

YEAR AT A GLANCE

Auditor General's 2024 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 and emerging issues, make results-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.

We have continued to actively promote the Fraud and Waste Hotline to raise awareness of the By-Law requirements to ensure all employees and management know what to do when allegations of wrongdoing are received.

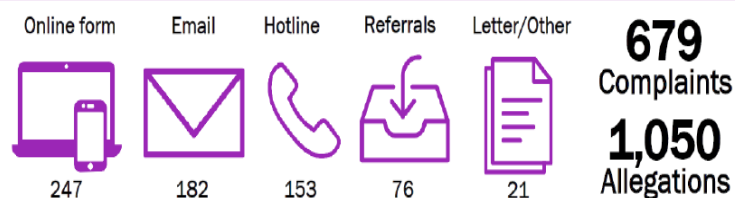
WHAT'S NEW?

- One major investigation resulted in a report being issued to Audit Committee, titled "*Investigation into Allegations of Reprisal for Reporting a Conflict of Interest*".
- Receiving fewer outside jurisdiction complaints this year allowed our forensic team to focus on the complaints that directly impact the City and to make significant progress in reducing the backlog of prior year cases.
- Several communications initiatives were completed in 2024 to City staff and the public to raise awareness of the Hotline. These included internal reminders and campaigns during Fraud Prevention Month and International Fraud Awareness Week, presentations to external organizations and new Executives at the City of Toronto, and posts on the Auditor General's Office X (formerly Twitter) account.

BY THE NUMBERS – 2024 Annual Results

- Almost **14,650** complaints received since 2002
- **679** complaints in 2024 representing approximately **1,050** allegations
- **100%** of complaints involved preliminary inquiries
- **121** complaints from 2024 were investigated; **26%** substantiated in whole or in part
- **53%** of substantiated complaints were anonymous
- Actions taken as a result of investigations include:
 - **9** employees disciplined
 - **23** other appropriate actions taken
- **\$740k** actual loss, **\$225k** potential loss, and **\$421k** recovery for complaints substantiated and closed in 2024. These amounts are expected to increase as outstanding complaints are completed in 2025.

Complaint Sources



Complaint Outcomes



Dollar Impact



Previous Years Complaints Closed in 2024

- **378** complaints from previous years closed in 2024; **19%** substantiated in whole or in part
- Actions taken as a result of investigations include:
 - **19** employees disciplined
 - **52** other appropriate actions taken