

Date: 2022-09-12

Subject: **Corporate Fraud Prevention Hotline Update – Q2 2022**

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Report Number: CAO's Office-2022-897

Recommendations:

That the report titled: **Corporate Fraud Prevention Hotline Update- Q2 2022**, to the Audit Committee Meeting of September 27, 2022, be received.

Overview:

- The Fraud Hotline received one new report from April 1 to June 2022 (Q2).
- The report was delegated to management and is closed.
- There are no "open" reports under investigation by Internal Audit.
- Information that could identify the reporter and named individuals have been omitted from this report to protect the privacy of named individuals and maintain the anonymity of reporters
- Internal Audit will provide ongoing updates on the status of the Fraud Hotline to the Audit Committee.

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 Fraud Hotline allows employees to report incidents of suspected 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. If required, employees should feel empowered to do the right thing to ensure the City's assets are protected.

Internal Audit reports on Fraud Hotline activities quarterly.

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. The nature of these reports is sensitive. Therefore, to protect the named individuals' privacy and maintain the reporters' anonymity, we have omitted information that could identify individuals from this report.

The Fraud Hotline received one new report between April 1 and June 30, 2022 (Q2). The report has been delegated to management, and the report has been closed.

Fraud Reporting Categories and Disposition

Table 1 below is a summary of the hotline calls by category. When reporting the allegation, the reporter chooses the fraud category from a pre-populated list. The category remains unchanged throughout the process.

Table 1: Original Report Category and Disposition

Category	Count	Disposition
Miscellaneous		
	1	Closed. Alleged misuse of City time and resources involving a City employee. Delegated to management. No report back required.

Corporate Implications:

Financial Implications:

The 2022 operating budget approved by Council includes amounts for a third party to operate the Corporate Fraud Prevention Hotline.

Other Implications:

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 promotes Corporate accountability, our Corporate values, and governance best practices.

Conclusion:

The Corporate Fraud Prevention Policy and Fraud Hotline enhance and strengthen the City's governance structure. It reinforces the Council's expectations regarding rules of behaviour and emphasizes the values of the City. Internal Audit will update the Audit Committee on the status of the Fraud Hotline and any ongoing and completed fraud investigations.

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Attachments: n/a