

## AT A GLANCE

# Auditor General's 2023 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.

Our Office has made efforts to increase awareness on employee's responsibility to report wrongdoing to the Auditor General's Office. We will continue to refresh our communication initiatives moving forward.

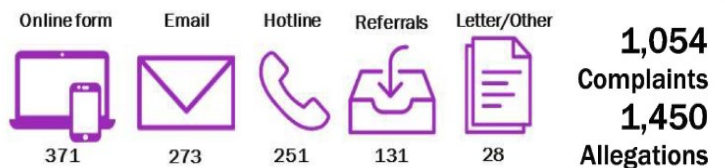
## WHAT'S NEW?

- The Fraud and Waste Hotline received the highest number of complaints in a year since the launch of the Hotline Program and similar to last year.
- One major investigation resulted in a report being issued to Audit Committee, titled "*Investigation into Allegations of Wrongdoing Regarding Building Inspections of 2 Houses*".
- We have also updated the *Report Fraud, Waste or Wrongdoing* section of the Auditor General's website, to educate staff and members of the public on the types of complaints that we investigate and should be reported to the Hotline, as well as clarifying those which are outside the Hotline's jurisdiction (i.e., not related to the City of Toronto).

## BY THE NUMBERS – 2023 Annual Results

- Almost **14,000** complaints received since 2002
- **1,054** complaints in 2023 made up of approximately **1,450** allegations
- **100%** of complaints involved preliminary inquiries
- **144** complaints from 2023 were investigated; **21%** substantiated in whole or in part
- **27%** of substantiated complaints were anonymous
- Actions taken as a result of investigations include:
  - **5** employees disciplined
  - **25** other appropriate actions taken
- **\$495k** actual loss, **\$100k** potential loss, and **\$31k** recovery for complaints substantiated and closed in 2023. These amounts are expected to increase as outstanding complaints are completed in 2024.

### Complaint Sources



### Complaint Outcomes



### Dollar Impact



## Previous Years Complaints Closed in 2023

- **125** complaints from previous years closed in 2023; **25%** substantiated in whole or in part
- Actions taken as a result of investigations include:
  - **7** employees disciplined
  - **24** other appropriate actions taken