AUDIT COMMITTEE

Item No. 1 Workforce Management Audit Report

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee, in its capacity as the Audit Committee, concurred in the recommendation of the Winnipeg Public Service, as amended, and recommended to Council:

1. That the Workforce Management Audit Report be received as information.

2. That the Interim Chief Administrative Officer be directed to provide a verbal report to the Executive Policy Committee in 90 days on the implementation of the recommendations.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

DECISION MAKING HISTORY:

The Chairperson called Councillor Lukes to the Chair in order to move the following motion:

Moved by His Worship Mayor Gillingham,
That the recommendation of the Winnipeg Public Service be concurred in, with the following amendment:

- Add the following new Recommendation:

  "2. That the Interim Chief Administrative Officer be directed to provide a verbal report to the Executive Policy Committee in 90 days on the implementation of the recommendations."

and forwarded to Council.

Carried

His Worship Mayor Gillingham resumed the Chair.

David Grant submitted a communication with respect to the matter.

ADMINISTRATIVE REPORT

Title: Workforce Management Audit Report

Critical Path: Audit Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Egert City Auditor	J. Egert City Auditor		

EXECUTIVE SUMMARY

This audit examined the tools and processes that the City of Winnipeg has in place to support leaders in managing their employees to optimize performance, build competency, and meet the goals of the organization while serving the residents of Winnipeg. This audit does not cover workforce planning or recruitment and retention activities.

The City has approximately 10,400 employees across all departments with salaries and benefits representing 52 percent of total operating expenses in 2022, approximately $980 million. All departments were included in the scope of this audit except for the Winnipeg Police Service. Management of the City's workforce is critical to ensuring the organizations' goals and objectives are met in the most efficient and effective way.

A summary of the key observations includes:

- Administrative Standards define the authorities, responsibilities and/or processes in areas that affect the organization as a whole. While the City has established an Administrative Standards Framework to outline the process for developing and approving Administrative Standards, we found some key Administrative Standards are outdated and do not reflect the current senior management positions in the organization.
- There is a lack of formal reporting requirements to the Chief Administrative Officer (CAO) on the progress towards or achievement of the City departments' corporate strategic goals identified in the 2021-2023 Corporate Strategic Plan. This included limited reporting on completion of performance reviews and required training.
- Of the 12 job descriptions reviewed for the leaders that we interviewed, we found the positions for three leaders did not have a formal and documented job description. Of the five senior management positions reviewed with key roles and responsibilities in the Administrative Standards, we found two positions did not have a job description and the other three positions' job descriptions were in draft-form. The lack of an approved job description fails to provide leaders with documentation on their oversight responsibilities.

- All leaders interviewed provide their employees informal verbal feedback related to their job performance. The City's 2022-2023 Employee Engagement and Workplace Culture Survey results indicated that 73 percent of employees responded that they are provided positive feedback from their supervisor and 88 percent responded that they know how their job contributes to the organization's objectives.
- We noted that 10 out of 12 leaders that we interviewed did not use formal documented performance measures to monitor, evaluate and report on employee performance and productivity.
- Sixty-seven percent of City employees did not have a formal and documented performance review completed in PeopleSoft between 2018 and 2022. Human Resource Services (HRS) advised us that not all employees are required to complete their performance review in PeopleSoft, some performance reviews are completed outside of PeopleSoft. We found six out of 12 leaders interviewed conduct annual performance reviews but the method and consistency in conducting the reviews varied.
- HRS was not aware of any formal mechanisms to track or report on performance review completion if a method other than PeopleSoft is used. This makes it difficult to monitor the performance review completion rates.
- Twenty percent of leaders in the organization are responsible for supervising more than 21 direct reports[1], with 12 leaders who have 100 or more direct reports. The leaders interviewed noted that managing a large number of direct reports is challenging. This includes completing performance reviews, providing ongoing feedback and following up with their employees' training, all while performing their operational tasks.
- The leaders interviewed use a variety of tools and guidance that have been developed by HRS to manage their employees working remotely, but we found that there is no required reporting by departments to indicate that the annual reviews of the effectiveness of the Flexible Workplace Arrangement have been completed. The Flexible Workplace Program was in the middle of the first-year pilot at the time of the audit; roles and responsibilities were updated in the administrative standard in July 2023.
- Plans to leverage the lessons learned from the investigation into the allegations of improper conduct in the Planning, Property and Development Department have not been explored in other departments. A review of field operations in four other City departments has not been completed.

RECOMMENDATIONS

1. That the Workforce Management Audit 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 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."

[1] The scope of the audit did not include leaders in the Winnipeg Police Service.

IMPLICATIONS OF THE RECOMMENDATIONS

The most important component of an audit recommendation is its implementation. The Public Service is responsible for providing a management response to the report; their responses have been included in the audit report.

The Public Service has agreed to implement all 13 recommendations.

HISTORY/DISCUSSION

The Workforce Management Audit was included in the Council approved 2022-2023 Audit Plan.

The objectives of the audit were:

1. To assess the effectiveness of governance, oversight, and communication of the City's workforce management.
2. To evaluate the tools, processes, and guidance available and used by leaders to optimize, evaluate and develop their employees' performance.

FINANCIAL IMPACT

Financial Impact Statement

Date: June 5, 2024

Project Name:

Workforce Management Audit Report

Comments:

There are no financial implications associated with receiving this report as information.

Randy Bernard

Randy Bernard, CPA, CMA
Manager of Finance & Administration (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with:

Chief Administrative Office
Human Resource Services
Corporate Finance

OURWINNIPEG POLICY ALIGNMENT

Leadership and Good Governance

1. Establish and implement priority actions through evidence-informed decision-making processes.
2. Promote trust and government responsiveness through meaningful, inclusive and informed community engagement.
3. Achieve community-responsive service delivery through an aligned, integrated, collaborative and results-oriented organizational culture.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

N/A

SUBMITTED BY

Department: Audit Department
Prepared by: J. Egert, City Auditor
Date: June 2024

Attachments: