



Appendix 3: Operational Approach

The following document describes the process followed by Internal Audit in handling allegations received via the City's Ethics Hotline.

There are three categories of potential allegations received via the City's Ethics Hotline.

- Allegations on matters that fall under the Accountability Offices as defined by the *Municipal Act, 2001* in Part V.1 Accountability and Transparency
- Allegations implicating identifiable senior positions, including the Chief Administrative Officer ("CAO"), Department Heads, City Treasurer, City Solicitor, Director of Internal Audit, Director of Human Resources, and City Clerk
- All other allegations

Each of these categories has separate handling instructions described in more detail below. A diagram of the process flow for handling each category of allegations is located on the last page of this document.

Allegations that Fall Under the Accountability Offices as defined by the *Municipal Act, 2001*

From time to time, allegations intended for the City's Accountability Offices as defined by the *Municipal Act, 2001*, do come through the City's Ethics Hotline. Internal Audit will forward those allegations to the appropriate Accountability Offices and close the cases. It is important to note that the City of Brampton Ethics Hotline does not act as an intake service for any of the Accountability Offices.

The City has established three Accountability Offices: The Integrity Commissioner, Lobbyist Registrar, and Closed Meeting Investigator. In addition, the Ontario Ombudsman currently functions as Brampton's Municipal Ombudsman.

Allegations Implicating Identifiable Senior Positions

Allegations implicating one or more of the identifiable senior positions will be outsourced to a third-party investigator. These identifiable senior positions include the CAO, Department Heads, City Clerk, City Solicitor, City Treasurer, Director of Human Resources or Director of Internal Audit.

The objectives for handling these types of allegations are to:

- Minimize staff involvement in investigations that involve Senior Leadership; and,
- Retain a third-party investigator as quickly as possible after receiving an allegation through the Ethics Hotline. The only exception is the Director of Internal Audit, where an

allegation implicating the Director of Internal Audit will be forwarded to the CAO for review.

The role of the Director of Internal Audit in an investigation is restricted to administering the third-party investigator contract and coordinating activities where necessary. Accordingly, the Director will not participate in nor influence the investigation.

On matters to be presented to the City Council, the Director of Internal Audit will communicate through the Chair and Vice-Chair of the Audit Committee and coordinate with the third-party investigator.

All Other Allegations

Internal Audit will manage all other allegations and the related investigations that do not implicate members of the City Council nor identifiable senior positions. The investigations will be handled based on the scope of the implications:

- Internal Audit will investigate those allegations that Internal Audit deems to have corporate-wide implications.
- Allegations that do not have a corporate implication may be delegated to management with a request to report back on the disposition of the allegations.

Process Description

Workflow Diagram

A diagram of the process flow for handling each category of allegations is located on the last page of this document. The workflow follows the basic framework already in place for investigating cases of alleged fraud. Key process points are numbered to facilitate discussion.

Managing the Case Management System

The ClearView Case Management System (CMS) notifies the Internal Audit Director (and designated Internal Audit staff) of new reports received by the Ethics Hotline. Internal Audit may create reports in the CMS when a case is reported directly to them or may direct City staff to create a report. Internal Audit handles all further updates and the closing of CMS cases. Internal Audit will provide an update to the Audit Committee on reports received and their status.

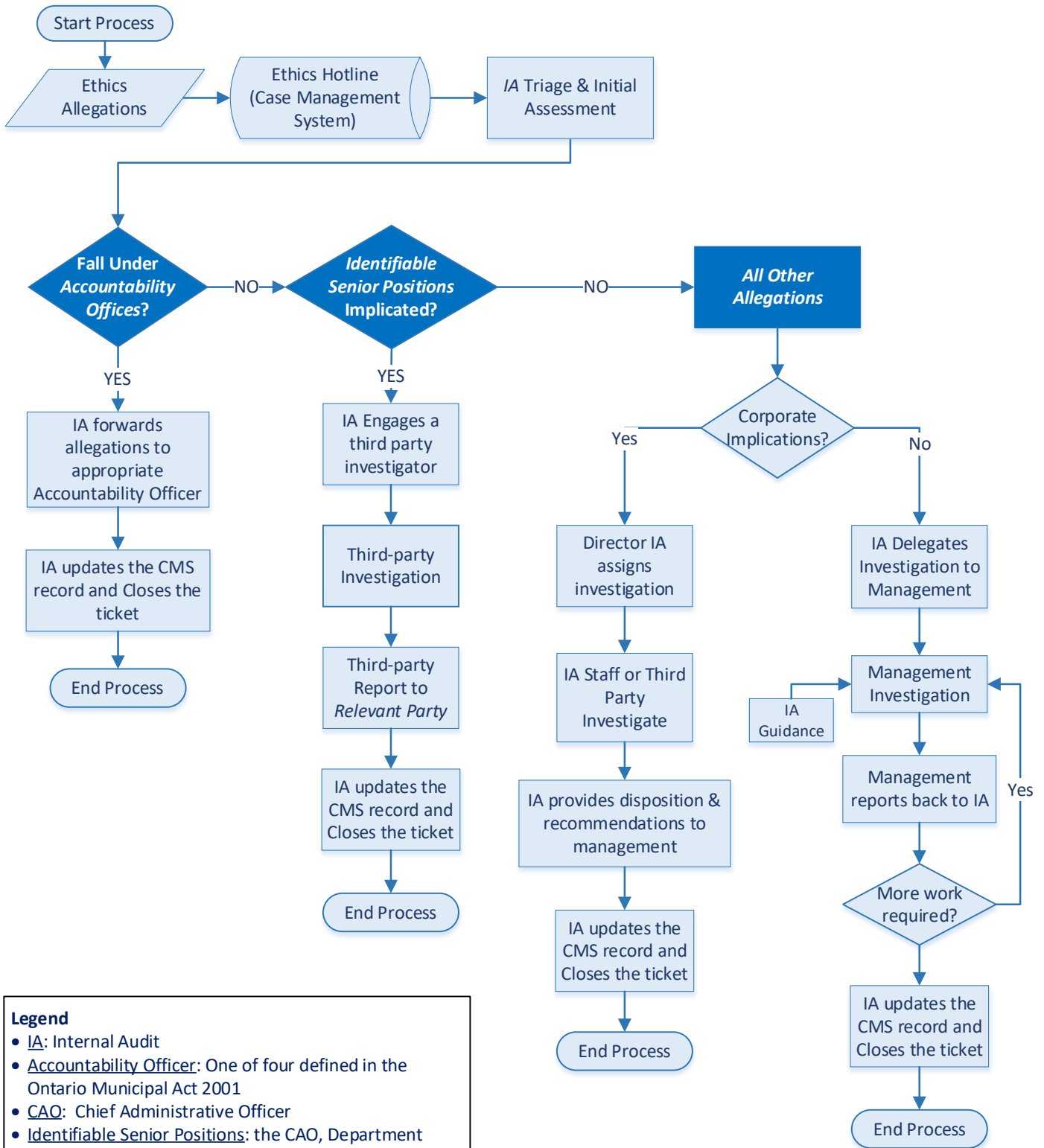
Reporting of Allegations Delegated to Management for Investigation

Internal Audit, when delegating the investigation of the allegations to management, will request a report back on the disposition of the allegations and the rationale behind the disposition within a certain time frame. Once management submits the results of the investigation to Internal Audit, Internal Audit will review the disposition and the rationale behind the disposition and close the allegations. Internal Audit may ask clarification questions or advise further investigative steps to be taken before closing the allegations.

Roster

Internal Audit is in the process of establishing a roster of prequalified firms specializing in investigations. Firms on the roster can be engaged more quickly to perform the assessment or investigation of allegations.

Workflow Diagram



- Legend**
- **IA:** Internal Audit
 - **Accountability Officer:** One of four defined in the Ontario Municipal Act 2001
 - **CAO:** Chief Administrative Officer
 - **Identifiable Senior Positions:** the CAO, Department Heads, City Clerk, City Solicitor, City Treasurer, Director of Human Resources or Director of Internal Audit.
 - **Relevant Party:** Either City Council, the Audit Committee or the CAO