Minutes – Executive Policy Committee – January 18, 2012

AUDIT COMMITTEE

Minute No. 116 Fraud and Waste Hotline Update

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee, in its capacity as the Audit Committee, concurred in the recommendation of the City Auditor and recommends to Council:

1. That the Fraud and Waste Hotline Update dated November 2011 be received as information.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

DECISION MAKING HISTORY:

Moved by Councillor Wyatt,
That the recommendation of the City Auditor be concurred in and forwarded to Council.

Carried

Audit Department Report
Fraud and Waste Hotline Update – November 2011

In July 2006, the City of Winnipeg Fraud, Theft or Related Irregularities Administrative Standard was approved by the CAO. This Standard states that any incidents of fraud or violation of the code of conduct of which an employee is aware of are required to be reported by the employee to their manager or supervisor. To complement the Administrative Standard, on May 25, 2011, Council approved the implementation of a Fraud and Waste Hotline to be managed by the Audit Department.

This initiative reflects the City's proactive efforts to ensure and demonstrate our commitment to corporate accountability, transparency, responsibility, and sound and ethical operating practices. It will support a high level of integrity of our employees in the workplace, and also protect City property, resources and information.

The Audit Department issued RFP 610-2011, a Request for the Provision of a Fraud and Waste Hotline and Case Management System with a submission deadline of August 2011. The City received two bids and has identified a successful proponent. The Audit Department is currently in contract negotiations and anticipates being in a position to sign a contract by December 2011.

The successful proponent will provide the Audit Department with an independent Fraud and Waste Hot Line intake service and an integrated Case Management Module on a 24x7x365 basis that enables it to establish, manage and track the status of all active financial fraud, waste and abuse cases, reported anonymously by City of Winnipeg employees.

The Hotline is anticipated to go-live in January 2012 at which time it will only be accessible to City of Winnipeg employees. The RFP requested the vendor to supply pricing estimates for four additional years with the option of expanding the service to all City of Winnipeg citizens. In July of 2012, the Audit Department will review the implementation of the employee hotline. The Audit Department will then make a recommendation to Audit Committee for approval to expand the Fraud and Waste Hotline to City of Winnipeg citizens.

The Fraud & Waste Hotline will be operated by the City Auditor's Office, which is an independent office reporting to Council. The City Auditor will ensure an appropriate, objective and impartial investigation is conducted, regardless of the alleged wrongdoer's position, title, and length of service or the relationship with the City of any party who might be involved in such an investigation.

Policy

The report is submitted in accordance with the City Organization By-law 7100/97 section 19(d)(iv) that the Audit Committee will "Receive and review audit reports, and table such reports with its recommendations at a regular meeting of Executive Policy Committee."

Recommendation:
That the Executive Policy Committee, in its capacity as the Audit Committee, recommend to Council that the Fraud and Waste Hotline Update dated November 2011, be received as information.

Attachment – None