Presentation to the Audit Committee
February 27, 2015

2014 Annual Report On Fraud
Including the Operations of the Fraud and Waste Hotline

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Hotline Benefits

- Deterrence
- Reduced Losses
- Protect City Assets
- Enhanced Internal Controls
- Improved Policies
- Operational Efficiencies
Hotline Effectiveness

Data Collection and Analysis

Identify trends

Recs
Inform AG
Workplan

→

Hotline Effectiveness
Complaints and Allegations

<table>
<thead>
<tr>
<th>Year</th>
<th>Allegations</th>
<th>Complaints</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>900</td>
<td>573</td>
</tr>
<tr>
<td>2011</td>
<td>1,700</td>
<td>822</td>
</tr>
<tr>
<td>2012</td>
<td>1,500</td>
<td>774</td>
</tr>
<tr>
<td>2013</td>
<td>1,000</td>
<td>643</td>
</tr>
<tr>
<td>2014</td>
<td>1,300</td>
<td>687</td>
</tr>
</tbody>
</table>
Substantiated Complaints

2014
- 23% Anonymous
- 52
- 8

2013
- 32% Anonymous
- 38
- 18

2012
- 50
- 8

Substantiated in Year of Complaint
Substantiated in Subsequent Years
Losses & Recoveries
2010-2014

Potential Loss*
$2.1 million

Recovery
$1.17 million

Actual Loss
$3.3 million

* Potential losses that could have resulted in actual losses had the wrongdoing not been detected.
Example – Recurring Losses

2014 Total Recurring Loss  $236,000
### Discipline or Other Action

- **Terminations** - 10
- **Suspension** - 5
- **Other Discipline** - 11
- **Other Appropriate Action** - 26
Recommendation

New Disclosure of Wrongdoing framework December 2015

Council request City Manager report in Q4 2015 on implementation progress of Toronto Public Service By-law

Include details about management framework, tracking and reporting of employee misconduct as part of Disclosure of Wrongdoing and Reprisal Policy
STOP fraud, waste & misuse of City resources

REPORT:
- Conflict of interest
- Misuse of public funds or assets
- False documents
- Contractor or vendor misconduct
- Abuse of work hours
- False benefit claims
- Other wrongdoing

Call 416-397-STOP (7867)

Committed to integrity and accountability
Write: The Auditor General's Office
55 John Street, 9th floor
Toronto, ON M5V 3C6

Report online: toronto.ca/fraudwastehotline

All contacts will be handled in confidence.