

Fraud and Waste Policy

Approved By: City Council

Category: General Administration

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Policy Statement

The City of Ottawa (the City) is committed to protecting its financial resources, property, information and other assets from any attempt either by members of the public, contractors, sub contractors, agents, intermediaries or its own employees, to gain financial or other benefits by deceit or by any other illicit means. The City is committed to implementing measures to detect, investigate and report incidents of fraud or waste.

Purpose

This Policy sets out specific responsibilities regarding the prevention, detection, investigation and reporting of fraud or waste.

Application

This Policy applies to all employees of the City of Ottawa and to employees of local boards over which Council has authority to require that general policies be followed. This Policy does not apply to the Mayor or City Councillors or their political office staff, the Ottawa Police Services Board (OPSB), the Ottawa Public Library Board (OPLB), the Board of Health for the City of Ottawa Public Health Unit and Ottawa Public Health (OPH) or the Ottawa Community Housing Corporation (OCHC).

Reports related to elected officials or their staff are directed by the Auditor General to the Integrity Commission for action as appropriate.

Reports related to the OPSB, OPLB, OPH and OCHC are directed to these entities by the Auditor General for action as appropriate.

Questions regarding the local boards to which this Policy applies should be directed to the City Clerk.

Policy Requirements

It is the City's intent to fully investigate any alleged fraud or waste. Please refer to the "Definitions" section of this Policy for further information as to what constitutes fraud and waste.

An objective and impartial investigation will be conducted regardless of the position, title, length of service, or relationship with the City, of any party who is involved in, or is the subject of, such investigation.

The Auditor General, in consultation with the City Clerk and/or City Solicitor as required, has the primary responsibility for the receipt of all allegations of fraud or waste as defined in this Policy and for investigating or referring the investigation of such allegations, as appropriate.

The City will pursue every reasonable effort to obtain recovery of any City losses.

Confidentiality

All participants in an investigation are required to keep the details and results of the investigation confidential, except where disclosure is required or authorized by law.

The identity of an individual alleging fraud or waste, together with the identity of any individual alleged to have committed fraud or waste or involved in an investigation under this Policy, will be kept confidential and protected from

disclosure as required by the *Municipal Freedom of Information and Protection of Privacy Act* (MFIPPA) and other applicable legislation. It is understood that, where an investigation results in disciplinary action, the disclosure of otherwise confidential information may be required in the context of associated legal proceedings.

The Auditor General, in consultation with the City Clerk as the delegated head for the purposes of MFIPPA may disclose particulars of the investigation if such disclosure would serve to further the investigation, and as appropriate.

Whistle-Blower Protection

The City will protect and support employees who report in good faith allegations of fraud or waste.

It is a violation of this Policy to retaliate against an employee who alleged fraud or waste in good faith or who participated in an investigation conducted under this Policy. Employees who believe they are being retaliated against should contact the Auditor General. The allegations of retaliation will be received and immediately investigated in the same manner as an allegation of fraud or waste under this Policy. Where the investigation substantiates the allegations, the City Manager will be informed and the employee(s) involved will be subject to disciplinary action.

Employees who knowingly make false allegations will be subject to discipline up to and including dismissal.

Disciplinary Action

If an allegation of fraud or waste is substantiated by the investigation, disciplinary action, up to and including dismissal, shall be taken by the appropriate level of Management in consultation with Labour Relations and in compliance with the City's policies and procedures and any collective agreement requirements.

Responsibilities

Employees

Any employee who reasonably believes that fraud or waste has occurred shall immediately notify his/her supervisor or the Auditor General.

If the employee has reason to believe that his/her immediate supervisor may be involved, the employee shall immediately notify, in writing, a more senior manager in the department, the City Manager or the Auditor General. The Auditor General may be contacted via the Internet using a secure online form (Fraud and Waste Hotline), telephone, e-mail or regular mail. Employees may remain anonymous when reporting fraud or waste but must maintain strict confidentiality concerning a reported fraud or waste at all times. Employees who knowingly make false allegations will be subject to discipline up to and including dismissal. For the purposes of this Policy, "supervisors" means the position to which an employee normally reports.

Supervisors / Management

Management is responsible for maintaining a system of internal controls that provide reasonable assurance for the prevention and detection of fraud or waste. Management must be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indications of such conduct.

Where a supervisor has reasonable grounds to believe that fraud or waste has occurred, the supervisor shall immediately notify his/her superiors and the Auditor General via the Internet using a secure online form (Fraud and Waste Hotline), by telephone or by e-mail. Supervisors and managers have the same responsibility with respect to reporting fraud and waste as do all other employees of the City as outlined above. Once reported, supervisors will support and co-operate with the Auditor General and Management, and law enforcement agencies, in the detection, investigation and reporting of fraud or waste.

Should the Auditor General refer an allegation of fraud and waste to Management for investigation, such investigation must comply with

established Fraud and Waste Investigation Procedures. Management is responsible for reviewing any recommendations made by the Auditor General following an investigation and ensuring that risks are mitigated by applying appropriate controls.

Auditor General

The Auditor General, in consultation with the City Clerk and/or City Solicitor as required, is responsible for receiving and reviewing allegations of fraud or waste and, where appropriate, referring these to Management for investigation. The Auditor General can receive fraud or waste reports from the general public, Management or directly from an employee.

Upon notification of alleged fraud or waste, and where he/she deems appropriate, the Auditor General shall determine whether to retain responsibility for the investigation or to refer the investigation to Management. All investigations shall comply with the protocols developed for use by the Auditor General in consultation with the City Clerk and/or City Solicitor.

Where the Auditor General retains responsibility for the investigation, the Auditor General may require appropriate City staff to assist in such investigation. Those that may be required to participate in an investigation include, but are not limited to, staff from Corporate Security, City Clerk's Office, Innovative Client Services (Legal Services, Human Resources and Information Technology Services) and, Financial Services.

Within the scope of an investigation and as permitted by law, the Auditor General, or a person acting under the instructions of the Auditor General, is entitled to have free access to all staff, books, accounts, financial records, electronic data processing records, reports, files and all other papers, things or property belonging to, or used by the City or by a local board of the City or which Council has authority to require general policies to be followed, that the Auditor General believes to be necessary to perform his/her duties under this Policy and as set out in By-Law No. 2013-375 relating to fraud and waste.

It is understood that, where an investigation is undertaken by or under the instructions of the Auditor General, the information obtained by such investigation shall remain secret in accordance with Section 223.22 of the Municipal Act, 2001, and may only be disclosed in accordance with that Section. As such, it is recognized that the information obtained through an investigation conducted by or under the instructions of the Auditor General may not be used to support disciplinary action against an employee.

Depending upon the nature and scope of the alleged fraud or waste, the Auditor General may refer responsibility for investigation of the matter to the City Manager. Designated staff in the City Manager's Office manage the overall investigation process in accordance with established procedures. The Auditor General will continue to monitor, provide advice as requested, and liaise through the Fraud and Waste Hotline provider to request additional information from the incident reporter as required during the investigation. The Auditor General may also request updates.

When the investigation is concluded, a final review report will be provided to the Auditor General by the City Manager's Office for review/comment and posting on the Fraud and Waste Hotline site. After review, the Auditor General may make recommendations to Management in order to mitigate future risk. Management is responsible for implementing appropriate controls to prevent reoccurrence.

Decisions to refer an investigation or the investigation results to the Ottawa Police Service or other enforcement agencies for independent investigation will be made by the Auditor General, in consultation with the City Solicitor.

The Auditor General may provide periodic reports summarizing the allegations received through the Fraud and Waste Hotline and the investigation results to the Mayor (or designate) and to the Chair and Vice Chair of the Audit Committee. In addition, the Auditor General will prepare an annual report on the Fraud and Waste Hotline for review by Audit Committee and Members of City Council. The contents of such reports will be compliant with MFIPPA and other applicable legislation with respect to personal or otherwise confidential information.

Security of Evidence

On receipt of an allegation of fraud or waste, the Auditor General, in consultation with the City Clerk and/or City Solicitor, shall take immediate action to prevent the theft, alteration or destruction of relevant evidence including any records. Such actions include, but are not necessarily limited to, removing the evidence and placing it in a secure location, limiting access to the location where evidence currently exists, and preventing the individual alleged to have committed the fraud or waste from having access to the evidence. The evidence must be adequately secured until the Auditor General obtains the evidence in order to begin or refer the investigation.

Monitoring/Contraventions

The City Manager, Auditor General and their designated staff, in conjunction with members of Management and their designated staff, shall monitor the application of this Policy and address contraventions.

Failure to comply with this Policy and/or the supporting Fraud and Waste Investigation Procedures, may result in disciplinary action, up to and including dismissal.

References

[Employee Code of Conduct](#)

[Fraud and Waste Hotline](#)

[Fraud and Waste Investigation Procedures](#)

[Responsible Computing Policy](#)

Legislative and Administrative Authorities

[By-Law No. 2013-375](#)

Council Report Fraud and Other Similar Irregularities, May 24, 2005 ([Ref N° ACS2005-CRS-FIN-0011](#))

[Municipal Freedom of Information and Protection of Privacy Act \(MFIPPA\)](#)

[Municipal Act, 2001](#)

Definitions

Fraud: Fraud includes any misuse or attempt to misuse a City asset for personal gain, or unauthorized purposes which are unrelated to City business. Examples of fraud include, but are not limited to:

- Forgery or alteration of cheques, drafts, promissory notes or securities.
- Any misappropriation, embezzlement or theft of funds, securities, supplies or any other asset.
- Any irregularity in the handling or reporting of money transactions.
- Misappropriation of furniture, fixtures and equipment.
- Seeking or accepting anything of material value from vendors, consultants or contractors doing business with the City in violation of the City's [Code of Conduct](#).
- Any computer-related activity involving the alteration, destruction, forgery or manipulation of data for fraudulent purposes or misappropriation of City-owned software or hardware.
- Any improper claim for reimbursement of expenses.

Waste: Waste means the inefficient use of City resources and refers to any operation, process or activity where City resources may be used without due regard for value for money and/or where opportunities may exist to save money.

Fraud and Waste Hotline: The [Fraud and Waste Hotline](#) is the reporting mechanism through which City employees or members of the public may confidentially and anonymously report allegations of fraud or waste. The Fraud and Waste Hotline is operated independently by a third party, and information received through the Fraud and Waste Hotline is only accessible by the Auditor General.

Whistle-Blower: This refers to a person who calls attention to a questionable or illicit activity in an attempt to have the activity brought to an end.

Keyword Search

Fraud
Waste
Fraud and Waste Hotline
Whistle-Blower

Enquiries

For more information on this Policy, contact:

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