigation was launched. The outcome is not yet available as the investigation is in progress.

Employees

Reports Self-Identified as Employee

Period	% Self-Identified as Employee
July 1, 2025 to December 31, 2025*	40%
July 1, 2024 to June 30, 2025	49%
July 1, 2023 to June 30, 2024	46%
July 1, 2022 to June 30, 2023	48%
July 1, 2021 to June 30, 2022	64%
July 1, 2020 to June 30, 2021	59%
July 1, 2019 to June 30, 2020	46%

*Note: The upcoming Annual Fraud and Waste Report will include the % Self-Identified as Employee for the period July 1, 2025 to June 30, 2026.

The Office of the Auditor General continues to encourage employees and management to submit reports and thanks all those that submitted reports for this reporting period, and for their cooperation during report assessments and investigations. Additional

information about anonymous reports and reports submitted by management will be included in the annual report.

Serious Matters Reporting

All items qualifying as a “Serious Matter” per the “Auditor General Reporting of Serious Matters to Council Policy” for the reporting period have been previously reported to Council. As at December 31, 2025, there were eighteen items that qualified under this Policy since it was approved by Council in July 2020.

Serious Matters Reported to Council

Year	Report Volume
2025	3
2024	4
2023	4
2022	3
2021	2
2020*	2
Total	18

*Note: Auditor General Reporting of Serious Matters to Council Policy was approved by Council in 2020.

Annual Report

A more detailed annual report containing additional analysis, case samples and outcomes will be completed after the twelve-month period of July 2025 to June 2026 has ended. The Fraud and Waste Annual Report is expected to be submitted to the Audit, Finance, and Administration Committee in Q1 of 2027.

Policy Implications and Legislated Requirements

Whistleblower By-law No. 19-181

To Appoint the Auditor General as an Auditor General under Section 223.19 of the *Municipal Act, 2001* By-law No. 19-180

Alternatives

Not applicable.

Relationship to Council Strategic Priorities

See [2022-2026 Council Priorities, Outcomes & Measures of Success | City of Hamilton](#) for more information on Council's Priorities.

Priority 3: Responsiveness & Transparency

Outcome 2: Get more people involved in decision making and problem solving.

Outcome 3: Build a high performing public service.

Previous Reports Submitted

[Report AUD25010 Fraud and Waste Annual Report](#)

[Appendix "A" to Report AUD25010 Fraud and Waste Annual Report – July 1, 2024 to June 30, 2025](#)

[Report AUD25006 Fraud, Waste, and Whistleblower Semi-Annual Update](#)

Consultation

Human Resources and Legal and Risk Management Services were consulted as required during the assessment and investigation of Fraud and Waste Hotline reports.

Management was informed of reports relating to their area of responsibility.

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:** 1-844-785-0699

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

Appendices and Schedules Attached

None.

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