

# 2020 ANNUAL REPORT ON THE FRAUD AND WASTE HOTLINE AT A GLANCE

## BENEFITS OF THE FRAUD AND WASTE HOTLINE PROGRAM

- Protect City assets
- Reduce losses
- Deter fraud, wrongdoing and waste
- Strengthen internal controls
- Improve policies and procedures
- Increase operational efficiencies
- Identify trends, address risks, make action-oriented recommendations to management and inform our audit work plan

## RESPONSIBILITY TO REPORT WRONGDOING

The *Disclosure of Wrongdoing and Reprisal Protection* policy, part of the *Toronto Public Service By-law* (the By-law), outlines the responsibility for employees to report wrongdoing.

The By-law requires:

- all City employees who are aware that wrongdoing has occurred to immediately notify their manager, their Division Head, or the Auditor General's Office;
- allegations of wrongdoing received by Division Heads, Deputy City Managers or the City Manager to be immediately reported to the Auditor General.

The Auditor General's Office will refresh our communication initiatives for 2021 to raise awareness on employee responsibility to report wrongdoing.

In addition, we will encourage and remind members of the public and City staff of the usefulness of the City's Fraud & Waste Hotline Program.

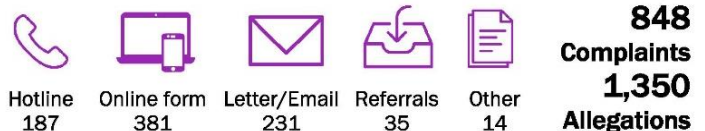
## WHAT'S NEW?

- Three major investigations that resulted in reports being issued to Audit Committee, titled:
  1. "Toronto Building Division: Conditional Permits – Follow-up Review",
  2. Review of 260 Eighth Street Land Transaction: No Wrongdoing Identified", and
  3. "Employee Health Benefits Fraud Involving a Medical Spa".
- New complaint management system fully integrated and updated procedures established to standardize our documentation and investigation process.

## BY THE NUMBERS – 2020 Annual Results

- More than **11,000** complaints received since 2002
- **848** complaints in 2020 made up of approximately **1,350** allegations; **10%** of complaints received related to COVID-19
- **80%** of complaints involved preliminary inquiries
- **78** complaints from 2020 were investigated; **9%** substantiated in whole or in part
- **43%** of substantiated complaints were anonymous
- Actions taken include:
  - **2** employees disciplined
  - **5** other appropriate actions taken
- **\$179,000** actual loss in 2020. This amount is expected to increase as outstanding complaints are concluded in 2021

### Complaint Sources



### Complaint Outcomes



### Dollar Impact



## Previous Years Complaints Closed in 2020

- **148** complaints from previous years closed in 2020; **11%** substantiated in whole or in part
- Actions taken include:
  - **4** employees disciplined
  - **13** other appropriate actions taken

## CHALLENGES DURING COVID-19 PANDEMIC

The COVID-19 pandemic brought forward new and evolving challenges:

- Forensic Unit staff working from home with remote access to the complaint management system
- Delay in City Divisions' ability to investigate and report back, increasing time to resolve and close complaints
- Influx of complaints related to COVID-19 requiring preliminary inquiries; re-directing to appropriate source as needed