

Procedure

Fraud Reporting and Investigation



This procedure falls under the Fraud Administrative Policy A1464A

Program Impacted	Strategy and Business The City of Edmonton's corporate processes are robust and helpful for integrated service delivery Financial Sustainability. The City of Edmonton's resilient financial position enables both current and long-term service delivery and growth.
Approved By	City Manager
Date of Approval	July 8, 2025
Approval History	January 19, 2017
Next Scheduled Review	July 8, 2029

The City of Edmonton is committed to accountability, transparency, responsibility, and sound ethical operating practices, and will protect its revenue, property, records, information, and other assets. To this end, the City will take appropriate measures to prevent, deter, detect, report, and investigate suspected fraud.

The City Auditor has primary responsibility for investigating suspected fraud and will involve the City Manager in investigations of suspected fraud depending on the nature and scope of the complaint.

All employees receiving reports of suspected fraud, or that are involved in an investigation conducted by the City Manager or City Auditor, must keep the details and results of the investigation confidential. This means disclosure is only permitted to those who have a legitimate need to know, and such disclosure shall be restricted to what must be disclosed to ensure a thorough, effective, and complete investigation/response, or as otherwise required by law.

Reporting of Suspected Fraud

Employees will assist the Office of the City Auditor in carrying out its fraud investigation function by reporting all incidents of suspect fraud in good faith, and cooperating with any investigations carried out by the City Auditor.

Any employee who suspects fraud may have occurred within the City must report the incident for investigation by presenting the report of suspected fraud either orally or in writing to any of the following:

- their supervisor;
- their Deputy City Manager;
- the City Manager;
- the City Auditor;
- the Director, Corporate Security;
- a Branch Manager within Employee Services; or
- the City's fraud and misconduct hotline.

Any employee that receives a report of suspected fraud from another employee or third party must forward the report to the City Auditor for investigation. No employee will initiate individual investigations, interviews, or interrogations with respect to suspected fraud.

Employees may choose not to reveal their identity when reporting suspected fraud, and all reasonable efforts will be made to keep the reporting employee's identity confidential during fraud investigations.

Any reports that implicate the City Auditor or the Office of the City Auditor should be directed to the City Manager.

Assessment and Exceptions

The City Auditor will assess all reports in an objective manner and a decision to investigate or refer will be made without regard to the position, title, length of service, or relationship to the City of any named individual.

- If the City Auditor receives reports that do not constitute fraud, or when the results of an investigation indicate inappropriate employee behaviour that is not fraud, such information will be forwarded to the City Manager for appropriate action.
- If the City Auditor receives reports related to Edmonton Police Service, Edmonton Public Library,

City's Agencies, Boards or Commissions, or wholly owned corporations of the City of Edmonton, they will be routed to appropriate organizational contacts and the City Manager will be notified.

- If the City Auditor receives reports related to Elected officials, they will be routed to the Office of the Integrity Commissioner.
- In cases where clear responsibility over an investigation is not determined based on initial assessment, the City Auditor and the City Manager will jointly determine where the primary responsibility for investigation resides.

Fraud Investigation

Incidents of suspected fraud will be investigated as follows:

- Upon reporting or discovery of the incident, the City Auditor will conduct any investigation deemed appropriate involving any party, regardless of that party's position, title, length of service, or relationship with the City;
- Named individual(s) are granted due process during an investigation and the identity of the named individual(s) will be kept confidential and disclosed only on a need-to-know basis necessary to conclude on the allegations.
- In cases where the allegation under investigation does not support further investigation and is unlikely to be substantiated by available information or evidence, the investigation may be concluded as unsubstantiated without informing the named individual(s).
- Every reasonable effort will be made to maintain the confidentiality of the reporter or witness, however, their identity may be disclosed, on a need-to-know basis, to ensure that a thorough investigation is conducted, where the safety and wellbeing of the reporter is at risk, or as required by law. All employees who have knowledge of, or are participants in, an investigation shall keep the details and results of the investigation confidential. Discussions of the investigation shall occur only with the authority of members of the investigation team, the City Auditor, the City Manager or as required by law.
- All employees will cooperate with any City investigation regarding suspected fraud.

Outcomes of Fraud Investigations

- All investigations will result in a confidential investigation report of activities and findings to be retained by the City Auditor in accordance with official records retention policies.
- The City Auditor will report, at least on an annual basis, information related to reports received and investigations conducted during the year to the Audit Committee.
- At the conclusion of each investigation, the City Auditor will record and report the outcome for Administration using applicable disclosure processes;

- Any person(s) found responsible for fraud or other violations of this policy of fraud may be subject to disciplinary action up to and including dismissal as determined appropriate by Administration, and may also be subject to criminal charges.
- In all circumstances where there are reasonable grounds to believe that fraud or another criminal act may have occurred, the City Auditor will contact the Edmonton Police Service. The City will cooperate fully in any subsequent investigation;
- The City Auditor will coordinate the reporting of information relating to investigations conducted under this policy to the City's external auditors where appropriate.
- In the case of financial loss, as soon as it is practical to do so, the City Auditor will notify the Deputy City Manager of Financial and Corporate Services and Chief Financial Officer of the amount of any potential loss due to fraud for insurance and monitoring purposes;
- The City will make every reasonable effort, including court-ordered restitution, to pursue the recovery of or receive compensation for City losses from the offender or other appropriate source(s);
- The City Auditor and City Manager will review and assess the adequacy of controls in place to safeguard the City's assets against fraud. In those situations where the control mechanisms have not adequately safeguarded City assets, the City Auditor will identify the cause(s) of the failure, and will issue a report to appropriate parties in order to minimize future risk;
- If there is a valid reason to do so (such as unsubstantiated reports), the City Auditor may cease to investigate the suspected fraud at any time.

Definitions

Unless otherwise specified, words used in this procedure have the same meaning as defined in the City Administration Bylaw, Bylaw 16620.

In addition:

- **Agency ,Boards and Commissions (ABCs)** - External organizations that are an integral part of the City's budget and provide the ability for the City of Edmonton to scale services to serve a growing city. These are autonomous organizations with separate boards/commissions, related to the City through operating agreements, which usually include financial obligations;
- **Audit Committee** - The standing committee of Council established by Bylaw 12300, Procedures and Committees Bylaw;
- **City Auditor** - The designated officer established by the City Auditor Bylaw, Bylaw 21111;
- **Good Faith** - A report is submitted in good faith when it is genuine and based on reasonable belief/grounds and not made with malicious intent, solely for self-interest, or in support of a personal or political agenda.

- **Fraud** - An act committed by an individual who, by deceit, falsehood, or other fraudulent means, whether or not it is a false pretence, defrauds or attempts to defraud the City, whether ascertained or not, of any property, money, or valuable security or any service;
- **Fraud and Misconduct Hotline** - A reporting mechanism established under the oversight of the Audit Committee, independently managed by the City Auditor, and supported by the City Manager to receive allegations of suspected fraud and misconduct involving employees or operations of Administration.

References

The following are legislative and administrative references relevant to this administrative procedure:

- [Audit Committee - Bylaw 16097](#)
- [City Auditor - Bylaw 21111](#)
- [City Administration - Bylaw 16620](#)