



Report
Staff Report
The Corporation of the City of Brampton
6/10/2025

Date: 2025-05-30

Subject: **Corporate Ethics Hotline Quarterly Report – Q2 2025**

Contact: Claire (Fang) Mu, Director, Internal Audit

Report number: CAO's Office-2025-490

RECOMMENDATIONS:

1. That the report titled: **Corporate Ethics Hotline Quarterly Report – Q2 2025**, to the Audit Committee meeting of June 10, 2025, be received.

OVERVIEW:

- Five new cases have been reported since the last update to the Audit Committee.
- Currently, all five cases remain open and active.
- All previous cases have been resolved.

BACKGROUND:

As part of the City of Brampton's ("the City") commitment to protecting its assets, a 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 Fraud Hotline was renamed to "Ethics Hotline" in 2023.

The City provided resources, at about \$16,500 a year, to contract out the Ethics Hotline 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 resourced to effectively manage the City’s Ethics Hotline. The City has allocated only \$16,500 to cover third-party intake services, which are limited to capturing and logging allegations submitted by staff and notifying Internal Audit. These services do not include any follow-up, triaging, or investigative work. As a result, the hotline is monitored on a best-effort basis by existing staff, and no awareness campaign has been conducted for City employees in the past five years.

In the 2023, 2024, and 2025 budget submissions, Internal Audit requested additional resources to support the preliminary assessment, triaging, and investigation of hotline allegations. A 2024 gap assessment conducted by the Institute of Internal Auditors (IIA) also emphasized the need for Internal Audit to strengthen its evaluation of fraud risks and to integrate fraud risk assessments into individual audit engagements.

To address this gap, during the 2025 budget cycle, Internal Audit requested funding for an additional Lead Internal Auditor position, with 0.2 FTE specifically allocated to managing the Ethics Hotline. However, these resource requests were not approved.

CURRENT SITUATION:

The Internal Audit Ethics Hotline status report to the Audit Committee includes statistics on the number and types of reports received. The nature of these reports is sensitive. Therefore, we have omitted information that could identify individuals from this report to protect the named individuals' privacy and maintain the reporters' anonymity.

The Ethics Hotline received five new reports since our last update to the Audit Committee.

Case No	Category	Investigated?	Disposition?	Status
10-8438432	Conflict of Interest	Initial Assessment Stage	In Progress	Open
10-6980787	Unethical Conduct	Initial Assessment Stage	In Progress	Open
10-7757318	Unethical Conduct	Initial Assessment Stage	In Progress	Open
10-8139702	Unethical Conduct	Initial Assessment Stage	In Progress	Open
10-1114462	Unethical Conduct	Initial Assessment Stage	In Progress	Open

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