2015 Annual Fraud and Hotline Report

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## ROI Metrics

| Volume of Complaints | 572 Complaints = 800 Allegations  
|                      | 100% Complaints reviewed  
|                      | 80% AG Preliminary Investigative Work  
|                      | AG oversight in all referrals to Divisions |

| Substantiated | 25% Substantiated as at December 31, 2015  
|              | % expected to increase as outstanding complaints conclude in 2016  
|              | 51% were anonymous |

| Losses & Recoveries Last 5 Years | $5.2M actual losses due to wrongdoing  
|                                  | $2.2M potential losses (could have resulted in actual losses had wrongdoing not been detected)  
|                                  | $1.5M recoveries |
Potential Recurring Losses

Annual Subsidy Fraud $15,733

2015 $9,201 (June-Dec 2015)
2016 $24,974
2017 $40,747
2018 $56,520
2019 $72,293

Actual Loss $55,205 (Dec 2011-May 2015)
### ROI Metrics

| Discipline                     | 25 instances  
|                               | • e.g. termination, suspension, letter of direction |
| Other Action                  | 30 instances of other appropriate action taken  
|                               | • e.g. training to reinforce expectations |
| Use Data to Identify Trends   | Conflict of interest, Time theft, Subsidy fraud  
|                               | • Support Annual Hotline Report Recommendations  
|                               | • Inform AG Audit Workplan |
| Non-Quantifiable Benefits     | Deterrence of Fraud or Wrongdoing  
|                               | • Internal Controls Strengthened  
|                               | • Operational Efficiencies |
Insufficient Resources

• Delays in triaging complaints
• Certain key investigations should be led by AG Forensic Unit
• Level of independent oversight
Disclosure of Wrongdoing Framework

**AUDITOR GENERAL**
- Operate Hotline
- Investigate “Wrongdoing” or refer to City Manager
- Independent oversight over management led investigations
- Investigate “Reprisals”

**CITY MANAGER**
- Set high ethical standards
- Investigate “Wrongdoing” referred by AG
- Report investigation results to AG
- Investigate “Misconduct”
- Protect employees from “Reprisal”
Recommendation

Management is a key player in investigation of wrongdoing

Fraud and wrongdoing complex
AG Independent Office

City Manager to ensure training on conducting investigations available to support City staff
“Committed to Integrity, Transparency and Accountability”