Municipal Property Assessment Corporation

2020 Annual Whistleblowing Program Report

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Introduction

This 2020 report on MPAC's Whistleblowing Program includes information about the fraud and other irregularities reports collected through MPAC's Fraud and Other Irregularities Hotline. It highlights the complaints that have been received and demonstrates MPAC's maintained framework that supports a high level of ethics and integrity.

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.
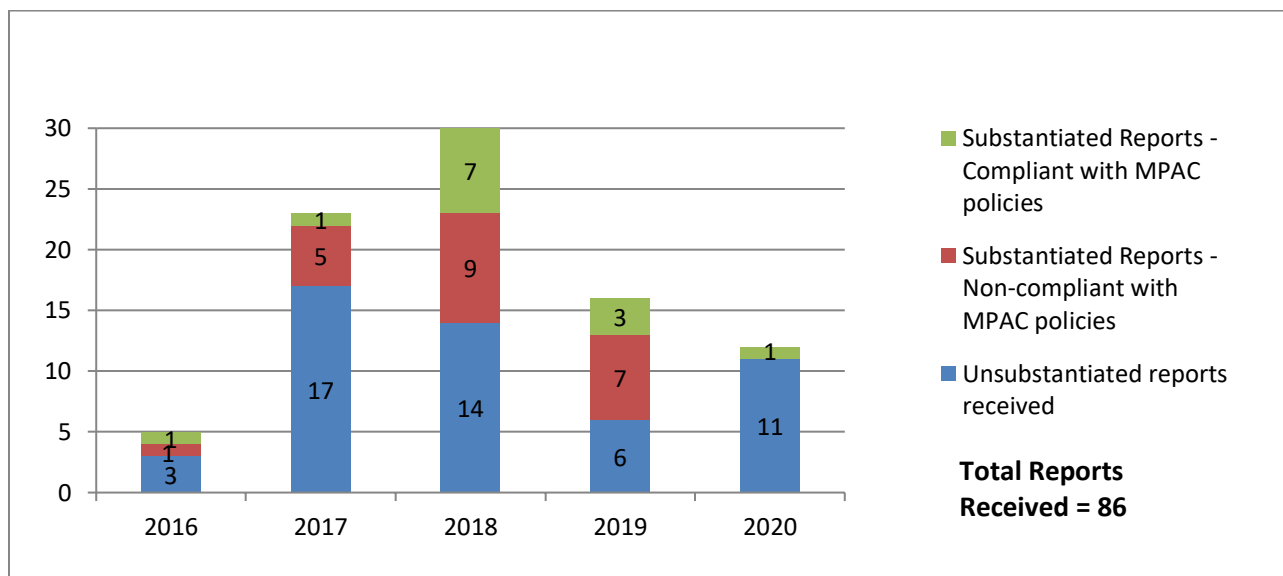
Communication

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, and on posters located throughout MPAC's offices. In 2020, as all MPAC staff moved to remote working as of mid-March, the focus continued to be on maximizing the program's visibility internally. This was accomplished by leveraging the all-staff Communications update to highlight the successes of the program as well as act as a reminder to staff of the program and the different methods to submit a report. Another focus was on training of all new staff on the Whistleblowing Program, which is a required course to be completed by all staff.

Whistleblowing Program Statistics

Since the inception of MPAC's Whistleblowing Program in October 2016, MPAC has received a total of 86 Whistleblowing reports. Of these reports, 41% were found to be substantiated, with 26% of these being non-compliant with MPAC policies and 15% being compliant with MPAC policies.

Total Number of Whistleblowing Program Reports

Legend:
- Substantiated Reports - Compliant with MPAC policies
- Substantiated Reports - Non-compliant with MPAC policies
- Unsubstantiated reports received

Total Reports Received = 86

Chart data:
- 2016: Unsubstantiated 3, Non-compliant 1, Compliant 1
- 2017: Unsubstantiated 17, Non-compliant 5, Compliant 1
- 2018: Unsubstantiated 14, Non-compliant 9, Compliant 7
- 2019: Unsubstantiated 6, Non-compliant 7, Compliant 3
- 2020: Unsubstantiated 11, Compliant 1

In 2020, MPAC received a total of 12 Whistleblowing reports, which is a 25% decrease in reports received compared to the previous year. This decrease is mostly seen in internal report submissions. In response to the Government of Ontario's COVID-19 Response Plan, all MPAC employees moved to working remotely beginning mid-March, and fieldwork was halted until the Summer 2020. With limited staff in the office and field, a decrease in reports was anticipated.

There were ten reports submitted by external resources and two reports submitted by internal MPAC staff. Of these reports, all twelve were received through ClearView Connects, which is MPAC's independent external service provider's hotline. Eleven of the reports submitted directly through ClearView Connects to the Whistleblowing Program were anonymous submissions with one property owner identifying themselves as the reporter. There have been no reports of any acts of reprisal occurring against any MPAC employee who submitted a Whistleblowing report in good faith.

Substantiated reports are 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 12 reports submitted to MPAC's Whistleblowing Program, one was substantiated and eleven were found to be unsubstantiated. The one substantiated report was compliant with MPAC policies (allegation was accurate but does not constitute fraud or other irregularity).

2020 Reports Received (by Month) to MPAC's Whistleblowing Program

Total Reports Received in 2020 = 12
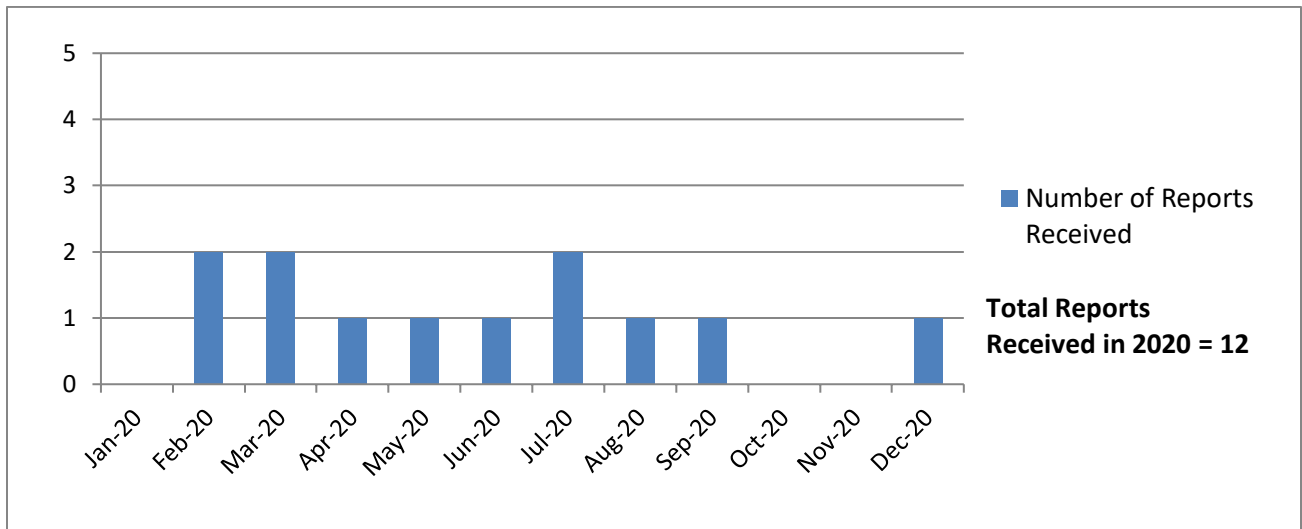
Highlights of Results

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 and mitigation of risks
- Improved accuracy of MPAC's data
- Deterrence of fraud and other wrongdoing

Categories of Reports

The table below summarizes the number of reports received to December 2020 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	2020	
Violation of Laws, Regulations, Policies or Procedures	1	14	16	8	8	**47**
Theft, Embezzlement, Fraud	1	3	4	3	0	**11**

Unethical Conduct and Conflict of Interest	2	2	4	2	3	**13**
Manipulation or Falsification of Data	1	1	2	0	1	**5**
Data Security and Privacy	0	2	2	3	0	**7**
Management/Supervisor	0	0	1	0	0	**1**
Products and Customer Service	0	0	1	0	0	**1**
Other – Miscellaneous/Undefined	0	1	0	0	0	**1**
Total	**5**	**23**	**30**	**16**	**12**	**86**

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.

Reports by Reporter Type

In 2020, ten reports were received by the public and two reports from MPAC employees. No reports were received through other departments and transcribed into the ClearView Connects System.

Reporter Type	Number of Reports					Total
	2016	**2017**	**2018**	**2019**	**2020**	
Public	1	18	16	8	10	**53**
Employee	3	5	14	8	2	**32**
MPAC Stakeholder (i.e. Supplier, Municipality)	1	0	0	0	0	**1**
Total	**5**	**23**	**30**	**16**	**12**	**86**

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 2020, all 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	2020	
Website	1	12	16	4	7	**40**
Phone – Live Agent	0	4	3	5	5	**17**
Mail	0	0	1	0	0	**1**
Outside of ClearView Connects Hotline (Transcribed)	4	7	10	7	0	**28**
Total	**5**	**23**	**30**	**16**	**12**	**86**

MPAC has seen consistent use of the ClearView Connects platform representing 67% 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 2020, six reporters accessed their report after submission of the original report.

Reviewed Report	Number of Reports In 2020	Percentage
Yes	6	50%
No	6	50%
N/A – Report transcribed into ClearView Connects	0	0%
Total	**12**	**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. In 2020, due to the COVID-19 epidemic and the province-wide emergency order and shut-down, some investigations took longer to complete (i.e. those requiring a property investigation).

Position of Accused (Management/Bargaining Unit)

Position	Number of Reports					Total
	2016	2017	2018	2019	2020	
Bargaining Unit Employee	3	5	10	9	1	28
Management	2	2	4	3	2	13
MPAC (General) – Process related/Data accuracy	0	10	15	4	9	38
Other - e.g. MPAC Stakeholder (I.e. Supplier, Municipality)	0	6	0	0	0	6
Outside of Scope	0	0	1	0	0	1
Total	**5**	**23**	**30**	**16**	**12**	**86**

Substantiated Issues Arising from the Whistleblowing Program

Below is a summary of the substantiated reports that were investigated and closed in 2020:

Incorrect or missing assessment data

There was a report that identified incorrect or missing assessment data on a property. 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.

2021 Outlook

As 2021 progresses with hope but uncertainty, the focus of the Whistleblowing Program will continue to 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 Reporting Categories

Category	Description
Financial Reporting and Accounting	Items regarding: • The accuracy and completeness of financial statements and other financial reporting • Accounting, internal accounting controls or auditing matters
Unethical Conduct	Any situation involving: • 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: • 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: • Falsification of data, transactions, or documents • Cover up of illegal activities
Theft	Any situation or action involving: • 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: • 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: • 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