

## AT A GLANCE

# Auditor General's 2022 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.

Moving forward, the Auditor General's Office will refresh our communication initiatives which will include raising awareness on employee responsibility to report wrongdoing.

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

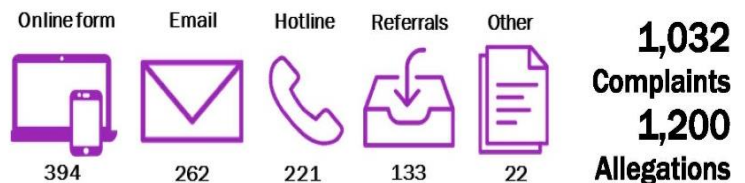
### WHAT'S NEW?

- The Fraud and Waste Hotline received the highest number of complaints in a year since the launch of the Hotline Program.
- One major investigation resulted in a report being issued to Audit Committee, titled "*Installation and Maintenance of Traffic Signs Contract – Follow-up on Complaints Received*".
- We also provided an update to an investigation report that our Office issued in 2018 titled "*Raising the Alarm – Fraud Investigation of a Vendor Providing Life Safety Inspection Services to the City of Toronto*".

### BY THE NUMBERS – 2022 Annual Results

- Almost 13,000 complaints received since 2002
- **1,032** complaints in 2022 made up of approximately **1,200** allegations
- **99%** of complaints involved preliminary inquiries
- **144** complaints from 2022 were investigated; **10%** substantiated in whole or in part
- **47%** of substantiated complaints were anonymous
- Actions taken as a result of investigations include:
  - **3** employees disciplined
  - **12** other appropriate actions taken
- **\$121k** actual loss in 2022. This amount is expected to increase as outstanding complaints are concluded in 2023

#### Complaint Sources



#### Complaint Outcomes



#### Dollar Impact



### Previous Years Complaints Closed in 2022

- **359** complaints from previous years closed in 2022; **6%** substantiated in whole or in part
- Actions taken as a result of investigations include:
  - **9** employees disciplined
  - **11** other appropriate actions taken