

# Highlights

## Why We Did This Audit

Hotlines can be an effective tool against fraud and misconduct when used in an effective ethics program. According to the Association of Certified Fraud Examiners, hotline tips identify almost half of the frauds in government. Organizations with hotlines detect frauds earlier and suffer smaller losses than organizations without hotlines.

Our audit focused on the operation of the city’s hotline and the extent to which the city has incorporated recommended practices into its hotline activities.

## Background

The city established the hotline in 1999 as a result of recommendations from the Red Flag Commission and the Council Ethics/Relations Committee. Individuals can anonymously call the hotline to report suspected abuse or wrongdoing by city officials, employees, or others doing business with the city. The city contracts with a third-party vendor to operate the hotline’s call intake activities. City staff responds to and investigates hotline allegations.

Most recently the city’s acting internal auditor has been responsible for administering the hotline. The internal auditor is hired by and reports to the city manager. The internal auditor is separate from and unrelated to the city auditor who is appointed by and reports to the City Council.

For more information, contact the City Auditor’s Office at 816-513-3300 or [cityauditor@kcmo.org](mailto:cityauditor@kcmo.org).

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# PERFORMANCE AUDIT

## Recommended Practices Would Strengthen Hotline Operations

### What We Found

The city’s hotline program could be strengthened by incorporating more recommended practices. While the city’s contract with the hotline vendor contains provisions that follow recommended practices, the city does not periodically test the call intake process to ensure the contractor is properly handling callers and call information, or consistently update information in the vendor’s database to keep hotline callers informed about the status of their case.

#### Recommended Hotline Practices Implemented by City

Topic	Yes	No	Partially
Call Intake Process	8	1	0
Policies & Procedures	0	1	1
Explaining & Promoting	1	3	1
Investigations	0	2	2
Analyzing & Reporting	0	4	0

The city has not developed policies and procedures to guide and provide consistency and continuity in hotline operations. The responsibility for the hotline should be permanently assigned to an individual with the appropriate skills and time to oversee the hotline.

The city has not consistently explained or promoted the hotline and the hotline number is not easy to find. About one third of city employees do not know there is a hotline and more than 40 percent do not know how to find the hotline phone number.

Investigations can take too long and are not thorough. Not all staff assigned to investigate hotline cases are trained investigators. When callers believe investigations are not handled properly, word gets around, making others less likely to report problems to the hotline.

The city does not consolidate, analyze, or report information and data on hotline related activities. Using information to identify trends and trouble spots could help identify opportunities for improvement or correction. Publicly reporting summary statistics and outcomes is an additional opportunity to demonstrate management’s support for and promotion of the city’s hotline.

### What We Recommend

We recommend the city manager incorporate more recommended practices into the city’s hotline program to strengthen the program by:

- Improving communications with hotline callers.
- Promoting consistency and continuity in hotline operations.
- Increasing the quality and timeliness of hotline investigations.
- Demonstrating management’s commitment and support of the city’s ethical environment.

Management agreed with most of the recommendations

