

## AT A GLANCE

# Auditor General's 2021 Annual Report on the Fraud and Waste Hotline

## 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 2022 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 and Waste Hotline Program.

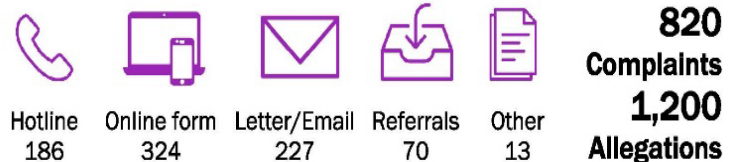
## WHAT'S NEW?

- Four major investigations that resulted in reports being issued to Audit Committee, titled:
  1. *Toronto Business Improvement Areas (BIAs) Accounts Payable Fraud Investigation*
  2. *Challenges in Contract Management – Auditor General's Review of the Corporate Real Estate Management Division*
  3. *Investigation into Allegations of Reprisal: Insufficient Evidence to Support Reprisal*
  4. *Results of Agreed-Upon Procedures to Assess Controls over Pay & Display Credit Card Revenues*

## BY THE NUMBERS – 2021 Annual Results

- Almost 12,000 complaints received since 2002
- **820** complaints in 2021 made up of approximately **1,200** allegations
- **72%** of complaints involved preliminary inquiries
- **90** complaints from 2021 were investigated; **17%** substantiated in whole or in part
- **40%** of substantiated complaints were anonymous
- Actions taken include:
  - **4** employees disciplined
  - **11** other appropriate actions taken
- **\$227k** actual loss in 2021. This amount is expected to increase as outstanding complaints are concluded in 2022

### Complaint Sources



### Complaint Outcomes



### Dollar Impact



## Previous Years Complaints Closed in 2021

- **307** complaints from previous years closed in 2021; **11%** substantiated in whole or in part
- Actions taken include:
  - **15** employees disciplined
  - **20** other appropriate actions taken