



MUNICIPAL
PROPERTY
ASSESSMENT
CORPORATION

Municipal Property Assessment Corporation

2019 Annual Whistleblowing Program Report

Table of Contents

Overview of MPAC’s Whistleblowing Program	3
Reporting Methods.....	3
Confidentiality and Whistleblower Protection.....	4
Whistleblowing Program Statistics	5
Total Number of Whistleblowing Program Reports	5
2019 Reports Received (by Month) to MPAC’s Whistleblowing Program	6
Highlights of Results.....	6
Categories of Reports.....	7
Method of Submission	8
Reporters Who Subsequently Accessed Their Report	9
Position of Accused (Management/Bargaining Unit)	10
Substantiated Issues Arising From the Whistleblowing Program.....	10
2020 Outlook.....	11
Appendix A: Fraud and Other Irregularities Hotline Reporting Categories	12

Overview of MPAC's Whistleblowing Program

MPAC's Whistleblowing Program and Fraud and Other Irregularities Policy was fully launched with the ClearView Connects platform to both internal staff and the external public on October 1, 2016. MPAC's Whistleblowing Program provides MPAC employees, stakeholders and the public with an anonymous, confidential and protective disclosure service to report any observed or suspected fraud (or other irregular activity) involving MPAC resources.

Both the Policy and Program complement MPAC's existing Code of Conduct, which together provide employees with a set of standards and guidelines that ensure that all staff maintain the highest degree of integrity and ethical behaviour in all MPAC business operations and relationships. The Whistleblowing Program supports the concept of openness and transparency in the delivery of public service, and helps to strengthen confidence in MPAC. The Fraud and Other Irregularities Policy provides the guidance that empowers people to take appropriate action on any allegations of wrongdoing by outlining the appropriate steps to be followed to investigate fraud and other irregularities. These governance instruments, policies, electronic platforms and programs serve to prevent, identify, report, investigate, and resolve instances of suspected or actual fraud and other irregularities.

The Fraud and Other Irregularities Policy and supporting Whistleblowing Program is aligned with leading industry standards and practices by establishing a strong "speak up" culture. The Whistleblowing Program is managed and administered by MPAC's Risk Management Branch, which is independent and accountable to MPAC's Board of Directors.

Reporting Methods

MPAC's Fraud and Other Irregularities Hotline is the Program's primary reporting channel and is a secure, confidential service available twenty-four (24) hours a day, seven (7) days a week. There are three ways to report a concern through this channel:

1. By phone through MPAC's Fraud and Other Irregularities Hotline: 1-844 863-6313;
2. Online by submitting a report through the confidential, secure website at: www.clearviewconnects.com; or
3. By mail: PO Box 11017, Toronto ON M1E 1N0.

The Hotline is operated independently by ClearView Connects, a third-party service agent that MPAC has engaged. All reports and contacts are handled in confidence in accordance with MPAC's Fraud and Other Irregularities Policy. A reporter is not required to provide their name or any other personal information when submitting a report of suspected fraud or other irregularity.

All reports, including those that may come through “back” channels like an MPAC department or benefits investigation initiated by a benefits insurer, are collected by or inputted into the ClearView Connects platform. This platform is an independent, external and secure reporting service provider. All reports and contacts are handled in confidence in accordance with MPAC's Fraud and Other Irregularities Policy. Reports submitted through ClearView Connects have the functionality to facilitate anonymous two-way communication that allows reporters to access their report to track the progress of their report, submit additional information or respond to any requests for additional information after submitting their original report.

As MPAC's Risk Management Branch collects the information from the ClearView Connects service provider, it reviews all disclosures to determine if a report warrants further investigative action. If so, the Branch coordinates with other business areas to direct the investigative work necessary to bring timely closure to the case.

Confidentiality and Whistleblower Protection

All information collected through MPAC's Whistleblowing Program is kept strictly confidential. MPAC respects the privacy of reporters and recognizes that anonymity and/or confidentiality is an essential key success factor for any ethics program. The information that is provided is further protected by the provisions of the *Municipal Freedom of Information and Protection of Privacy Act*. For instance, if a reporter provides any personal information, it will be collected under the *MPAC Act* and will be used strictly for the purposes of investigating the whistleblowing matter that is being reported.

Whistleblower protection does not stop with security and confidentiality. The effectiveness of MPAC's fraud prevention and detection activities, including its Fraud and Other Irregularities Hotline, is dependent on employees being able to report suspected cases of wrongdoing without fear of reprisal. Where reprisal is suspected or evident, the Whistleblower Protection Statement provides guidance on actions to be taken. Actions include invoking discipline if reprisals are evident.

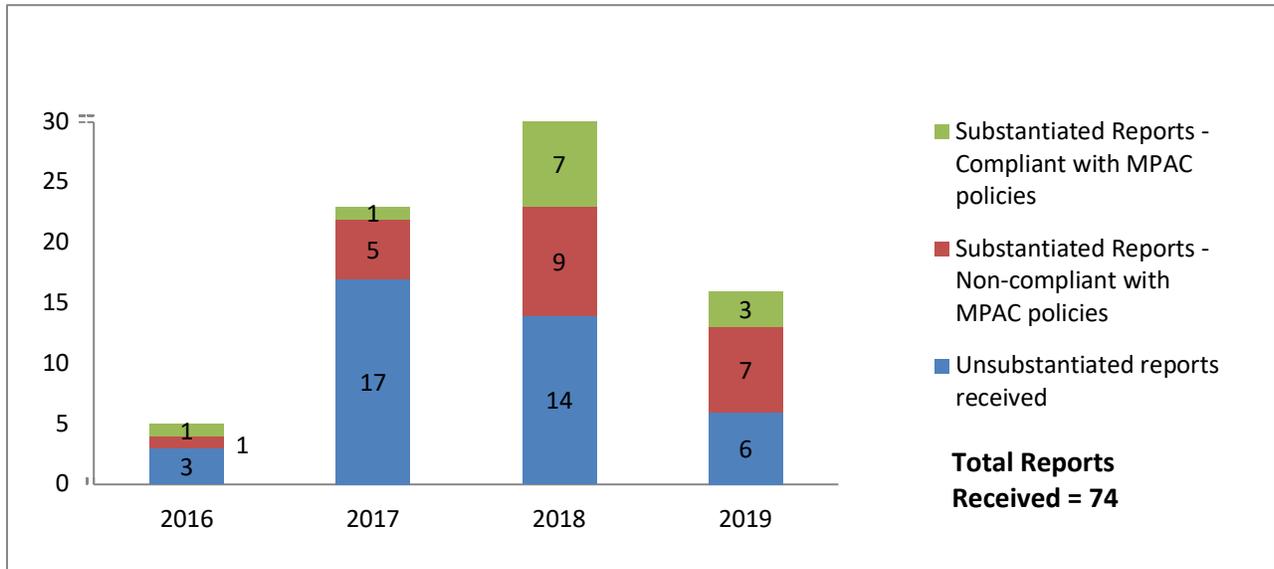
Communication

The primary communication objective for MPAC's Whistleblowing Program is to build trust and awareness among employees, property taxpayers and stakeholders about ethics reporting. The program's communication strategy also includes reinforcement of MPAC's commitment to an ethical workplace by providing a clear and simple understanding of the reporting process, and instilling confidence that each report will be investigated thoroughly with appropriate action taken. MPAC made a strategic decision to maximize the program's visibility to the staff and public by referencing it in prominent places on well-used channels like mpac.ca, MPAC's internal intranet, or on posters located throughout MPAC's offices. The Branch is investigating other ways to further promote the Program.

Whistleblowing Program Statistics

Since the inception of MPAC’s Whistleblowing Program in October 2016, MPAC has received a total of 74 Whistleblowing reports. Of these reports, 46% were found to be substantiated, with 30% of these being non-compliant with MPAC policies and 16% being compliant with MPAC policies.

Total Number of Whistleblowing Program Reports



In 2019, MPAC received a total of 16 Whistleblowing reports, which is a 47% decrease in reports received compared to the previous year. This decrease is mostly seen in cases relating to external reports of potential inaccurate property assessments relating to building permits.

There were eight reports submitted by external resources and eight reports submitted by internal MPAC staff. Of these reports, nine were received through ClearView Connects, which is MPAC’s independent external service provider’s hotline, and seven were received through other methods and transcribed into the ClearView Connects reporting system. All of the reports submitted directly through ClearView Connects to the Whistleblowing Program were anonymous submissions. There have been no reports of any acts of reprisal occurring against any MPAC employee who submitted a Whistleblowing report in good faith.

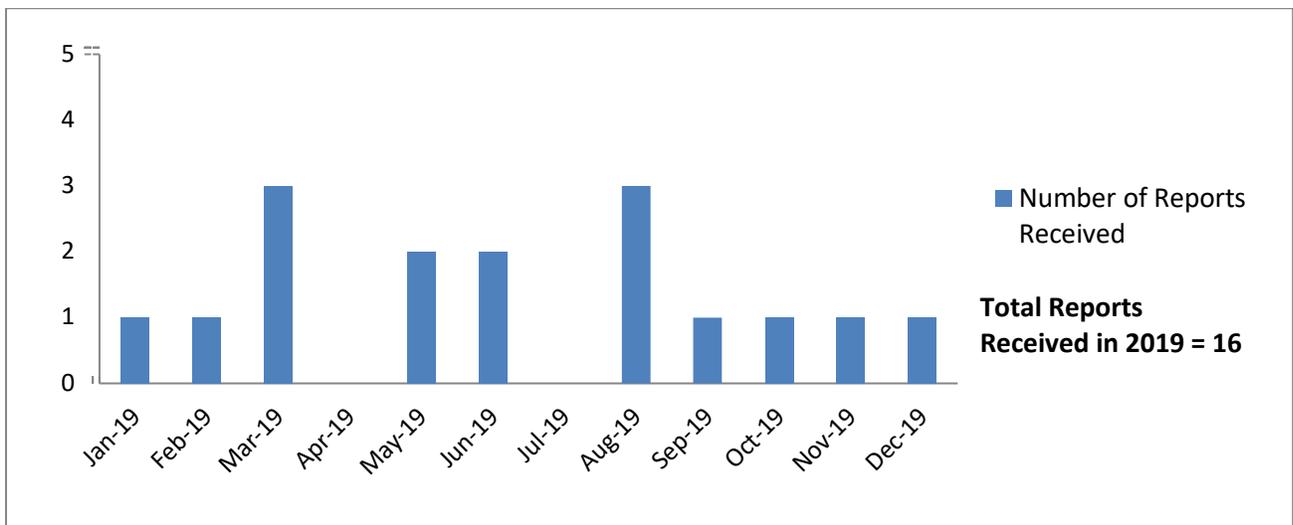
In 2019, Substantiated reports were divided into two sub-categories to provide more clarity:

1. *Substantiated – Non-compliant with MPAC Policies* - allegation was accurate and constituted as fraud or other irregularity (e.g. Pure fraud or other irregularity by an MPAC employee). Typically intentional in nature.

2. *Substantiated - Compliant with MPAC policies* – allegation was accurate but does not constitute fraud or other irregularity. (e.g. Issue, error, process or policy gap identified needing action however no direct violation of an MPAC policy). Typically unintentional in nature.

Of the 16 reports submitted to MPAC’s Whistleblowing Program, 10 were substantiated and five were found to be unsubstantiated. One report was still under investigation as of December 31, 2019. Of the 10 substantiated reports, seven were substantiated as non-compliant with MPAC policies (allegation was accurate and constituted as fraud or other irregularity) and three were substantiated but compliant with MPAC policies (allegation was accurate but does not constitute fraud or other irregularity). Disciplinary action was imposed in all substantiated – non-compliant with MPAC Policies cases.

2019 Reports Received (by Month) to MPAC’s Whistleblowing Program



Highlights of Results

Whether a case is substantiated or not, there are many intangible benefits resulting from every investigation including:

- Improved awareness and education of ethics, fraud, freedom of information and privacy
- Targeted review and communication of Code of Conduct and other relevant Policies
- Improved processes and adherence to policies
- Opportunity to educate the public on MPAC’s processes and policies
- Strengthened internal management controls
- Improved accuracy of MPAC’s data

Categories of Reports

The table below summarizes the number of reports received to December 2019 by report category since the inception of the Fraud and Other Irregularities Hotline in 2016.

Report Category	Number of Reports				Total
	2016	2017	2018	2019	
Violation of Laws, Regulations, Policies or Procedures	1	14	16	8	39
Theft, Embezzlement, Fraud	1	3	4	3	11
Unethical Conduct and Conflict of Interest	2	2	4	2	10
Manipulation or Falsification of Data	1	1	2	0	4
Data Security and Privacy	0	2	2	3	7
Management/Supervisor	0	0	1	0	1
Products and Customer Service	0	0	1	0	1
Other – Miscellaneous/Undefined	0	1	0	0	1
Total	5	23	30	16	74

The majority of cases noted above in the Violation of Laws, Regulations, Policies or Procedures category are related to potential violations of the Code of Conduct and procedures relating to completing accurate property assessments. Benefits fraud is the most common occurrence within the second most common category of Theft, Embezzlement and Fraud.

Reports by Reporter Type

In 2019, an equal number of reports were received from the public and from internal staff, which also includes any reports received through other departments and transcribed into the ClearView Connects System.

Reporter Type	Number of Reports				Total
	2016	2017	2018	2019	
Public	1	18	16	8	43
Employee	3	5	14	8	30
MPAC Stakeholder (i.e. Supplier, Municipality)	1	0	0	0	1
Total	5	23	30	16	74

MPAC always investigates suspected acts of fraud or other irregularities that are brought to its attention. We continue to promote the Whistleblowing Program and encourage both employees and external stakeholders to utilize the Program to report any suspected acts of fraud or other irregularity.

Method of Submission

Reporters may file a report by internet, by phone using a toll-free number, by email and by traditional mail. Additional reports are also collected from other departments across MPAC and transcribed into the ClearView Connects system. The table below shows the reports received by method of submission. In 2019, more than half of the reports received were through the ClearView Connects website or by telephone to the Fraud and Other Irregularities Hotline.

Method of Submission	Number of Reports				Total
	2016	2017	2018	2019	
Website	1	12	16	4	33
Phone – Live Agent	0	4	3	5	12
Mail	0	0	1	0	1
Outside of ClearView Connects Hotline (Transcribed)	4	7	10	7	28
Total	5	23	30	16	74

MPAC has seen consistent use of the ClearView Connects platform representing 62% of the total cases received. This demonstrates the value of having a secure, confidential reporting system in which an employee or member of the public may submit an anonymous report with confidence that it will be investigated.

Reporters Who Subsequently Accessed Their Report

The Fraud and Other Irregularities Hotline allows a reporter to access their report and to communicate with MPAC’s reviewer while remaining anonymous after submitting their original report. This feature allows the reporter to submit additional information, track the progress of the case, and respond to any follow-up questions. In 2019, three reporters accessed their report after submission of the original report.

Reviewed Report	Number of Reports In 2019	Percentage
Yes	3	19%
No	6	38%
N/A – Report transcribed into ClearView Connects	7	43%
Total	16	100%

On average, investigations submitted through MPAC’s Fraud and Other Irregularities Hotline have taken four to six weeks to complete. An investigation is completed as quickly as possible and many cases are closed within one month of receipt. More complex investigations or where additional information is required before proceeding with the investigation may take more time.

Position of Accused (Management/Bargaining Unit)

Position	Number of Reports				Total
	2016	2017	2018	2019	
Bargaining Unit Employee	3	5	10	9	27
Management	2	2	4	3	11
MPAC (General) – Process related/Data accuracy	0	10	15	4	29
Other - e.g. MPAC Stakeholder (I.e. Supplier, Municipality)	0	6	0	0	6
Outside of Scope	0	0	1	0	1
Total	5	23	30	16	74

Substantiated Issues Arising From the Whistleblowing Program

Below is a summary of the substantiated reports that were investigated and closed in 2019:

Incorrect or missing assessment data

There were two reports that identified incorrect or missing assessment data on various properties. In each case, the field offices were notified for possible re-inspection of the property. The accuracy of data and property details were confirmed and/or updated to reflect findings resulting from the property inspection. Reporters were guided to mpac.ca for additional information and education on MPAC's assessment process and property records were updated as appropriate.

Non-adherence to policy and/or procedure

There was one report that was found to be substantiated as a non-adherence to MPAC's Code of Conduct. In this instance, a manager made changes to an employee's property without following appropriate policies and protocol. As a result, there was individual coaching and counsel discussion to the manager to reinforce policy and procedures. Communication was also sent to all employees regarding accessing information in the course of employment and the manager was issued a five-day suspension.

Fraud - Fraudulent benefits claim(s)

There were two cases in 2019 of fraudulent benefits claims being submitted to our benefits provider totalling over \$19,000. In each case, the employee(s) were terminated and required to pay back the full amount of fraudulent claim(s). To increase awareness, a presentation was provided to all managers on the subject of benefits fraud and communication was delivered to all employees on

benefits fraud, outlining what constitutes benefits fraud, what the impacts are and what the consequences would be.

Fraud - Employee using MPAC resources for fraudulent activity

One report was received concerning an employee using MPAC resources to conduct personal fraudulent activity in an MPAC office. The employee in this case was using MPAC resources (photocopier, paper, time) to alter information on their driver's licence. Disciplinary action was taken and the employee was terminated.

Data Security and Privacy – Freedom of Information violation

There were two substantiated reports of Freedom of Information violations. In each matter, there was a thorough investigation. One of the reports was substantiated as compliant with MPAC policies. The investigation concluded an email was sent to an unintended recipient, however no privacy breach took place as neither the email nor the attachments contained personal, financial or any other sensitive information. The second case involved an employee viewing property information that was not within their assigned work and shared the information accessed with a person outside of MPAC that was specific to their property. This case was substantiated as a violation and resulted in disciplinary action. To prevent this issue from reoccurring, a reminder memo was also sent to all staff reminding them of their obligations under MPAC's Code of Conduct, privacy law and appropriate access and use of MPAC information for business purposes only.

Manipulation or Falsification of Data/Misappropriation of company time, and/or resources

Two cases involved company time theft. Each employee was disciplined accordingly with temporary suspension of work. As a result, additional regular proactive routine performance checks are in place and ongoing management of employee performance.

All of the above noted substantiated cases resulted in actions and control measures to prevent similar cases from occurring again. For unsubstantiated cases where the evidence does not support a finding of wrongdoing, the report conclusion is tracked as unsubstantiated. However, in some of these cases, an investigation may highlight internal management control issues and risks that need to be addressed or opportunities to improve policies, processes and/or procedures.

2020 Outlook

In 2020, the focus of the Whistleblowing Program will be on maintaining awareness and building trust through consistent messaging and effective follow through on investigating all reports. Management uses knowledge gained through investigations to provide guidance on and reinforce acceptable conduct for all employees. Potential improvements will continue to be explored to the reporting and investigation process. MPAC will also continue to explore additional ways to communicate and promote the Program to staff and the public.

Appendix A: Fraud and Other Irregularities Hotline Reporting Categories

Category	Description
Financial Reporting and Accounting	Items regarding: <ul style="list-style-type: none"> The accuracy and completeness of financial statements and other financial reporting Accounting, internal accounting controls or auditing matters
Unethical Conduct	Any situation involving: <ul style="list-style-type: none"> Unethical or dishonest conduct Conduct that is contrary to the values of the organization Improper business conduct relating to suppliers or procurement
Conflict of Interest	Any situation or action that puts an employee in conflict, or could be perceived as putting them in conflict, with the interests of the organization
Manipulation or Falsification of Data	Authorized or unauthorized changes made to any data, information or reports in order to manipulate or falsify documents or records for purposes such as: <ul style="list-style-type: none"> Covering mistakes or fraud Improving financial or operational results Gaining unfair advantage in a contract
Fraud	Any attempt or action to gain personal monetary or other advantage by using deceitful methods, including: <ul style="list-style-type: none"> Falsification of data, transactions or documents Cover up of illegal activities
Theft	Any situation or action involving: <ul style="list-style-type: none"> An act of stealing from an organization or individual Attempts to conceal acts of stealing
Violation of Laws, Regulations, Policies, Procedures	Any situation involving a violation of: <ul style="list-style-type: none"> A law, regulation or policy established by an organization or regulatory authority, including securities commissions A policy or procedure established by the board, management, or other authorized level of the organization
Data Security and Privacy	Any activity or situation that could pose a risk to data, data security or privacy of information including unauthorized access, hacking, theft or tampering
Organizational Issues	Issues or concerns related to compensation and benefits, products and services, or management actions
Whistleblower Protection	Any retaliation or reprisal occurring as a result of an ethics report made in good faith. Reprisal could include: <ul style="list-style-type: none"> Exclusion from work activity Job loss, demotion, or reduction of pay or hours Relocation or reassignment Verbal or online abuse by co-worker or manager Actual or threatened physical harm