**Agenda – Council – June 21, 2017**

**Report – Executive Policy Committee – June 7, 2017**

**Item No. 5 Audit of Procurement for the Pedestrian and Cycling Strategies Report and Review of the Employee Code of Conduct**

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On June 7, 2017, the Executive Policy Committee, in its capacity as the Audit Committee, concurred in the recommendation of the City Auditor and submitted the following to Council:

1. That the Audit of Procurement for the Pedestrian and Cycling Strategies and Review of the Employee Code of Conduct be received as information.

**Report – Executive Policy Committee – June 7, 2017**

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On June 7, 2017, the Executive Policy Committee, in its capacity as the Audit Committee, concurred in the recommendation of the City Auditor and submitted the matter to Council.

# ADMINISTRATIVE REPORT

**Title:** **Audit of Procurement for the Pedestrian and Cycling Strategies Report and Review of the Employee Code of Conduct**

**Critical Path: Audit Committee - Council**

## AUTHORIZATION

| Author | Department Head | CFO | CAO |
|---|---|---|---|
| O. Momoh | B. Mansky | N/A | N/A |

## EXECUTIVE SUMMARY

The objectives of our audit were:

- To provide assurance on whether the City's Employee Code of Conduct had been upheld for the procurement of the Pedestrian and Cycling Strategy.
- To assess and provide recommendations on whether the City's Employee Code of Conduct needs to be updated and modernized.

The key observations of the audit include:

1. The Public Service did uphold the City's Employee Code of Conduct for the procurement and execution of the Pedestrian and Cycling Strategies project. The steps taken by the Public Service to mitigate the risk of potential conflict of interest in the procurement and during the course of the project followed the requirements of the Employee Code of Conduct.
2. The guidance in the City's Employee Code of Conduct in relation to conflict of interest is in line with the codes of other jurisdictions, and also in line with professional guidance on codes of conduct.
3. The City's Employee Code of Conduct has not been updated since it was adopted by Council in 2001. The current code has several strengths, including that it discusses key principles to be followed, contains guidelines on ethical conduct including conflict of interest, provides clear details on roles, responsibilities, and options for consequences in cases of ethical misconduct, and is concisely written. We recommended that the code be revamped to be written in plain language to be more reader friendly to employees of all educational and cultural backgrounds. Other areas that we recommended to be updated in the code included providing a definition of conflict of interest for the benefit of those who may not be familiar with the meaning of the term, incorporating the City's corporate values, and providing references to the Public Service's other ethical standards that support the principles in the Code. And overall we recommended that the Public Service establish a process to review and update the Employee Code of Conduct going forward to ensure it continues to be current and relevant.
4. We also recommended that the Public Service formally document its Ethics Framework to present a more unified guide for presenting and communicating the City's policies and standards that build and sustain the ethical culture.

## RECOMMENDATIONS

That the Audit of Procurement for the Pedestrian and Cycling Strategies Report and Review of the Employee Code of Conduct report be received as information.

## REASON FOR THE REPORT

The report is being submitted in accordance with the City Organization By-law 7100/97 section 4(19)(d)(iv) that the Audit Committee will "receive and review audit reports, and table such reports with its recommendations at a regular meeting of Executive Policy Committee."

## IMPLICATIONS OF THE RECOMMENDATIONS

The most important component of an audit recommendation is its implementation. The Public Service is responsible for a response to our audit report that states whether the recommendations of the audit will be implemented or not. The responses to our audit recommendations have been included in the attached audit report. In the event that the Public Service does not agree to implement our recommendations, the City Auditor's responsibility is to report to Council on what the residual risk to the City is for not implementing the recommendations.

The Public Service has reviewed and responded to our audit report, and has agreed to implement all 6 of the recommendations of our audit. The implementation of the recommendations will:

1. Improve the readability and understandability of the Employee Code of Conduct, reinforce the City's organizational values and provide a clear connection between employee actions and how they can impact the community, citizens, and the Public Service's reputation.
2. Enhance the ethical framework of the City by presenting a more unified approach of referencing, presenting and communicating the City's ethical policies, directives and administrative standards. Providing staff with a single point of access to guidance on ethics related topics and issues will help to set expectations for acceptable employee behavior and contribute to building and maintaining a strong ethical culture.

## HISTORY/DISCUSSION

On September 30, 2015, Council adopted the motion concerning item No. 7 that the City Auditor carry out an independent review of the procurement of the contract and subcontracts related to the Pedestrian and Cycling Strategy to ensure that the City of Winnipeg Employee Code of Conduct was upheld, and to provide recommendations in the event that there is a need to update and modernize the City of Winnipeg Employee Code of Conduct.

**FINANCIAL IMPACT**

## Financial Impact Statement

**Date:** May 2, 2017

**Project Name:**

**Audit of Procurement for the Pedestrian and Cycling Strategies Report and Review of the Employee Code of Conduct**

**Comments:**

There are no financial implications related to the recommendation of this report.

*original signed by R. Hodges*

Ramona Hodges
Manager of Finance (Campus)
Corporate Finance Department

## CONSULTATION

This Report has been prepared in consultation with:

Chief Corporate Services Officer
Public Works Department

## OURWINNIPEG POLICY ALIGNMENT

01-3 Prosperity - Direction 1 - Provide Efficient and Focused Civic Administration and Governance

This report supports the demonstration of accountability through reporting and to continuously pursue innovative, streamlined service delivery and decision-making processes.

## SUBMITTED BY

Department: Audit Department
Prepared by: O. Momoh, Senior Auditor
Date: March 7, 2016

Attachments:




Pedestrian and Cycling Strategies - Au