



Appendix 1: Operational Approach

Handling Allegations Implicating the CAO and Identified Senior Positions

The following describes the operational approach to handling fraud allegations in connection to the City of Brampton's (City) Chief Administrative Officer (CAO), and the following 'Identified Senior Positions': City Clerk, City Solicitor, City Treasurer, Director of Human Resources, or Director of Internal Audit.

Objectives

The objectives of these procedures are to:

- Minimizing staff involvement in investigations that involve the CAO and Identified Senior Positions; and,
- Retaining third-party investigators as quickly as possible after an allegation of fraud is submitted to the Fraud Hotline.

Workflow Diagram

A diagram of the process flow is on the last page of this document. The workflow follows the basic framework already in place for investigating cases of alleged fraud. An asterisk next to the text (*) marks special instructions for handling matters related to the CAO and Identified Senior Positions. Key process points are numbered ① through ⑩ to facilitate discussion.

Roster

Internal Audit will establish a roster of prequalified firms that specialize in fraud and employee relations investigations and auditing services. Firms on the roster can be engaged more quickly to perform the assessment or investigation.

Procedure

All fraud allegations are recorded and managed in the Case Management System (CMS), usually referred to as the Fraud Hotline.

Where a fraud allegation implicates the CAO and Identified Senior Positions:

- The Director of Internal Audit will select a third-party firm from the roster to perform an assessment of the fraud allegation;
 - On matters involving the Director of Internal Audit, the CAO will retain the third party firm;

- The third-party firm will conduct the assessment and present the results to the relevant body or staff (City Council or the CAO).
 - If the Assessor recommends an Investigation, they will provide a proposed scope and objectives for consideration.
- The CAO or City Council will approve an investigation depending on the subject of the fraud allegation;
- If an investigation is approved, a separate third party is selected from the roster to conduct the Investigation; however, there is discretion to continue with the firm that performed the assessment;
- The third-party Investigator will present their findings to the relevant body or staff;
- Internal Audit will terminate the investigation, and update and close the Fraud Hotline case file (Case Management System); and,
- The CAO or City Council may take further action at their discretion.

The following will apply to all investigations:

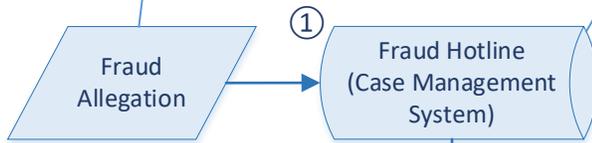
- All third-party work initiated through this process will conform to the Corporate Fraud Prevention Policy and the Internal Audit Charter.
- The role of the Director of Internal Audit in an investigation is restricted to administering the third-party engagement and coordinating activities. Accordingly, they will not participate in nor influence the investigation.
- On matters to be presented to City Council, the Director of Internal Audit will communicate through the Chair and Vice-Chair of the Audit Committee.

Workflow Diagram

Diagram on next page.

Fraud Allegations are reported through the Fraud Hotline or directly to Internal Audit

The Case Management System (CMS) is usually referred to as the "Fraud Hotline".
All reported Fraud Allegations are recorded and managed in the CMS.



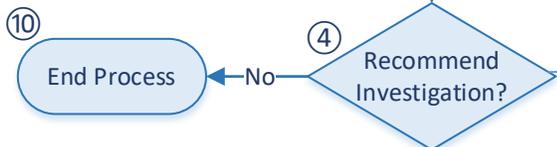
The Director of Internal Audit (IA) may delegate the Assessment to themselves, Internal Audit staff, City Management or a Third Party.



* In cases implicating the CAO or Identified Senior Positions, the Assessment will be assigned to a third-party.



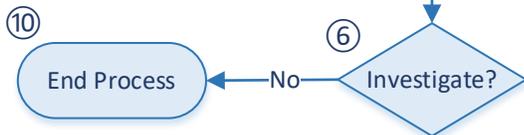
The Assessor determines whether there is sufficient information and a reasonable factual basis to proceed to an Investigation.



Not all reports result in an Investigation.



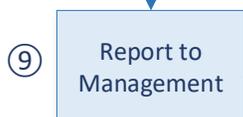
Review the Assessment with the "Management Review Team" (Director of IA, HR and the City Solicitor) to determine next steps.
* Where fraud allegations involve the CAO or Specified Management Roles the Assessment is presented to the relevant party (City Council or the CAO). The Management Review Team is not consulted.



The Director of Internal Audit (IA) may delegate the Investigation to themselves, Internal Audit staff, City Management or a Third Party.
* Where fraud allegations involve the CAO or Identified Senior Positions the Investigation will be delegated to a third-party.



All Investigations will be performed in conformance with the City's Fraud Prevention Policy and the Internal Audit Charter.



The Director of IA (or delegate) reports the results of the investigation to management and concerned parties.
* Where fraud allegations involve the CAO or Identified Senior Positions the results will be presented by the Investigator to the relevant body or management. The relevant body or management have discretion to take further action.



IA terminates the investigation and closes the case file in the CMS.