



SUBJECT: Anti-Fraud Information & Education Program - update

TO: Audit Committee

FROM: Office of the City Auditor

Report Number: CA-19-24

Wards Affected: Not applicable

Date to Committee: December 4, 2024

Date to Council: December 10, 2024

Recommendation:

Receive for information office of the city auditor's report CA-19-24 regarding an update of the Anti-Fraud Information & Education Program.

PURPOSE:

Vision to Focus Alignment:

- Designing and delivering complete communities
 - Providing the best services and experiences
 - Protecting and improving the natural environment and taking action on climate change
 - Driving organizational performance
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Executive Summary:

Audit Committee approved an "Anti-Fraud Information Awareness & Education Program" within the 2024 Annual Audit Plan. The objective of this program was to proactively provide management and staff with knowledge, tips and tools to detect or prevent fraud in their respective service areas. This report provides a final update about the program.

Background and Discussion:

Audit Committee approved an “Anti-Fraud Information Awareness & Education Program” on December 6, 2023 within the 2024 Annual Audit Plan (report [CA-15-23](#)). The objective of this program was to proactively provide management and staff with education, tips and tools to detect or prevent fraud in their respective service areas. For clarity, there was no specific fraud event(s) that precipitated this education campaign, the risk of fraudulent activity is omnipresent in most organizations including municipalities. This program is a proactive measure to increase awareness of fraud and give management and staff information about how to prevent and detect it.

Strategy/process/risk

An annual workplan was developed for the Anti-Fraud Information Awareness & Education Program as follows:

#	Major Workplan elements	Description	Schedule	Status
1	Research (internal)	Review existing fraud materials on Shared Drive, Intranet	Jan-Feb	Complete
2	Research (external)	Obtain fraud and code of conduct policies, procedures, materials from other municipalities	July	Complete
3	Review past fraud reports to Audit Committee		February	Complete
4	Meeting with HR	Objective: process for identifying, coordinating and investigating fraud incidents	August	Complete
5	Meeting with HR; Policy analysis	Objective: review existing fraud related policies (i.e. Code of Conduct), opportunity to refresh	Q3-Q4 2024	In Progress
6	Review "Fraud Awareness" Training	Review the current training within corporate Learning Management System; refresh as needed	November	Complete
7	Analysis of Fraud Awareness Training	Reconciliation of who didn't complete it; follow-up with Commissioners/Directors as needed	November	Complete
8	Progress reporting to Audit Committee	See report: CA-10-24	June	Complete
9	Progress reporting to Audit Committee	See report: CA-19-24	December	Complete
10	Presentation to BMT (1)	Intro: Fraud Awareness, 2024 Workplan	14-Dec-23	Complete
11	Presentation to BMT (2)	Fraud deep-dive presentation; Fraud Prevention Month, real world fraud examples and controls	21-Mar-24	Complete
12	Presentation to Risk Community of Practice (1)	Intro: Fraud Awareness, 2024 Workplan	25-Jan-24	Complete
13	Presentation to Risk Community of Practice (2)	Follow-up presentation with fraud red flags, real world examples, controls and risk management	23-May-24	Complete
14	Comms Messaging	Prepare corporate-wide messaging on Intranet for: "Fraud Prevention Month 2023"	March	Complete
15	Reminder to BLT & Council for Fraud Prevention	Provide advanced notice of Fraud Prevention Month to BLT & Council	28-Feb-24	Complete
16	Monitor fraud risks in other municipalities	Monitor fraud risks in other municipalities, share w/ BLT as required, evaluate COB controls as need	continuous	Complete

Highlights from the annual program include:

- A series of educational presentations to the ‘Burlington Management Team’ (a group of 50+ people leaders) and the ‘Risk Community of Practice’ (a group of 10+ front-line staff working in risk management/operations). These presentations covered: Fraud 101, recent examples of fraud perpetrated in other municipalities, fraud red flags, controls to prevent or detect fraud in the City.
- Developed corporate-wide messaging for ‘Fraud Prevention Month’ during the month of March. Developed (in conjunction with Corporate Communications & Engagement) informational messaging about the City’s current fraud prevention policies (i.e. Code of Conduct), staff resources, fraud reporting processes etc. This messaging was displayed on the City’s corporate intranet and electronic messaging boards in all staff areas throughout the month of March.
- Worked with HR to relaunch the existing Fraud Awareness Training onto the City’s new learning management system (Workday). An analysis of people leaders who didn’t complete the training was performed, follow-up with the appropriate Commissioners occurred with a deadline of Dec 31, 2024 assigned.
- Engaged with the HR team to support the design of a new ‘Whistleblower Policy’. For clarity, the catalyst for this policy was not a fraud event that occurred in the

City, but rather a workplace incident that was previously reported in March 2024 to City Council 'in-camera'. The Whistleblower Policy is currently being designed jointly by HR and the City Auditor as an organizational policy for all employees. This new policy may necessitate a refresh of the employee Code of Conduct policy and is targeted for implementation in June 2025.

Options Considered

This program was approved by Audit Committee, therefore not proceeding was not an option.

Financial Matters:

Total Financial Impact

Not applicable.

Source of Funding

Not applicable.

Other Resource Impacts

Staff from the Corporate Communications & Engagement and Human Resources teams provided support for this program throughout the year. The time investment of those teams was relatively modest, however was not measured by the City Auditor. A total of 108 hours has been incurred by the City Auditor on this program.

Climate Implications:

Not applicable.

Engagement Matters:

Not applicable.

Conclusion:

This report is an update for Audit Committee about the Anti-Fraud Information & Education program approved in the 2024 Audit Plan.

Respectfully submitted,

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City Auditor

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Report Approval:

All reports are reviewed and/or approved by the Department Director, Chief Financial Officer and the Commissioner, Legal & Legislative Services & City Solicitor.