

**Report to / Rapport au:**

**Ottawa Public Library Board  
Conseil d'administration de la bibliothèque publique d'Ottawa**

**June 14, 2016 / 14 juin 2016**

**Submitted by / Soumis par:**

**Danielle McDonald, Chief Executive Officer / Directrice générale**

*Contact Person / Personne ressource:*

*Anna Basile, Manager, Planning and Board Support / Chef de Service,  
Planification et Soutien du C.A*

*613-580-2424, ext. 32335; [anna.basile@bibliooottawalibrary.ca](mailto:anna.basile@bibliooottawalibrary.ca)*

**File Number:** OPLB-2016-0162

**SUBJECT: Annual Report on Ottawa Public Library Related Fraud Claims**

**OBJET: Rapport annuel de la Bibliothèque publique d'Ottawa sur les  
demandes de fraude**

**REPORT RECOMMENDATION**

**That the Ottawa Public Library Board receive this report for information.**

**RECOMMANDATION DU RAPPORT**

**Que le Conseil d'administration de la Bibliothèque publique d'Ottawa prenne  
connaissance de ce rapport à titre d'information.**

**BACKGROUND**

The Ottawa Public Library (OPL) is committed to protecting its financial resources, property, information, and other assets from any attempt, either by members of the public, contractors, sub contractors, agents, intermediaries, or its own employees, to gain financial or other benefits by deceit or by any other illicit means.

In November 2012, the OPL Board (the Board) received the results from the 2012 Governance Review, which included a Governance Action Plan. As referenced in Item 6

of the 9-point plan “*Review and modify, with Board input as appropriate, information provided for Board meetings to support a strategic focus,*” the Board directed staff in the development of a Whistleblower Policy (since renamed the Fraud Reporting policy).

To facilitate the reporting of suspected fraud, the Auditor General agreed to the OPL’s use of the City of Ottawa’s Fraud Hotline (the hotline); a confidential and anonymous service that allows employees and members of the public to report incidents either by phone or internet 24 hours a day, 7 days a week.

The OPL’s Fraud Reporting policy and Fraud Investigation procedure was developed and implemented in September 2015 in order to:

- address the direction of the OPL Board as recorded in the Governance Action Plan;
- institute a system of internal control to provide reasonable assurance for the prevention and detection of fraud, misappropriations, and other irregularities;
- provide specific guidelines and responsibilities regarding the investigation, and reporting of fraud; and,
- provide clear direction with respect to managing Fraud Hotline investigations initiated by the Office of the Auditor General (OAG).

As outlined in the OPL’s Fraud Reporting policy, the CEO is responsible for providing the Board with an annual summary of fraud reports received by the Office of the Auditor General. This report summarizes all accounts related to the OPL as received through the Fraud Hotline from May 2014 through to December 31, 2015. Some reports included herein were received prior to official implementation of the policy.

## **DISCUSSION**

In 2014, one (1) report related to the OPL was submitted to the Hotline by a member of the public.

In 2015, four (4) reports related to the OPL were made to the Hotline. There was one (1) report submitted by a member of the public, and three (3) reports were submitted by employees of the Ottawa Public Library. Reports submitted by employees also include any cases reported by Management as required by the policy.

### **Issues arising from the Hotline**

This section includes summaries of examples of fraud that were reported regarding the Ottawa Public Library during 2014 and 2015. Where reports are found to be

substantiated, any disciplinary action taken is the responsibility of management. Where management has taken action, the outcomes are noted below.

### **Theft and related issues**

There were three (3) cases of theft and related issues:

- A claim was made about inappropriate cash handling. Management reviewed the claim and found no evidence of theft or fraud. As part of the review, management developed and implemented a procedure to strengthen existing policies and practices.
- An employee violated the cash handling policy and procedures. The employee was disciplined as per OPL policies and practices.
- A claim was made suggesting fraudulent purchasing practices. An investigation into the matter revealed the practices followed were consistent with OPL policies and practices.

### **Unauthorized use or misuse of Ottawa Public Library property or time**

There was one (1) case involving unauthorized use or misuse of OPL property or time. Management found that an employee did not use time or leave in conformance with OPL policy. In this instance the employee abused their sick leave in taking time off to work for another employer. The employee was terminated.

### **Conflict of interest or unethical conduct**

There was one (1) case representing a conflict of interest and a violation of the Hiring and Employment of Family Members Policy, as well as the OPL Employee Code of Conduct. An investigation revealed that an employee was in a conflict position concerning a direct reporting relationship. The relationship was not disclosed to management. When apprised, the employee was assigned to work for another supervisor.

## **CONSULTATION**

The Office of the Auditor General reviewed this report and confirmed that the content was consistent with the cases that were submitted and the management actions that were reported back to them. As this is considered an internal administrative matter, no public consultation was undertaken.

## **LEGAL IMPLICATIONS**

There are no legal implications associated with this report.

## **RISK MANAGEMENT IMPLICATIONS**

There are no risk management implications associated with this report.

## **FINANCIAL IMPLICATIONS**

There are no financial implications associated with this report.

## **ACCESSIBILITY IMPACTS**

There are no accessibility impacts associated with this report.

## **TECHNOLOGY IMPLICATIONS**

There are no technology implications associated with this report.

## **BOARD PRIORITIES**

Ottawa Public Library Board's Governance Action Plan: Item 6: Review and modify, with Board input as appropriate, information provided for Board meetings to support a strategic focus; development of a Whistleblower Policy (since renamed the Fraud Reporting policy).

## **SUPPORTING DOCUMENTATION**

Document 1 – Fraud and Waste Hotline Reporting Categories

## **DISPOSITION**

There are no dispositions associated with this report.