



Report
Staff Report
The Corporation of the City of Brampton
12/3/2024

Date: 2024-11-21

Subject: **Corporate Ethics Hotline Quarterly Report – Q4 2024**

Contact: Claire Fang Mu, Director, Internal Audit

Report number: CAO's Office-2024-960

RECOMMENDATIONS:

1. That the report titled: **Corporate Ethics Hotline Quarterly Report – Q4 2024**, to the Audit Committee meeting of December 3, 2024, be received.

OVERVIEW:

- No new cases have been reported since the last update to the Audit Committee on October 7, 2024.
- Currently, there are no active or open cases.

BACKGROUND:

As part of the City of Brampton's ("the City") commitment to protecting its assets, a Fraud Framework to prevent, detect, and report fraud incidents and investigate any suspected acts of fraud was established. On July 4, 2016, the City launched the Corporate Fraud Prevention Hotline ("Fraud Hotline"), which allows City employees to report alleged incidents of fraud.

The City provided resources, at about \$16,500 a year, to contract out the intake services to a third party. The Ethics Hotline intake service enables employees to report incidents of suspected violations of ethics and the Code of Conduct, waste, and fraud anonymously and confidentially, 24 hours a day, seven days a week. Employees can submit a report through a secure third-party website or the telephone through a third-party dedicated toll-free number. Internal Audit staff reports on Ethics Hotline activities quarterly to the Audit Committee.

Staffing Constraint

Internal Audit is currently not staffed to effectively manage the Ethics Hotline. Our team monitors the hotline on a best-effort basis, and there has been no awareness campaign for City employees in the last five years. In both the 2023 and 2024 budget requests,

Internal Audit sought additional resources to handle the preliminary assessment, triaging, and investigation of allegations received through the hotline. The 2024 gap assessment conducted by the Institute of Internal Auditors (IIA) identified a need for Internal Audit to strengthen its evaluation of fraud risks facing the City and to integrate fraud risk assessments into individual audit engagements. To address this, Internal Audit has requested an additional Lead Internal Auditor position, with 0.2 FTE allocated specifically to managing the Ethics Hotline.

CURRENT SITUATION:

No new cases have been reported since the last update to the Audit Committee on October 7, 2024.

Two cases were reported earlier in 2024. Both were marked as closed in the Ethics Update presented at the October 7, 2024 meeting of the Audit Committee.

CORPORATE IMPLICATIONS:

Financial Implications:

There is no financial implication associated with this updated report.

STRATEGIC FOCUS AREA:

Government & Leadership: Focusing on service excellence with equity, innovation, efficiency, effectiveness, accountability, and transparency.

CONCLUSION:

The Ethics Hotline enhances and strengthens the City's governance structure. It reinforces the Council's expectations regarding rules of behaviour and emphasizes the City's values. Internal Audit will update the Audit Committee on complaints received through the Ethics Hotline or referred to Internal Audit and any related ongoing and completed investigations.

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Attachments: n/a