



**Report**  
**Staff Report**  
**The Corporation of the City of Brampton**  
**2021-02-23**

**Date:** 2021-02-10

**Subject:** Corporate Fraud Prevention Hotline Update

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**Report Number:** CAO's Office-2021-162

**Recommendations:**

1. That the report titled: **Corporate Fraud Prevention Hotline Update**, to the Audit Committee Meeting of February 23, 2021, be received.

**Overview:**

- The Corporate Fraud Prevention Hotline ("Fraud Hotline") was launched on July 4, 2016 for the use of City of Brampton employees;
- Since the launch, the Fraud Hotline has received a total of 77 reports of alleged fraud. Since the last update to Audit Committee on November 24, 2020, 29 new reports were received by the Fraud Hotline;
- Internal Audit will provide ongoing updates on the status of the Fraud Hotline to the Audit Committee; and
- At the November 24, 2020 Audit Committee Meeting, Internal Audit was asked to explore the possibility of expanding the Fraud Hotline to residents of Brampton. Appendix 1 of this report outlines our findings.

**Background:**

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

incidents of fraud. The Fraud Hotline allows employees to report incidents anonymously and confidentially 24 hours a day, seven days a week. To report an incident of suspected fraud, employees can submit a report through the third-party secure website or over the phone through a third-party dedicated toll-free number.

As a result of low activity related to the Fraud Hotline and the number of new employees joining the City, the Fraud Framework was re-launched in 2018, consisting of the updated Fraud Prevention Policy and the Fraud Hotline. The Fraud Framework complements other existing policies, which taken together, are intended to support and strengthen the City's commitment to the Corporate Values of courage, trust, compassion, and integrity.

Internal Audit performs its assurance and consulting activities guided by a philosophy of adding value to improve the operations of the City of Brampton. As part of this commitment, Internal Audit has created and maintains an Employee Fraud Awareness Program, providing employees with tools and information, and encouraging the use of the Fraud Hotline. If required, employees should feel empowered to do the right thing to ensure the City's assets are protected.

#### **Current Situation:**

Internal Audit updates the Audit Committee on the status of the Fraud Hotline, including statistics on the number and types of reports received. Since the update report was presented at the November 24, 2020 Audit Committee Meeting, the Fraud Hotline has received 29 new reports.

The majority of reports received in Q4 were concerning the Public Works and Engineering department, except the two that were concerning the Human Resources (HR) division. The nature of all reports were HR related issues. None of the reports were regarding any monetary fraud, misuse of City assets, and/or theft. To create awareness regarding fraud and HR matters, the Corporate Fraud Prevention policy will be updated and will be submitted for your review and approval.

When the complaints are created, the complainer has the option to select one of the report categories available in the system. Although various categories were selected, a detailed review of all complaints determined that none of the complaints were about fraud. All complaints were about HR practices.

The following table provides a summary of all reports received between October and December (Q4) 2020.

Table 1: Reports Received October-December 2020

New Reports Submitted as of Q4 2020			
Date Submitted	Report Category	Report Method	Report Status
November 2020	Unethical Conduct	Web	Closed
November 2020	Unethical Conduct	Web	Closed
November 2020	Harm to People	Web	Closed
November 2020	Harm to People	Web	Closed
November 2020	Unethical Conduct	Web	Closed
November 2020	Unethical Conduct	Web	Closed
November 2020	Unethical Conduct	Web	Closed
November 2020	Embezzlement or Fraud	Web	Closed
November 2020	Workplace Harassment	Web	Closed
December 2020	Unethical Conduct	Web	Closed
December 2020	Unethical Conduct	Web	Closed
December 2020	Unethical Conduct	Web	Closed
December 2020	Unethical Conduct	Web	Closed
December 2020	Unethical Conduct	Web	Closed
December 2020	Unethical Conduct	Web	Closed
December 2020	Conflict of Interest	Web	Closed
December 2020	Unethical Conduct	Web	Closed
December 2020	Unethical Conduct	Web	Closed
December 2020	Unethical Conduct	Web	Closed
December 2020	Unethical Conduct	Web	Closed
December 2020	Unethical Conduct	Web	Closed
December 2020	Unethical Conduct	Web	Closed
December 2020	Unethical Conduct	Web	Closed
December 2020	Unethical Conduct	Web	Closed
December 2020	Manipulation or Falsification of Data, Records, Contracts	Web	Closed
December 2020	Manipulation or Falsification of Data, Records, Contracts	Web	Closed
December 2020	Unethical Conduct	Web	Closed
December 2020	Miscellaneous	Web	Closed
December 2020	Organizational Change	Web	Closed
December 2020	Miscellaneous	Web	Closed

### Corporate Implications:

#### Financial Implications:

The 2020 operating budget approved by Council, includes amounts for a third-party to operate the Corporate Fraud Prevention Hotline.

Other Implications:

None

**Term of Council Priorities:**

This report fulfills the Council Priority of ‘Brampton is a well-run city’ through the support of the Corporate Fraud Prevention Policy and Fraud Hotline, which promote Corporate accountability, our Corporate values, and governance best practices.

**Conclusion:**

The Corporate Fraud Prevention Policy and Hotline enhances and strengthens the City’s governance structure. It reinforces Council’s expectations regarding rules of behavior and emphasizes the values of the City. Internal Audit will continue to update the Audit Committee on the status of the Fraud Hotline and any ongoing and/or completed fraud investigations.

Authored by:

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Reviewed and approved by:

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Submitted by:

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David Barrick  
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**Attachments:**

Appendix 1: Corporate Fraud Prevention Hotline