

Date: 2023-10-29

Subject: **Corporate Ethics Hotline Quarterly Report**

Contact: Claire Mu, Director, Internal Audit

Report Number: CAO's Office-2023-935

Recommendations:

That the report titled: **Corporate Ethics Hotline Quarterly Report** to the Audit Committee meeting of November 7, 2023, be received.

Overview:

- No new cases were reported between May 31, 2023, and September 30, 2023.
- Three cases have been reported to date in 2023. Two of those cases are closed, and one is pending resolution.

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 was renamed the "Ethics Hotline" in 2023 to better reflect the mix of allegations coming through the Hotline: violations of ethics and the Code of Conduct, waste, and fraud.

The City provided resources, at about \$16,000 a year, to contract out the intake services to a third party. The Ethics Hotline intake service enables employees to report incidents of suspected violations of ethics and the Code of Conduct, waste, and 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. Internal Audit staff reports on Ethics Hotline activities quarterly to the Audit Committee.

Current Situation:

The Internal Audit Ethics Hotline status report to the Audit Committee includes statistics on the number and types of reports, received. The nature of these reports is sensitive. Therefore, we have omitted information that could identify individuals from this report to protect the named individuals' privacy and maintain the reporters' anonymity.

The Ethics Hotline received three new reports between January 1 and September 30, 2023.

Case No	Category	Investigated?	Disposition?	Status
8311576	Unethical Conduct	Delegated to Management	Unsubstantiated	Closed
4137936	Unethical Conduct	Delegated to Management	Unsubstantiated	Closed to a future audit
1168877	Unethical Conduct	Delegated to Management	In progress	Open

Corporate Implications:

Financial Implications:

There is no financial implication associated with this updated report.

Strategic Focus Area:

Government & Leadership: Focusing on service excellence with equity, innovation, efficiency, effectiveness, accountability, and transparency.

Conclusion:

The Ethics Hotline enhances and strengthens 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 complaints received through the Ethics Hotline or referred to Internal Audit and any related ongoing and completed investigations.

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Attachments: n/a