

**Date:** 2021-09-08

**Subject:** **Status Update on Internal Audit's Referred Matters**

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**Report Number:** CAO's Office-2021-1005

**Recommendations:**

1. That the report titled: **Status Update on Internal Audit's Referred Matters**, to the Audit Committee Meeting of September 28, 2021, be received.

**Overview:**

- At the May 4, 2021 Audit Committee meeting, Internal Audit was asked to report on the process for review, investigation, and reporting of complaints submitted to the Corporate Fraud Hotline (RM 37/2021) and to draft a stand-alone Whistleblower Policy (RM 38/2021);
- Internal Audit is drafting a Whistleblower Policy and updating the Corporate Fraud Prevention Policy and Fraud Investigation & Reporting Standard Operating Procedure (SOP), and will be working with the Policy team and management to finalize the drafts of both policies and the SOP; and
- The final drafts of the Whistleblower Policy, the Corporate Fraud Prevention Policy, and the Fraud Investigation & Reporting SOP will be presented at the upcoming Audit Committee meetings.

**Background:**

At the May 4, 2021 Audit Committee meeting, Audit Committee directed Internal Audit staff to report back on the process for review, investigation, and reporting of complaints submitted to the Corporate Fraud Hotline ("Fraud Hotline"), with a focus on enhanced transparency, and draft a stand-alone Whistleblower Policy. These directives resulted in two referred matters, RM 37/2021 and RM 38/2021.

Internal Audit began drafting the Whistleblower Policy and identifying the necessary changes and updates to the Corporate Fraud Prevention Policy and related Fraud Investigation & Reporting SOP, keeping transparency, accountability, and best practices at the forefront of this work.

### **Current Situation:**

Internal Audit conducted research and benchmarking to understand the processes in place in other municipalities and establish best practices for Whistleblower protection and Fraud Prevention programs.

A stand-alone Whistleblower Policy is in the draft stage, and Internal Audit will be working closely with the Policy team to finalize the draft. Internal Audit is also identifying the necessary changes to the Corporate Fraud Prevention Policy and Fraud Investigation & Reporting SOP, and will be making necessary updates for both the Policy and SOP.

Drafts of the Whistleblower Policy, updated Fraud Prevention Policy, and related SOP will be shared with management and the Corporate Leadership Team (CLT) for their review and approval.

Internal Audit's work on both Policies and the SOP is progressing well, and the final drafts will be presented to Audit Committee for consideration at the upcoming Audit Committee meetings.

### **Corporate Implications:**

#### Financial Implications:

N/A

#### Other Implications:

N/A

### **Term of Council Priorities:**

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

### **Conclusion:**

Internal Audit is drafting the Whistleblower Policy and updating the Corporate Fraud Prevention Policy and Fraud Investigation & Reporting SOP. The final drafts of these Policies and SOP will be presented to Audit Committee for consideration at the upcoming Audit Committee meetings.

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**Attachments:**

N/A