

**CITY OF VAUGHAN**

**EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 16, 2015**

Item 3, Report No. 11, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on September 16, 2015.

**3 INTERNAL AUDIT REPORT – ANONYMOUS REPORTING SYSTEM ANNUAL REPORT**

**The Finance, Administration and Audit Committee recommends:**

- 1) That the recommendation contained in the following report of the Director of Internal Audit, dated September 8, 2015, be approved; and**
- 2) That the presentation by the Audit Project Manager and C4, presentation material titled “Anonymous Reporting System – Annual Report”, dated September 8, 2015, be received.**

**Recommendation**

The Director of Internal Audit recommends:

1. That the Internal Audit Report on the Anonymous Reporting System Annual Report be received.

**Contribution to Sustainability**

Internal Audit activities and reports contribute to the sustainability of the City by providing advice and assurance that controls supporting the effective delivery of services and programs are effective. Longer term sustainability needs the support of good, efficient risk mitigation strategies. Internal Audit can provide support for that sustainability by providing independent advice and assurance.

**Economic Impact**

There are no direct economic impacts associated with this report.

**Communications Plan**

Not applicable.

**Purpose**

To present to the Finance, Administration and Audit Committee the Internal Audit Report on the Anonymous Reporting System Annual Report.

**Background - Analysis and Options**

On November 13, 2013 at the Finance, Administration and Audit Committee meeting Internal Audit recommended that the City of Vaughan implement an anonymous reporting system. It was further recommended that implementation initially be set up as a two year pilot and be only available for staff use.

The recommendation was passed and the Anonymous Reporting System was implemented on April 15, 2014.

The System's service provider, NAVEX, maintains a Global Database of performance metrics based on all the clients they serve. NAVEX issues an annual report that reviews all industry benchmarks using data from all its 4,600 participating companies.

**CITY OF VAUGHAN**

**EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 16, 2015**

Item 3, Finance Report No. 11 – Page 2

The purpose of this report is to summarize the main themes being reported by staff and to benchmark our performance using our service provider's Global Database.

**Relationship to Vaughan Vision 2020/Strategic Plan**

This report supports the strategic goal of management excellence through financial stability and effective governance.

**Regional Implications**

Not applicable.

**Conclusion**

In the first year of operation, the System received 22 cases or reports from staff. Seventy-seven percent of the reports were related to Human Resources or corporate asset misuse, typically covering issues such as hiring practices and time abuse.

Not all reports could be substantiated; in some cases, information provided by the reporter was incomplete or additional information requested by Internal Audit was not forthcoming. This is not unusual given that the System is new and overall familiarity with using it will take time.

Internal Audit firmly believes the System will better support good governance and accountability once stronger familiarity and trust in the System is established.

**Attachment**

1. Internal Audit Report – Anonymous Reporting System Annual Report

**Report prepared by:**

Paul Wallis CPA, CMA CIA CISA CRMA  
Director, Internal Audit

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)