Winnipeg | Audit

Workforce Management Audit

June 2024

Leaders in building public trust in civic government.

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Chief Administrative Office
Direction municipal

Jason Egert, City Auditor
5th floor – 510 Main Street, Susan A Thompson Building
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May 14, 2024

Jason,

Re: City of Winnipeg Audit report – Workforce Management

Thank you for the opportunity to review and respond to the Workforce Management Audit Report. As members of the City's Senior Management Team, you and I both acknowledge that our employees are critical to the City's ability to operate effectively. Managing our workforce productively is critical for Departments and leaders to meet the expectations outlined in our existing policies and procedures; our Corporate Strategic Plan; the priorities of each Department; and, most importantly, in the new Council approved Strategic Priorities Action Plan.

Culture is one of the most important pillars of any organization of this size and scale. I wholeheartedly agree that workforce management has not been sufficiently prioritized in our organization. With an annual budget of more than $2B, of which over 50% represents employee salaries, getting this right is utterly crucial. This has never been more apparent than in the need of our organization to support the physical health and mental wellness of our employees.

Effective workforce management is essential to continuing to build a healthy, happy, growing, and sustainable city. Our employees and leaders do important work, in increasingly unpredictable work environments that frequently intersect with the results of the same mental health crises, addiction, and homelessness. These don't impact just the public, but our staff and our city as well. Numerous challenges exist and will persist, but I am absolutely confident in saying that we provide our best every single day for the residents of Winnipeg.

As a Public Service, we feel a strong sense of obligation to our residents who rely on us to provide services effectively and responsibly. This requires a renewed focus on the inside of the organization, as much as focusing on meeting the needs of residents. I acknowledged that we still have some workforce management tools that are, in today's age, antiquated; this is occasionally compounded with having a significant proportion of our workforce who are out on the front-lines and may not ever spend time in a City building or at a desk, therefore may not have regular access to workforce management technology.

Having said that, it is a challenge that we embrace to ensure employee management, good people practices, and leadership accountability remain prioritized. In this regard, we have not been consistent, and we can do better. As Chief Administrative Officer, I am committed to improving:

- our rates and tracking of performance evaluations;
- our workforce programs and tools available to employees and leaders that set standards and accountabilities; and
- the overall culture at the City of Winnipeg.

We continue to modernize our systems where possible, and are continually examining how to improve workflow processes and reporting. I have asked HR and IT to work collaboratively together to create new tools to improve our process and workforce management.

With all of that acknowledged, we still have successes. We currently have a stable workforce with approximately 7% turnover citywide; that is better than most public sector employers. We continue to be able to attract and retain workers in most city jobs in what has been an evolving and challenging labour market post COVID-19 pandemic.

As a Senior Management Team, we will implement the recommendations from this report and improve. Moving forward, workforce reporting will need to be considered a crucial part of measuring our progress, and I will work closely with Department leaders to achieve that. This will mean utilizing the PeopleSoft System, creating new workflow tools, and better reporting on organizational goals to measure how we are doing. Flowing from the recommendations, there are numerous measures we will be taking in the short, medium and longer terms. We are committed to being and doing better.

As Chief Administrative Officer, I want to thank you and your team for all the work you have done to complete the report. I look forward to the improvements to come.

Sincerely,

Michael A. Jack
Chief Administrative Officer

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Audit at a Glance

Summary of Recommendations

We recommend that the Chief Administrative Officer:

- Enhance reporting on the key workforce management areas examined in this audit: the achievement of the organization and department's strategic goals, performance review completion rates, completion of required and recommended training, updated and approved job descriptions and leaders span of control.
- Work with Department Directors to develop a process that establishes Key Performance Indicators (KPIs), goals or targets at the employee level that align with the goals and objectives of the department and the Corporate Strategic Plan. These should be communicated to all leaders and employees within the departments and should be used to evaluate performance.
- Enhance the review process for existing administrative standards.

We recommend that the Director of Human Resource Services:

- Develop a new formalized performance review process that can be tailored to address the specific needs of employees in different positions throughout the organization.
- Enhance the process for management to monitor and update job descriptions.
- Update outdated Human Resources administrative standards.

Project Background

The City's workforce plays a crucial role in ensuring that the organization's goals and objectives are met in the most efficient and effective manner possible. This audit examined the tools and processes the City 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.

Findings

The City has established an Administrative Standards Framework to outline the process for developing and approving administrative standards that define the authorities, responsibilities and/or processes in areas that affect the organization as a whole. We found some key administrative standards are outdated and do not reflect the current senior management positions in the organization.

The 2021-2023 Corporate Strategic Plan and budget process include goals and objectives along with performance measures for City processes. While performance measures are reported on during the budget process, and the Chief Administrative Officer (CAO) indicated that he meets with Department Directors during the year to receive verbal updates, we found a lack of formalized reporting

requirements to the CAO regarding 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.

The responsibility of monitoring and reporting on the performance of a division or branch was found to be included in the majority of the job descriptions that we reviewed for leaders, but we observed that job descriptions for both leadership and senior management positions were in draft form, outdated or the position did not have a job description. The lack of a job description fails to provide leaders with documented clarity on their oversight responsibilities and decreases accountability.

Results from the 2022-2023 Employee Engagement and Workplace Culture Survey, conducted by the City, indicate employees are provided positive feedback from their supervisor and know how their job contributes to the organization's objectives. However, 67 percent of City employees have not had one formal and documented performance review completed in PeopleSoft between 2018 and 2022. Furthermore, we observed 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. All the leaders interviewed indicated that they provide their employees informal verbal feedback related to their job performance. Human Resources Services (HRS) advised us that not all employees are required to complete their performance review in PeopleSoft and they are not aware of any formal mechanisms to track or report on performance review completion if another method is used. The formal Employee Performance Management process is an opportunity to provide employees support, acknowledge achieved goals, improve communication, develop annual goals, and measure job performance in the workplace.

Twenty percent of leaders in the organization are responsible for supervising more than 21 direct reports.[1] Twelve leaders manage 100 or more direct reports. With a large number of direct reports, completing performance reviews, providing ongoing feedback and following up with their employees' training, while doing their operational tasks, is notably challenging and may result in ineffective oversight of employees.

The leaders we interviewed use a variety of tools and guidance that have been developed by HRS to manage their employees working remotely. However, there is no required reporting by departments to the CAO or HRS on the completion of the annual review of the effectiveness of the Flexible Workplace Program.

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.

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

Audit Background

The intent of the audit is to:

- Evaluate the City's systems around workforce management that support leaders in conducting their role, including organizational structure, ongoing supervision, span of control, training opportunities and employee performance management.

Audit Objectives

The objectives of this audit were:

- To assess the effectiveness of governance, oversight, and communication of the City's workforce management.

- To evaluate the tools, processes, and guidance available and used by leaders to optimize, evaluate and develop their employees' performance.

Conclusions

Conclusion 1

- The City has established a governance structure for internal services that communicates the roles, responsibilities, decision-making mechanisms and accountability of the key senior management positions in the organization. However, opportunities were identified to improve senior managements role in governance, oversight and communication.
- We found a lack of reporting on key performance measures, outdated administrative standards and job descriptions in draft form, obsolete or non-existent for senior management. These gaps have resulted in a deficiency in reporting on results, and there is limited accountability for effectively documenting how leaders are meeting organizational goals and objectives.

Conclusion 2

- The City has developed a number of tools, processes and guidance around training, performance management and supervision that support leaders with performing their role and responsibilities. However, we have identified opportunities to enhance the tools, processes and guidance available to leaders.
- We found a lack of reporting on the utilization of the tools available to leaders to perform their key responsibilities. We observed low performance review completion rates, limited participation in corporate leadership training opportunities, as well as a lack of formal documented key performance measures, goals or targets to monitor, evaluate and report on employee performance and productivity. Furthermore, the performance management

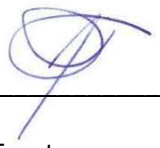
process is not designed to accommodate the diverse needs of the variety of positions throughout the organization such as field and operations employees.

Independence

The Audit Department team members selected for the audit did not have any conflict of interest related to the audit's subject matter.

Acknowledgement

The Audit Department wants to extend its appreciation to all of the stakeholders who participated in this audit.



June 2024

Jason Egert, Date

City Auditor

Overview

1.1 Workforce Management

For the purpose of this audit, we have defined Workforce Management (WM) as the tools, processes and guidance that support leaders to optimize employee performance and build competency within the organization to achieve objectives. This audit does not cover workforce planning, or recruitment and retention activities. We also did not audit the City's workforce management systems. However, we explored the information systems as one of the tools used by leaders in conducting their responsibilities.

All departments were included in the scope of this audit except for the Winnipeg Police Service (WPS) as the WPS reports directly to the Winnipeg Police Board. The departments in-scope are responsible for a range of City services.

We examined the following areas as part of this audit:

- Governance and Oversight
- Communication
- Employee Performance Management
- Supervision of Employees
- Training and Development (for leaders)
- Flexible Workplace Program

We performed various audit procedures to gather sufficient and appropriate evidence to support our conclusions. Please refer to **Appendix 1** Audit Methodology for more details.

1.2 City of Winnipeg Workforce

The City of Winnipeg (City) has approximately 10,400 employees across all City Departments. In 2022, salaries and benefits represented 52% of total City operating expenses at approximately $980 million – one of the City's largest operating expenses.[2] Management of the City's workforce is critical to ensuring the organization's goals and objectives are met in the most efficient and effective way.

As the workforce continues to change and resources are stretched, providing leaders the tools, processes and guidance to assist with leading and managing their employees is vital.

The City defines leaders as individuals who have at least one employee reporting directly to them. Leaders across the organization also delegate responsibilities or day-to-day operations to their direct reports.

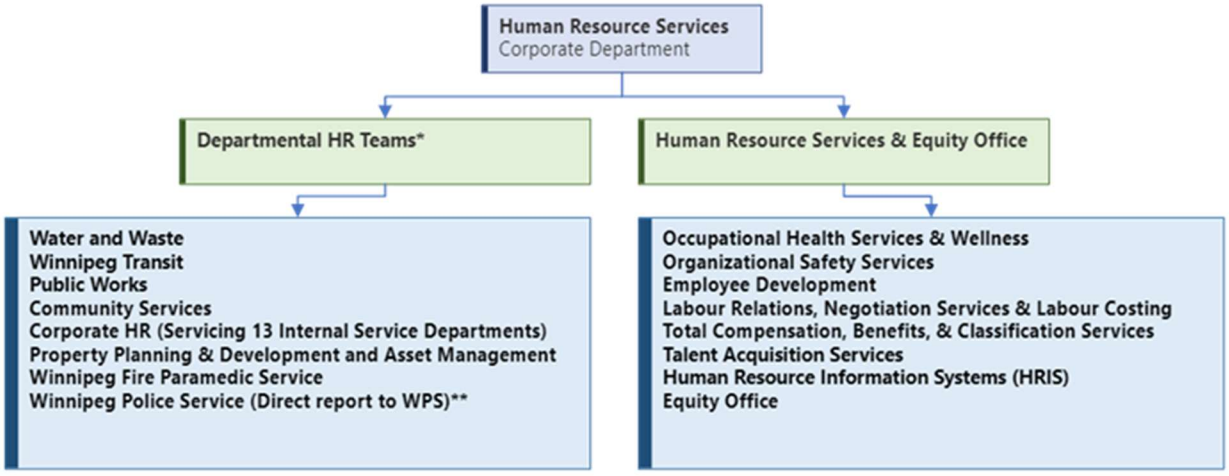
[2] 2022 Annual Financial Report, City of Winnipeg, https://legacy.winnipeg.ca/finance/files/2022AnnualReport.pdf

As of March 29, 2023, the City, excluding the Winnipeg Police Service, had approximately 8,200 employees and 830 leaders.[3]

1.3 Organization Structure

The City is comprised of a number of civic departments which provide a range of services, including transportation, water, planning and development, leisure and wellness. The Chief Administrative Officer (CAO) is the administrative head of the City and advises and informs Council on the operations and affairs of the City.[4] Department Directors are responsible for their departmental employees and report directly to the CAO. Please refer to **Appendix 2** Organizational Chart, as at December 31, 2022.

The Human Resource Services Department (HRS) "is the people division of the City of Winnipeg."[5] HRS leads the creation, delivery, and implementation of human resource (HR) programs across the City of Winnipeg serving the workforce."[6] HRS consists of the Human Resource Services and Equity Office and the Department HR teams. HRS and the Equity Office provide services such as employee development, talent acquisition and total compensation, benefits and classification services. The Department HR Teams are in the departments leading the implementation of the HRS available programs and advising department leaders on HR matters. HRS was our primary source of information and data for this audit.



*Departmental HR teams also have reporting relationship to the department Directors.
**Out-of-scope of the Workforce Management Audit

[3] Based on the number of employees identified in PeopleSoft who have direct reports.
[4] 2022 Annual Financial Report, City of Winnipeg, https://legacy.winnipeg.ca/finance/files/2022AnnualReport.pdf
[5] Source: Human Resource Services Department Information - https://legacy.winnipeg.ca/hr/department-information/default.stm
[6] Source: Human Resource Services Department Information - https://legacy.winnipeg.ca/hr/department-information/default.stm

Observations

2.1 Governance and Oversight

Effective governance and oversight are essential to ensuring organizations achieve their goals and objectives. Governance refers to the structures, systems and practices that are in place to establish decision making authority, oversight of the delivery of services including the implementation of its policies, plans and programs and reporting on performance in achieving intended results.[7] Oversight refers to the action taken to review and monitor the policies, plans, programs and projects to ensure accountability in achieving the desired outcome.[8]

Observations

- The City has an established Administrative Standards Framework that identifies the process for developing, updating, deleting and approving administrative standards. It provides direction and guidance and defines the authorities, responsibilities and/or processes in areas that affect the organization as a whole.
- The City's Administrative Standard on Governance Structure – Internal Services was updated in June 2023 but prior to that had remained unchanged since November 2010.
- The administrative standards on Employee Education and Development and Performance Management are outdated and do not reflect current senior management positions including the position listed as the authority for the standard.
- Department Directors provide informal, verbal updates on the progress towards meeting organizational goals and objectives. However, there are no formalized reporting requirements or tools available to Directors to report to the CAO on progress towards or achievement of the City departments' goals identified in the 2021-2023 Corporate Strategic Plan or the department's goals and objectives.

Analysis

The City has established an Administrative Standards Framework to ensure clear and consistent direction across departments, minimize organizational risk, and assist employees to do their jobs efficiently and effectively. Administrative standards define authorities, responsibilities and/or processes in areas that affect the whole organization, including human resources.

Administrative Standards and Governance

We reviewed the City's administrative standards related to the governance of the organization and the workforce management areas included in the scope of this audit. **Appendix 3** summarizes the administrative standards reviewed.

[7] *Practice Guide to Auditing Oversight,* Canadian Audit & Accountability Foundation, 2013
[8] *Practice Guide to Auditing Oversight,* Canadian Audit & Accountability Foundation, 2013

- An Internal Administrative Standards working group (working group) was established in the CAO's office, to review and approve all changes to an administrative standard that are identified by departments. The working group is comprised of senior leaders in the organization who meet to discuss any updates required to the standards. The roles and responsibilities of the working group are documented in the Administrative Standard No. AS-001 Administrative Standards Framework.
    - We noted departments are responsible for advising the CAO of administrative standards applicable within their respective areas that need to be reviewed or revised.
    - The template for administrative standards includes a section to identify the key accountable positions for reviewing and maintaining the administrative standard and recommends a review be conducted minimally every two years.
    - The working group meets approximately twice a year.
    - We did not identify any guidance for the working group to review all Administrative Standards upon any significant organizational events such as changes in the organizational structure.
- We found the Public Service recently updated Administrative Standard No. IS-001 Governance Structure – Internal Services (IS-001) in June 2023 to reflect the current senior management positions in the organization. However, the standard was last updated in 2010.
- The Administrative Standard No. HR-003 Employee Education and Development (HR-003) and HR-012 Employee Performance Management (HR-012) have not been updated since June 2010 and June 2014 respectively.
    - HR-003 and HR-012 state that "the Director of Corporate Support Services is accountable for implementing and reviewing [these standards]." This Director position was included in the 2019[9] and 2018[10] organizational charts; but was removed with changes in the organizational structure after 2019. This position does not exist in the current organizational chart as at December 31, 2022, as shown in **Appendix 2**.
    - While some positions in the administrative standards are outdated, some of the information remains relevant. It describes the key roles and responsibilities of all leaders and employees within the organization related to the standards and the processes.
    - HRS advised that they are currently reviewing and updating HR-012 and that HR-003 is in the process of being deleted as an administrative standard.

[9] 2019 Annual Financial Report (winnipeg.ca); page 11
[10] 2018 Annual Financial Report (winnipeg.ca); page 15

- Outdated administrative standards or polices may result in a lack of clarity regarding crucial senior management roles and responsibilities within organizational processes, failing to effectively communicate the proper authority to the organization.

Corporate Strategic Plan

The City's 2021-2023 Corporate Strategic Plan establishes the strategic direction for the Public Service and the "key performance indicators to drive accountability and measure progress against its directions and many of its goals."[11]

Being accountable for an outcome or achieving goals and objectives includes: setting measurable results, creating a plan to achieve them, implementing the plan and monitoring the progress, reporting to the appropriate personnel and evaluating results and providing feedback.[12]

- We inquired with the CAO about monitoring and reporting on the progress and achievement of the organizational goals and objectives. We were informed that:
    - There is no formal reporting by the Department Directors to the CAO on the progress and achievement of the goals, objectives or key performance indicators (KPIs)
    - The CAO meets with department heads periodically throughout the year, on an informal basis, to discuss performance of their respective departments
    - While KPIs are identified in the Corporate Strategic Plan, there is no evaluation, measurement or reporting on the progress towards completing the goals
- Subsequent to our audit scope period, in May 2023, City Council approved the Strategic Priorities Action Plan (SPAP) 2023-2026 as Council's four-year strategic plan.[13] The SPAP reflects City Council's key priorities and actions for their four-year Council term. With the approval of this plan, the Public Service would support, communicate and measure progress towards the implementation of the plan.
    - In September 2023, the Public Service presented to Council a framework for measuring and reporting on the SPAP progress and identified KPIs that will be reported on.
- As part of the budget process, the City produces performance measurement information that is presented to Council and the Public to provide context in support of the budget process.[14] Performance measures are provided by departments to gauge how well services are being provided as well as progress by departments towards achievement of identified key goals.

[11] 2021-2023 Corporate Strategic Plan (winnipeg.ca); page 4
[12] *Results Management Framework,* Office of the Auditor General of Alberta June 2014
[13] Council Minutes – May 30, 2023 **City Clerk's Decision Making Information System (cityofwpg.org)**.
[14] Community Trends and Performance Report, Volume 1 for 2023 Budget, **CommunityTrendsandPerformanceReportVolume1_2023.pdf (winnipeg.ca)**

- We found that the service goals and performance measures are typically at a high level.

While performance measures are reported on as part of the budget process and will be reported on for the SPAP, KPIs should also be specific to department objectives and day-to-day responsibilities in order to allow leaders to assess the performance of employees, the department, division or branch against a measurable objective.

Reporting by HRS on Workforce Management Programs

Through interviews with HRS, we gained insight into reporting from HRS to the CAO on performance reviews, employee education and development, span of control[15], and the Flexible Workplace Program (FWP).

- The 2021-2023 Corporate Strategic Plan identifies KPIs for goals established within the workforce management areas we examined. For example, enhancing "employee development through regular performance reviews" was one of the goals listed. The document also stated the key performance indicator as "employee development and performance review completion rate - annual increase toward 100 [percent]". We were not made aware of any evaluation and reporting related to the achievement or progress on this goal.
    - We did not identify any formal reporting to the CAO related to performance management or employee education and development. The CAO and HRS confirmed that formalized requirements for evaluating and reporting to the CAO on progress and achievement of strategic goals are lacking.
    - HRS communicated that they have provided the following information to the CAO and senior management on an ad hoc basis:
        - The results from the 2022-2023 Employee Engagement and Workplace Culture Survey and a HR Satisfaction Survey along with any recommendations on the areas for improvement
        - The Workplace Safety report that is prepared annually for Council as well as quarterly safety reports
        - The reports on the number of employees and types of positions participating in the FWP
    - We noted that HRS also provided ad hoc reports to Council and the CAO about the FWP.

[15] Number of direct reports per leader

- Our interview with HRS indicated that they have no formal role in the analysis and reporting on span of control.
- Performance measures for City services are reported on to Council and the Public, in the Community Trends and Performance Report as part of the budget process.

These areas of workforce management are further discussed in the following sections of this report:

- 2.3 Performance Management
- 2.4 Supervision – Managing Employee Productivity
- 2.5 Flexible Workplace Program and 2.6 Leadership Training

RECOMMENDATION 1			
We recommend the CAO, in consultation with Department Directors, establish a process for reporting the progress and/or achievement of the organization's and department's strategic goals to the CAO. The process should include a feedback loop for communicating any issues, following up on outstanding items, or recognizing a job well done within a department. The process description should also be documented and communicated to the appropriate personnel.			
RISK AREA	Organizational Culture	**ASSESSMENT**	High Risk
BASIS OF ASSESSMENT	There is currently no process in place for measuring and reporting on the achievement of goals and objectives in the City's Corporate Strategic Plan. Measuring, monitoring and reporting on the progress towards achieving goals and objectives is a critical aspect of effective governance and oversight.		
MANAGEMENT RESPONSE			
Management agrees with the recommendation. The CAO and Manager of Strategic Planning are in the process of completing a reporting tool that will be used by Directors to annually report on their assigned SPAP and Corporate Strategic Plan Goals, including goals specific to each department, to be completed by Q4 2024. Achievement of SPAP, Corporate Strategic Plan, and Departmental goals will be reviewed by the CAO with Department Heads during annual performance review process. This has been occurring in 2024, for completion in Q1 2025. The Director of HRS will include a mechanism for commenting on the SPAP and Corporate Strategic Goal achievement for all Directors, Managers, and individual employees as appropriate in the updated performance management program, the project is scheduled to begin in later in 2024 for approval and launch in Q4 2025.			
IMPLEMENTATION DATE	Q4 2025		

RECOMMENDATION 2			
We recommend the Director of HRS update the Administrative Standards No. HR-003 Employee Education and Development and No. HR-012 Employee Performance Management with the appropriate key positions in the current organizational chart. The key roles and responsibilities listed in the job descriptions should align to the administrative standards, as applicable.			
RISK AREA	Human Resources	**ASSESSMENT**	Moderate risk
BASIS OF ASSESSMENT	Outdated administrative standards could lead to confusion around the key senior management roles and responsibilities on key processes in the organization and do not communicate to the organization the proper authority.		
MANAGEMENT RESPONSE			
Management agrees with the recommendation. HR-003 is scheduled to be removed as the content has been incorporated as part of the new Employee Development framework document, to be rolled out in 2024. The Director of HRS will assign HR-012 to be updated as it remains active and so it is current. It is anticipated that the content of Administrative Standard HR-012 will be incorporated into the updated performance management program once it has been completed in 2025.			
IMPLEMENTATION DATE	Q4 2024		

RECOMMENDATION 3

We recommend the CAO, in collaboration with the Administrative Standards working Group, enhance the review process for existing administrative standards.

The role and responsibilities of the working Group, as a whole, should be clarified in the Administrative Standards Framework.

The CAO's office or the working group's responsibility should include maintaining a master spreadsheet listing all the Administrative Standards, noting the standards to be reviewed. The review should be triggered by significant changes (e.g. change in organizational structure, re-naming key roles / positions, major changes in process, etc.) and regular interval.

RISK AREA	Business Process	**ASSESSMENT**	Moderate Risk
BASIS OF ASSESSMENT	Outdated administrative standards may result in confusion regarding key senior management roles and responsibilities and processes within the organization, failing to communicate the proper authority to the organization.		

MANAGEMENT RESPONSE

Management agrees with the recommendation.

The Administrative Standards Committee through the Office of the CAO will be revived and will complete a review of the documented Administrative Standards twice a year. The Committee consists of internal services Directors and is led by the Manager of Administration from the Office of the CAO.

At these meetings, the Committee discusses any updates and makes decisions on the Administrative Standards that will be updated next, or they include any unscheduled Administrative Standards that become priority for update, creation, or deletion since the last meeting. Each Director is required to keep the inventory list updated for their areas, which is then rolled up into a master list held in the Office of the CAO.

A process for how to properly remove/delete administrative standards will need to be created by the Office of the CAO and included in the AS-001 Administrative Standards Framework to ensure that any reference to deleted administrative standards are removed from any other referenced material in city documentation and on the website.

IMPLEMENTATION DATE	Q4 2024

2.2 Communication

Clear communication of an individual's roles, responsibilities and contributions, help the organization achieve its goals and objectives. Reporting on the progress and achievement of the organization and department goals and objectives holds leaders and employees accountable and provides oversight of the City and employee activities.

Observations

- Eight out of 12 leaders in our case studies have outdated or no documented, approved job descriptions. Five senior management positions reviewed also do not have approved job descriptions.
- Sixty-seven percent of City employees have not had one formal and documented performance review completed between 2018 and 2022 in PeopleSoft. This could indicate that leaders are not formally engaging employees in personalized discussions on goals and objectives and documenting it. Refer to recommendation #5 in section 2.3 Performance Management.
    - We noted that not all employees are required to complete their performance review in PeopleSoft and there are no mechanisms in place to track or report on performance review completion if using another process. As such there is no way to determine the completion rate of performance reviews completed outside of PeopleSoft.
- In the 2022-2023 Employee Engagement and Workplace Culture Survey, the City scored below the benchmark in some areas relating to senior leadership communication with employees.

Analysis

Administrative Standard No. HR-012 Employee Performance Management (HR-012), establishes that leaders are responsible for clarifying work requirements, communicating goals and priorities, and providing employees with regular verbal and written feedback.

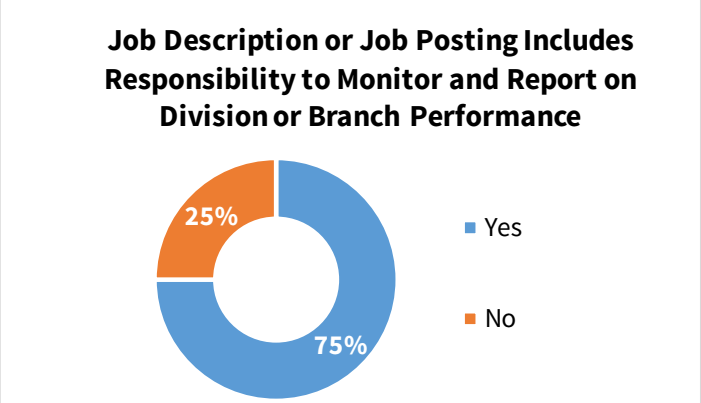
Furthermore, HR-012 states employees' performance can improve when they clearly know their responsibilities and understand how their work contributes to the City's organizational goals.

When communicating performance measures internally, the Government Finance Officers Association (GFOA) provides some best practices, stating to "clearly communicate how performance measures will be utilized in decision-making and across all levels of the organization" as well as "to ensure performance measures are distributed throughout all levels of the organization and made readily available." In doing so, leaders and employees are aware of the requirements for measuring and evaluating activities and reporting on them. This awareness will encourage improved performance consistent to the purpose of HR-012.

Job Descriptions

Job descriptions state the duties of City employees in all positions.

- The leaders in our case studies identified their job description as one of the sources of information stating their duties or work requirements. Out of the 12 leaders:
    - Four had documented and approved current job descriptions
    - Three had no approved or documented job description
    - Five had outdated job descriptions that had not been updated in eight years
- We reviewed the leaders' job descriptions, and if they weren't available, we examined the most recent job posting for the positions in our case studies. We identified:
    - Nine out of the 12 leaders' job descriptions or postings included the responsibility to monitor and report on the division's or branch's progress on goals and objectives.



- Senior management job descriptions with key roles and responsibilities identified in the administrative standards were reviewed. This included the CAO, Deputy CAO, CFO, Director of HRS and Director of Innovation and Technology.
    - At the time of our request, not all positions had documented and approved job descriptions. The table below summarizes the results.

Senior Management Role	Job Descriptions Testing Results		
	Drafted	Approved	None (Job Posting Only)
Chief Administrative Officer (CAO)	✔	x	N/A
Chief Financial Officer (CFO)	✔	x	N/A
Deputy CAO	x	x	✔
Director of HRS	x	x	✔
Director of Innovation and Technology	✔	x	N/A

✔ Yes x No

- A job description is a tool that communicates and clarifies work requirements. The absence of job descriptions or those not approved, may fail to provide leaders clarity on their oversight responsibilities, such as evaluating or measuring performance against their department's goals and reporting on the progress to the CAO. The absence of well-defined responsibilities makes it difficult to hold leaders accountable.

- Outdated or no job descriptions may lead to ambiguity, unfulfilled key responsibilities, and lower job satisfaction.

Performance Reviews

Formal performance reviews, a tool available to leaders, is one of the tools available to discuss with employees the organizational, departmental, divisional, and employee-level goals as well as how the employees work contributes to the achievement of those goals.

- We identified 67 percent of City employees have not had at least one formal and documented performance review completed between 2018 and 2022, as discussed in section 2.3 Performance Management.
    - The low documented performance review completion rate may suggest leaders are not engaging employees in personalized discussions about their goals and conducting a formal evaluation of their performance against those goals.
- In the case study interviews with the leaders selected, we discussed goals and objectives and the processes in place to evaluate the achievement of the goals and objectives. We found:
    - Nine out of 12 leaders, stated that they were not aware of formally communicated departmental, divisional and/or organizational goals and objectives.
        - However, eight of the nine leaders identified informal, undocumented goals associated with their daily tasks. For example, the eight leaders mentioned excellent customer service, efficiency, and safety.
        - One of the nine leaders also shared an email correspondence that they sent to the Department's director, describing their monthly goals.
    - Eleven out of 12 leaders were not aware of any formal process for evaluating and reporting on the overall department, organizational or employee goals. However, they described an informal process around evaluating the performance of their direct reports. This included taking informal notes and having necessary discussions about their employees' performance with their immediate supervisors.

Employees and leaders may not be aware of how their work contributes to the organization's goals due to a lack of clear communication on the organizational, departmental and individual goals and the progress made towards achieving them.

City of Winnipeg 2022-2023 Employee Engagement and Workplace Culture Survey

The 2022-2023 Employee Engagement and Workplace Culture Survey responses that related to communication were reviewed. Please refer to **Appendix 1** Audit Methodology for more details on the survey.

We observed that less than 50 percent of employees who responded to the survey indicated they:

- Are motivated by the organizational vision communicated by senior leaders
- Believe communication is open and honest between employees and senior leaders
- Feel senior leaders get personally involved and show leadership when changes need to be made
- Are not recognized when they do a good job

Questions	Results - "agree" or "strongly agree"	
	City of Winnipeg Overall	Benchmark / Norm[1]
I am motivated by the vision communicated by the senior leaders of my organization.	40%	58%
In my organization, communication between senior leaders and employees is open and honest.	44%	55%
In my organization, senior leaders promote and foster a culture of innovation or improvement.	43%	68%
The senior leaders in my organization get personally involved and show leadership when changes need to be made.	44%	53%
In my organization, employees are recognized when they do a good job.	41%	71%

[1] The Benchmark/Norm is based on surveys conducted over a number of years by EPSI in other Canadian and some U.S. Cities.

These results may indicate a need for enhanced communication on the goals, objectives and performance of the organization from senior management to all levels within the organization. A lack of communication around recognizing employee achievement could lead to lower morale, decreased performance, and less work engagement in the business area. However, we found at the supervisory level, employees responded that their immediate supervisor provided positive feedback when they have done a good job. Refer to section 2.3 Performance Management for further discussion.

RECOMMENDATION #4			
We recommend that the Director of HRS enhance the process for monitoring and updating job descriptions. The process should be documented and effectively communicated by the Director of HRS and through the CAO to Department Directors and ultimately to the individuals responsible for the creation and updating of job descriptions. Furthermore, the process should include regular reporting to the CAO or Director of HR on the progress of job description updates and creations.			
RISK AREA	Human Resources	**ASSESSMENT**	High
BASIS OF ASSESSMENT	The City of Winnipeg currently has positions with outdated job descriptions or no job descriptions. Outdated or no job descriptions may lead to ambiguity, unfulfilled key responsibilities, and lower job satisfaction.		

MANAGEMENT RESPONSE

Management agrees with the recommendation.

The Director of HRS will communicate the process for leaders and employees to update job descriptions. A job description template already exists and will be provided through HR Services, with direction on how to use the template, how to submit a job description for review, and how to seek assistance from local HR services to complete a job description, or how to request support from Compensation & Classification Services if required.

The Total Compensation Branch will work with the Employee Development Branch to create an online tool with instructions on how to complete job descriptions.

Departments will have the following role:

- Departments will be requested to focus on creating job descriptions that do not exist first.
- Departments will continue to update job descriptions as they are needed for postings.
- Both SMT and HRS staff will be reminded that job descriptions should be updated and submitted for review if the role has changed substantially over time.
- Department Directors will be directed to report on the number of job descriptions that have been updated or created annually in their respective departments.

Department Directors will be directed to create a list of all positions in their organization, if a job description has been created and, if so, its last formal review/update date. These lists be used to set future goals for job description reviews and updates for the department. These lists will be rolled into a master list by Corporate HR, which could be used for reporting.

IMPLEMENTATION DATE	Q2 2025

2.3 Performance Management

Managing employee performance is a critical role for all City leaders. The Employee Performance Management process, along with providing employees ongoing feedback, supports employees in achieving goals, improving communication, developing careers, engaging in the workplace, and recognizing and rewarding contributions to the City's success.

Observations

- Results from the Employee Engagement Survey indicate that 88 percent of respondents understand how their job contributes towards the organizations objectives and 73 percent responded that their supervisor provides them with positive feedback.
- Sixty-seven percent of City employees have not had at least one formal and documented performance review completed for 2018 to 2022 in PeopleSoft. We noted that not all employees are required to complete their performance review in PeopleSoft, depending on the nature of their job, and there are no mechanisms in place to track or report on performance review completion if using another process.
- The City has developed a performance management process that provides guidance through the Employee Performance Management Administrative Standard. HRS indicates that they recognize the PeopleSoft performance module does not meet the needs of all positions throughout the organization and plans to explore the use of new software or programs to improve this.
- All leaders included in our case studies provide informal verbal feedback to their employees on their performance. However, 42 percent of the leaders responded that they only provide verbal feedback and no formalized written feedback through the annual performance review process.

Analysis

The City's Administrative Standard No. HR-012, Employee Performance Management (HR-012), states that "leaders are accountable for managing the performance of their employees…[and] responsible for clarifying work requirements, communicating goals and priorities, and providing their employees with regular verbal and written feedback." HR-012 further states that managers, supervisors and leaders with direct reports provide "ongoing, timely feedback to employees and summarizes this feedback to create the Performance Review document which is discussed with the employee at the conclusion of their probationary period, and annually thereafter."

In our analysis of the performance review process, we did not assess the quality of the information contained in the performance review documents.

Collective Agreements

We reviewed the relevant collective agreements below to identify requirements for completion of performance reviews.

- *The City of Winnipeg and the Canadian Union of Public Employees Local 500* (CUPE) and *The City of Winnipeg and the Winnipeg Association of Public Service Officers (*WAPSO) Agreements identify performance as the basis for annual increments as well as the basis for filling vacancies or newly created positions. The CUPE agreement identifies a "rating form" that shall be used for the purpose of evaluating employee performance.
    - Through discussions with HRS, we noted that the "rating form" referred to in the CUPE agreement is a generic term speaking to the formal performance review. This language is outdated and may not reflect current practices. This has been brought to HRS's attention for consideration in the next collective bargaining process.
    - HRS indicated that leaders are required to approve increments for their direct reports prior to the increment being processed; however, there is no requirement for them to send the copy of performance reviews to HRS. HRS added that they encourage departments to print and maintain employee annual performance reviews in the personnel file. Supervisors can withhold the increment increase if there is an issue with an employee's performance that has been documented and is known to the individual before the increment is denied.

Case Studies

All 12 leaders included in the case studies stated that they periodically provide their employees verbal feedback on performance. However, five out of 12 leaders responded that they only provide verbal feedback and no formal written feedback through the annual performance review process.

- We found:
    - Six out of 12 leaders said they conduct annual performance reviews and have used the City's PeopleSoft performance management module.
        - We confirmed these six leaders have used PeopleSoft to complete at least one annual performance review between 2018 and 2022. However, we identified that performance reviews were not completed in PeopleSoft for all of the leaders' direct reports.
        - The method and consistency of conducting the annual performance reviews discussed by these six leaders varied.
            - One leader delegate's the task to a team lead to complete using a paper-based format for seasonal employees and the leader conducts the review for the full time, permanent employees.

        - Four leaders stated they conduct the performance reviews annually around the employee's anniversary date. However, the performance review may not always get completed if the leader/employees get too busy.
        - One leader collects feedback from team leads on the performance of the employees they are responsible for supervising. The leader completes the formal feedback on the employee's performance.
    - One out of 12 leaders conduct monthly performance reviews using a department-specific system. In this instance, the monthly performance review is a formal process delegated to team leads who use a template with specific performance measures based on the operation. Information obtained from the department specific information system is used to evaluate performance against performance targets.
    - Five out of 12 leaders provide only verbal, informal feedback.
- Challenges identified by leaders with the performance review process included:
    - The amount of time required to complete the performance reviews
    - The level of documentation required
    - The high number of direct reports makes the process unmanageable for leaders
    - The rigidity and restrictiveness of the process in PeopleSoft
- All 12 leaders stated that they are supported by HRS and their departmental HR team in regards to any questions or support they need to conduct performance reviews and resolving any employee issues.
    - Two leaders said that they also receive email reminders from their departmental HR on the employees still requiring completion of their performance review.

Interview with HRS

During our interviews, HRS and the department HR teams discussed their concerns about the current performance review process.

- The current PeopleSoft tool is not user-friendly, and the process is cumbersome.
- The electronic format does not work when leaders and employees do not have computer access.
- Completing performance reviews for a large number of direct reports is challenging.
- Organizational culture may not prioritize performance management in all departments.
- The performance management program needs support and enforcement from the CAO.

HRS advised that a number of paper-based performance reviews may have been conducted for field employees but they are not tracked.

- In 2016 when the current Peoplesoft performance management module was introduced, not all employees were required to complete performance reviews in PeopleSoft.
    - We confirmed Community Services was advised, at the time, to continue using paper-based performance reviews for part-time, temporary, and seasonal staff.
- Paper-based performance reviews were expected to continue for employees who did not use PeopleSoft, however, there was no mechanism in place to track completion of these reviews and as such it is not possible to determine to what extent they are being done.

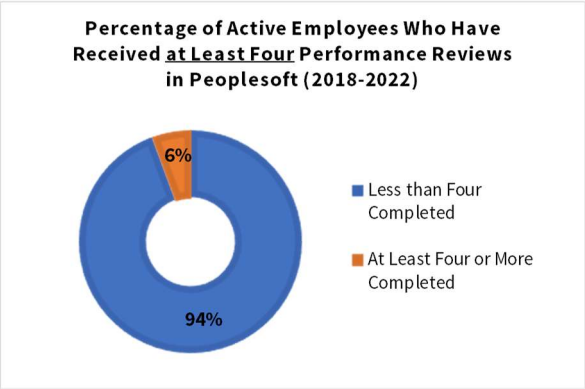
HRS discussed that they are currently in the process of developing a new learning management system that will be used for all training offered by the City. The new system will also have the ability to track the training completed by employees. With the implementation of a new learning management system, expanding how the new system can support the performance management process will be explored.

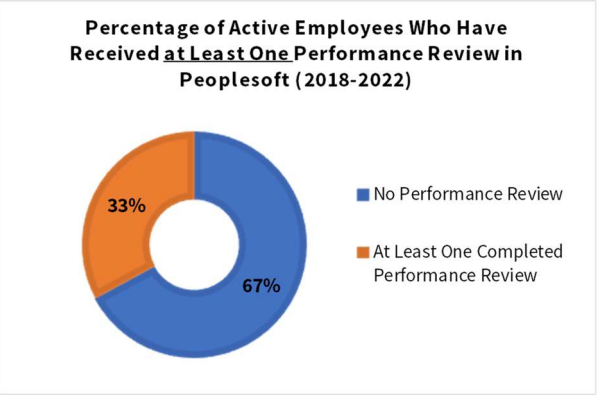
Data Analysis

We analyzed the PeopleSoft data on the completion of performance reviews from 2018 to 2022 for City departments, except the WPS. We noted performance reviews can take many forms such as verbal, written, standard temples or performance reviews completed on-line in PeopleSoft. The data examined only includes formal performance reviews that have been signed off as completed in PeopleSoft. We did not review any department specific systems used to record performance review information, paper-based performance reviews, or informally documented performance reviews which may not be entered into PeopleSoft. We did not identify any other tracking mechanism to record the completion of performance reviews completed outside of PeopleSoft.

As of March 29, 2023, we identified low completion rates for documented performance reviews executed in PeopleSoft for various employee levels.

The two graphs below show the percentages of active City employees, at any level, who have received one to four documented performance reviews in PeopleSoft. We note that the data includes all





departments and employees who may not be required or use PeopleSoft to complete their performance reviews. However, there is no other mechanism in place to track completion rates.

- The data does not indicate the year a performance review was completed. As such, we cannot conclude on whether the process was done annually for the six percent in the first graph.
- We noted as of March 29, 2023 only 33 percent of active employees had received at least one formal completed performance review in PeopleSoft. Performance reviews are another mechanism that can be used by leaders to discuss training and employee development opportunities.
- We also found between 2018 and 2022, only one senior leader had a completed a formal performance review in PeopleSoft. At the time of the performance review, the senior leader reported to the Chief Corporate Services Officer[16]. The organizational structure has since changed and all senior leaders currently report to the CAO (See **Appendix 2** for current organizational structure). Since the change in organizational structure, no senior leaders have received a formal performance review completed in PeopleSoft.

Comparing the data analysis to the case study results may not be advisable. While the case studies focused on a small number of leaders, the data analysis involved a large data set of performance review data from PeopleSoft from the City departments, excluding the WPS. These methods are different, leading to inconsistencies.

City of Winnipeg 2022-2023 Employee Engagement and Workplace Culture Survey

The results related to performance management in the 2022-2023 Employee Engagement and Workplace Culture Survey were reviewed. Please refer to **Appendix 1** Audit Methodology for more details on the survey.

The percentages in the table indicate the portion of the respondents who “agreed” or “strongly agreed” to the survey statement or question.

[16] City of Winnipeg 2018 Annual Financial Report, for the fiscal year ended December 31, 2018. 2018 Annual Financial Report (winnipeg.ca). Page 15.

- The results regarding supervisory feedback were notably positive, as indicated by scores surpassing the benchmark.
- The participants also had a positive response related to understanding how their job contributes towards the organization's objectives.
- A lower percentage of respondents expressed that the organization trains and develops its employees to guarantee a high level of efficiency on the job and that employees do not feel they are recognized when they do a good job.

Questions	Results - "agree" or "strongly agree"	
	City of Winnipeg Overall	Benchmark / Norm[1]
My immediate supervisor does an effective job at developing their employees' skills and abilities.	65%	58%
My immediate supervisor provides me with constructive feedback which helps improve my performance.	67%	70%
My immediate supervisor provides me with positive feedback when I do good work.	73%	65%
I understand how my job contributes towards the organization's objectives.	88%	84%
My organization trains and develops its employees to guarantee a high level of efficiency on the job.	46%	64%

[1] The Benchmark/Norm is based on surveys conducted over a number of years by EPSI in other Canadian and some U.S. Cities.

The survey results maybe be inconsistent when compared to the case studies. This is because the survey was sent to all employee levels, while our case studies focused on a small number of leaders. The case studies also provide an in-depth point of view where participants were able to detail their experiences.

The participation rate overall for the City was 38 percent, which statistically is representative of the views of all employees at the City.[17] While reviewing the survey results we noted that among the five largest departments in the City, representing 80 percent of the workforce as of March 29, 2023, the survey response rates were 50 percent or lower, with three departments with less than a 35 percent response rate. These three departments have a significant percentage of their employees who primarily work in the field and their responses may not be fully represented in the survey.

[17] EPSI – Third party consultant engaged to conduct the survey.

RECOMMENDATION #5

We recommend that the Director of HRS, in consultation with departments, develop a new formal performance review process that can be tailored to address the diverse needs of the City departments. The minimum requirements should include:

- The frequency of reviews
- Specific timing of completion
- Tracking the status of reviews and a follow-up for reviews not started
- Reporting by departments directly to the CAO (or through HRS), at least annually, to measure compliance with the new process
- Incorporate the completion of employee performance reviews as performance metrics for leaders to ensure accountability (i.e. include compliance to the new process in the leader's own annual performance review)
- Template with the minimum required components of a performance review (may contain - goals, key KPIs and evaluation against the measures, training and development plan, flex workplace program - if applicable).

The process should be documented and communicated.

RISK AREA	Human Resources	**ASSESSMENT**	High
BASIS OF ASSESSMENT	Performance management is a critical process that supports employees in achieving goals, developing careers, engaging them in the workplace, and recognizing and rewarding contributions to the City's success.		

MANAGEMENT RESPONSE

Management agrees with the recommendation.

Employee performance is a priority of the CAO and Director of HRS. The CAO and Director of HRS have advised Directors to ensure performance reviews for all staff are completed within existing resources. This includes using the existing PeopleSoft system (PS) as well as paper-based evaluations for the many field staff who do not have access to PS. Of the approximately 8570 employees at the city who report to the CAO, approximately 4200 field staff do not have access to PS. Performance reviews for these staff are often paper-based, and therefore not formally tracked through PS. The CAO will direct Department Directors to maintain a master list of all staff evaluations, for employees whose evaluations are through PS and for those conducted in other methods. Completion rates of the same will form part of the goals discussed in annual Director performance reviews.

Human Resource Service is currently researching options for an updated performance program that could be used for all employees at the City of Winnipeg. This formal Performance Management Project is expected to launch at the end of 2024, with a new program expected in late 2025. There is currently no budget in HR Services to support this project. All options will be presented to the CAO for final approval.

For the new program, the HR Director and Employee Development Branch will update performance management orientation information, and will provide training to all leaders. In the interim, HR Services will email leaders to refresh them on the current performance management process to be used. In addition, an annual evaluation tool for evaluating employees enrolled in the flexible workplace program will be added to the Supervisor Toolkit in 2024.

IMPLEMENTATION DATE	Q4 2025

2.4 Supervision – Managing Employee Productivity

Leaders across the organization manage employees working either in the field, an office, remotely or a combination of all three. Supervised employees may be full-time, part-time, permanent, or seasonal. Providing leaders with the tools, processes, and guidance to effectively supervise and manage employee performance and productivity is vital to accomplishing organizational goals and objectives.

Observations

- Leaders have access and use a number of tools, processes, and guidance that have been developed and provided by the City for supervising and managing employee performance. In addition, leaders have developed informal tools and processes, specific to their operations, to assist them with supervising and managing their direct reports.
- All 12 leaders in our case studies stated that they have verbal informal conversations with their employees about the employee's performance.
- Ten out of 12 leaders in our case studies do not typically use formal, documented key performance indicators (KPIs) to measure and monitor employee performance and productivity.
- Work conducted by PP&D and HRS for the Development and Inspections Division identified that multiple municipalities use KPIs to understand team capacity/productivity and to balance workload. The Development and Inspections Division has implemented the use of KPIs to assess productivity in their division.
- Twenty percent of leaders in the organization are responsible for supervising more than 21 direct reports.[18]
- Twenty leaders, from four different departments, have over 51 direct reports, of which 12 leaders have over 100 direct reports.

Analysis

Administrative Standard No. HR-012 Employee Performance Management (HR-012) lists the key roles and responsibilities of Managers/Supervisors/Leaders with direct reports. It includes "effectively managing the performance of their employees."

Furthermore, HR-012 states that "managing employee performance is a critical role for all leaders." Performance, according to HR-012, "can be enhanced when employees understand how their work contributes to the successful achievement of departmental and organizational goals and objectives."

[18] The data analysis did not include the data on the number of leaders in the Winnipeg Police Service.

In the Communication section of this report, we indicated that the CAO's Office established organization-wide goals and KPIs in the 2021-2023 Corporate Strategic Plan. However, we noted that there was no evaluation or reporting related to the achievement or progress on this goal.

Tools for Managing Employee Productivity

The use of formal, documented performance measures is important in managing employee performance and providing timely feedback. The Government Finance Officers Association (GFOA) identifies the use of performance measures as a best practice. The GFOA states that "governments use performance measures to collect information about operations, goals, or other factors to understand a situation and make informed decisions."[19]

Implementing KPIs enables an organization to gauge operational achievements, evaluate performance at different levels, focus attention on areas of improvement, and improve efficiency.

Case Studies

We discussed with leaders how they utilize the tools, processes, guidance and information generated from department-specific systems and/or PeopleSoft as well as performance measures to effectively manage their employees. We noted the methods used to supervise and manage employee productivity, varied between departments and divisions. This was dependent on the resources available.

- All 12 leaders from the case studies stated that they have verbal, informal or undocumented conversations with their employees about the employee's performance and any concerns or issues the employees are facing while conducting their work.
    - The frequency of the meetings varied between leaders. The meetings were conducted either on an ad hoc basis or followed a regular schedule, taking place weekly, bi-weekly, or in response to emerging issues.
- Out of the 12 leaders in our case studies, we observed that:
    - Nine leaders stated that they recognize employees doing well at work by telling them "thank you" or a "a job well done." The conversations are ad hoc, informal, and not documented. The remaining three leaders identified this as an area of improvement.
    - One leader stated that their employees track and record their time and duties manually on a time sheet. The leader reviews the information before it is entered into their department system.
    - Seven leaders have employees working in the field.
        - Five out of the seven leaders mentioned that they directly observe their employee's work activities or attend to job sites.

[19] Government Finance Officers Association: Performance Measures (gfoa.org)

- Four out of the five leaders said they perform occasional site visits, while one mentioned more frequent site visits.
- The five leaders also informed us that they are not able to visit all worksites on the same day as there can be multiple job sites at the same time. The site visit results are not documented.

        - Two out of the seven leaders did not state site visits as part of their responsibilities. Instead, they review other records, such as spreadsheet trackers, and have verbal discussion to identify the work done by their direct reports on specific days.
    - Eight leaders stated, that in addition to PeopleSoft, they use other department-specific information systems or software applications to manage employees, including purposes such as for safety, timekeeping, communication and training.
    - Two leaders stated they obtain data from their department-specific system on work output, which is used to monitor employee productivity.
        - The two leaders have metrics to evaluate the employees work against the established expectations to determine productivity and work completion.

All of the leaders interviewed, praised HRS and the departmental HR team for providing additional support when addressing HR-related issues. Furthermore, all the leaders interviewed use the City of Winnipeg's PeopleSoft system in their role, primarily the time and attendance management modules.

While there are a number of varying practices in departments and divisions to review information of the performance of employees, we identified an overall lack of evaluation against performance targets or KPIs. Failure to set performance targets or KPIs deprives leaders from having essential information for understanding and effectively managing their employee's performance.

We have identified specific processes used by different leaders, however, we cannot conclude that the use of a tool or practice applies to all divisions within a department or if it is limited to one area. Our case studies examined divisions and/or branches within a department, and therefore the case study results may not be representative of the entire department.

Planning, Property & Development Organizational Improvements Report to Council

The September 2019 report to Council for the Planning, Property & Development Department (PP&D) Investigation provided an action item related to conducting a jurisdictional scan to determine how they measure productivity and estimate inspection time frames. Please refer to **Appendix 4** for more details.

- As indicated in the Public Service's jurisdictional scan, "responders (municipalities surveyed) noted that understanding team capacity/productivity is helpful in balancing workload."[20]
- The municipalities surveyed as part of the jurisdictional scan identified several KPIs applicable to an inspections process – specifically related to the performance indicators to measure productivity and estimate inspection time frames.[21]
- We noted that the PP&D – Development and Inspections (DI) Division implemented the use of daily inspection logs and email check-in and out to better understand the inspectors' productivity. In addition, the division conducts surveys of applicants with completed inspections to collect information related to the quality of the inspection and inspector. Information is collected related to the KPIs used to evaluate the performance of employees.

Span of Control

Span of control refers to the number of people reporting directly to one individual or the ratio of leaders to employees in an organization.[22] An optimal span of control enables senior management to be connected to the frontlines and middle management to manage their employees and to use their time on value-adding activities and enhancing operations.[23] A large span of control poses challenges to the leaders in regards to managing their employees.

Data Analysis

We analyzed the PeopleSoft data that included the number of direct reports for each leader in the organization as of March 29, 2023.[24] We found that:

- The City has 823 leaders[25] with more than one direct report
- Twenty percent of these leaders are responsible for supervising 21 or more direct reports

[20] Administrative Report, Organizational Improvement Update for the Planning, Property & Development Department, presented to Council during the March 20, 2020 Special Meeting II – 3 pm, Appendix 6.
[21] Administrative Report, Organizational Improvement Update for the Planning, Property & Development Department, presented to Council during the March 20, 2020 Special Meeting II – 3 pm, Appendix 6.
[22] Deloitte, "Spans and Layers for the Modern Organization," 2019
[23] Deloitte, "Spans and Layers for the Modern Organization," 2019
[24] The PeopleSoft data does not include employees who have been delegated leadership responsibilities, or acting as leaders but do not have formal direct reports in PeopleSoft.
[25] This number does not include leaders in the Winnipeg Police Service.

The data in the chart below represents the top five departments with the greatest number of employees. These departments also have leaders with a relatively wide span of control.

Number of Leaders By Department and Their Span of Control						
Department	**1 - 10 direct reports**	**11 - 30 direct reports**	**31 - 50 direct reports**	**51 - 100 direct reports**	**Greater than 100 direct reports**	**Total Number of Leaders**
Department 1	98	28	3	3	1	**133**
Department 2	150	29	1	2	1	**183**
Department 3	113	18	7	0	0	**138**
Department 4	48	4	0	2	5	**59**
Department 5	32	16	2	1	5	**56**
Total for 5 Departments	**441**	**95**	**13**	**8**	**12**	**569**

- Twenty leaders, shown in the table above, have over 51 direct reports.
    - Twelve out of these 20 leaders have over 100 direct reports.
    - Having a wide span of control creates challenges, such as increased workload on leaders and lower productivity.

Case Studies

The case studies included discussions with leaders regarding the number of employees they are responsible for supervising, and the tools and challenges they have encountered while supervising a large number of direct reports.

- Eight out of the 12 leaders currently supervise 11-30 employees; one leader supervises 31-50 employees; and three leaders supervise over 90 employees.
- All of the leaders responded that they have individuals reporting to them who are acting as team leads or delegated with leadership responsibilities.
    - The leaders expressed that the team leads assist in supervising and managing other employees or their direct reports.
    - The team leads serve as primary points of contacts for employees, addressing their questions and offering verbal guidance as needed to junior employees. Any issues or concerns with an employee's performance would be reported back to the leader.
- The leaders identified challenges in performing their supervisory, administrative, and operational responsibilities when faced with a wide span of control. This included:
    - The amount of time required to train new employees

- The lack of experienced employees to train new employees
- Insufficient time to provide feedback and complete formal performance reviews
- Too many employees and not enough supervisors

2022-2023 Employee Engagement and Workplace Culture Survey

The results related to supervision and managing employees in the 2022-2023 Employee Engagement and Workplace Culture Survey were reviewed. Please refer to **Appendix 1** Audit Methodology for more details on the survey. The results indicate 65 percent or more of survey respondents:

- Feel they are able to effectively manage their direct reports with the resources provided
- Believe their immediate supervisor acts when a problematic situation arises – this result is better as compared to the benchmark/norm

Questions	Results - "agree" or "strongly agree"	
	City of Winnipeg Overall	Benchmark / Norm[1]
My immediate supervisor takes action if there is a conflict or a problematic situation between employees.	66%	53%
I am able to effectively manage my direct reports with the resources available to me.	65%	-[2]

[1]The Benchmark/Norm is based on surveys conducted over a number of years by EPSI in other Canadian and some U.S. Cities.

[2]No benchmark available as this sentence was a custom statement added to the survey.

We noted that the survey response rates for three City departments with the greatest number of employees working in the field, were below 35 percent. The results from the survey may not reflect the opinions of over 50 percent of the employees in departments who work in the field.

Reporting or Analysis by Senior Management

We interviewed the Director of HRS and the CAO about their role in reviewing the span of control.

- Our interview with HRS indicated that they have no formal role in the analysis and reporting on span of control. They added that departmental HR may identify and raise concerns regarding large spans of control to the department managers. A leader makes a submission to the budget process if there are any changes to the number of direct reports and is restricted by the number of full-time equivalent (FTE) positions.
- The CAO stated that department directors have not raised concerns related to the span of control and that there has been no analysis or reporting on the spans of control.

We inquired with all Department Directors whether they are aware of any concerns in their departments related to spans of control.

- Three Department Directors identified concerns with the span of control in their departments.
    - Two departments identified that balancing day-to-day operations while supervising and managing a large number of direct reports is challenging. These two departments have not conducted any formal analysis. One of the two departments indicated they do not have the capacity to conduct a review.
    - One department had an internal report prepared in 2018 that identified low administrative and support staff levels compared to the total department. Currently, this department is reviewing job descriptions and adjusting the number of direct reports. The Director stated that adding positions has been difficult due to budget and finance constraints.
- One department identified that there are large spans of control for field operations, however, leaders with direct reports have assigned day-to-day tasks to their direct reports. The department has begun the process of reviewing positions to move toward work standardization and accountability.

Other Tools and Processes

Additional tools and processes available and useful in managing employee productivity are discussed in the following sections of this report:

- The reporting and accountability on achievement of goals and objectives – See section 2.1 Governance and Oversight
- Job descriptions and clear communication of employee role and responsibilities – See section 2.2 Communication
- Performance reviews – See section 2.3 Performance Management

RECOMMENDATION #6			
We recommend that the CAO work with Department Directors to develop a process that establishes Key Performance Indicators (KPIs) and/or performance targets/goals at the employee level that align with the goals and objectives of the department and Corporate Strategic Plan. The KPIs and/or performance targets/goals should be communicated to all leaders and employees within the departments and should be used to evaluate performance towards achievement of the established goals, targets and/or KPIs.			
RISK AREA	Business Process	**ASSESSMENT**	High
BASIS OF ASSESSMENT	Establishing and reporting key performance indicators to all relevant parties helps ensure key activities will stay on track. It also increases the likelihood that an organization will achieve their goals and objectives as KPI reports can provide valuable insights for the decision-making process.		
MANAGEMENT RESPONSE			
Management agrees with the recommendation. The CAO has directed a tool be created for Department Heads to use annually to report on both the Corporate Strat Plan and Council's SPAP goals, KPIs specific to departments and job duties, and individual employee goals as established during the annual performance review process. The CAO will also direct that those employees and departments already using KPI's continue to do so and plan to report annually on the outcomes or progress made as directed. All departments are encouraged to explore adding KPIs where it makes sense to do so. The CAO will also direct that a process be developed to establish KPIs and/or performance targets/goals at the employee level that will be used to gauge operational achievements, evaluate performance at different levels, focus attention on areas of improvement, and improve efficiency.			
IMPLEMENTATION DATE	Q4 2025		

RECOMMENDATION #7			
We recommend that the CAO, in collaboration with Department Directors and the Director of HRS, conduct a risk-based analysis of the span of control in departments and develop a plan of action to establish optimal spans of control where concerns are identified.			
RISK AREA	Business Process	**ASSESSMENT**	High
BASIS OF ASSESSMENT	The City has a large number of leaders with a significant amount of direct reports. This can result in stress due to excessive workloads and reduced opportunities for continuous one-on-one performance feedback as well as risks related to productivity and meeting established goals.		
MANAGEMENT RESPONSE			
Management agrees with the recommendation. Directors will review spans of control in their department and conduct a risk analysis with support from department HR Services staff and develop plans of action for improvement where needed. Directors will review those action plans with the CAO. Any recommended increase in FTEs will be provided to Council for consideration during the annual budget process.			
IMPLEMENTATION DATE	Q4 2024		

2.4.1 Supervision – Overtime

A key role of a leader is supervising their direct reports. Supervision includes effectively and efficiently managing employees' overtime needed to complete tasks. We examined various tools and processes available to help leaders monitor their employees' overtime.

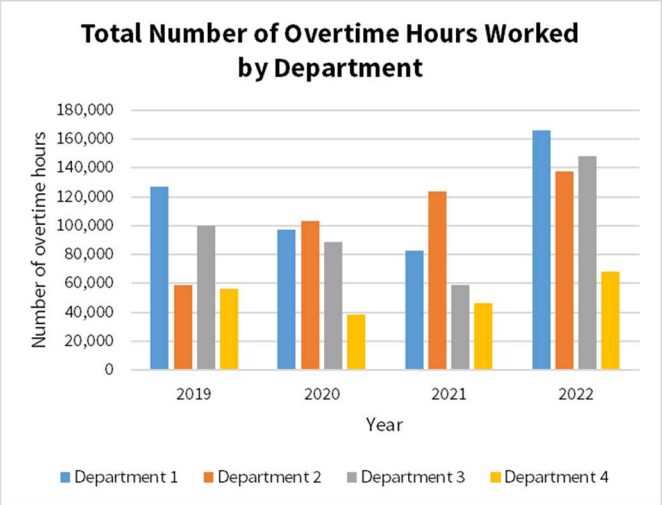
Observations

- The City implemented a Continuous Monitoring program for overtime in 2021. There is no identified process owner who reviews the effectiveness of the program. (Note: total overtime hours worked increased by 55% from 2021 to 2022)
    - There is no reporting to Corporate Finance or follow-up required regarding the excessive overtime (> 30% of annual salary) at the corporate level.
- The process for pre-approval of overtime is not consistent across departments.

Analysis

Overtime Trends

We analyzed the City's overtime data obtained from PeopleSoft between 2019 and 2022.



- The combined overtime for four departments represents 78 percent of the total 2022 overtime hours of the City. This does not include the Winnipeg Police Service.
- These four departments have consistently had the highest level of overtime hours over the past four years.
- In 2022, the overtime hours increased for all four departments, surpassing the hours in 2019.
- The average percentage increase of overtime hours for these four departments during the period ranged from 15 percent to 60 percent.
- The four department's overtime hours may vary per employee. For example, Department 1 has approximately 1200 employees which equates to an average of 130 overtime hours per employee in 2022. Whereas, Department 4 has approximately 950 employees and an average of 72 overtime hours per employee in the same year.[26]

[26] Average overtime = total 2022 overtime hours of the department divided by the number of employees of the department. The PeopleSoft's overtime data received from Corporate Finance did not break down the overtime hours by employees. We assumed that the number of employees as at March 2023 (performance data from PeopleSoft used in the Performance Management Section of this report) is close to the actual number of employees as at the end of 2022 and no significant turnover.

- The overtime hours of Department 2 increased during 2019-2022. However, departments 1, 3, and 4 decreased and went up again in 2022
- We noted through discussions with leaders, increased employee sick time during the COVID-19 pandemic and difficulties in recruiting to fill vacant positions were cited as contributing factors to increased overtime.

Continuous Monitoring of Overtime

The City implemented a Continuous Monitoring program (the program) in 2021[27] to provide leaders with timely, valuable information to detect potentially significant inefficiencies, errors, theft and fraud.[28] Department management is responsible for implementing the program, which involves an ongoing review at regular intervals to identify transactions that fall outside parameters defined by corporate management. We interviewed the Corporate Controller to follow up on the program and identify if this process assists leaders at managing their employee's overtime.

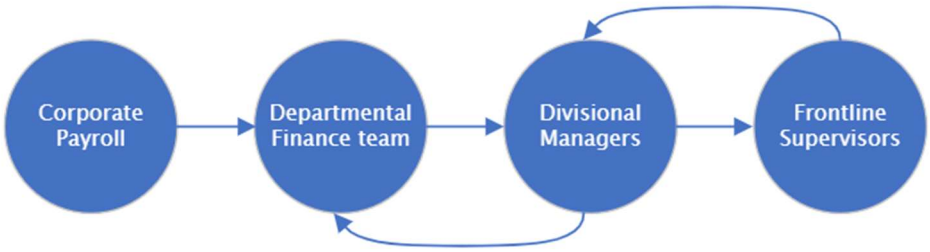
- The Corporate Controller stated that reports are provided to the Managers of Finance and Administration (Finance Manager) in each department. The reports include any employee with overtime greater than 30 percent of the employee's annual salary during the year.[29]
- Finance Managers are not required to report back to the Corporate Controller or the Chief Financial Officer (CFO) on the follow up or responses on the transactions identified in the continuous monitoring reports. The Corporate Controller has not received any reporting from the Finance Managers related to the program.

We selected two of the departments with the greatest number of overtime hours to follow up on their continuous monitoring process.

- The Finance Managers confirmed reports are received from Corporate Payroll that identify the employees with overtime greater than 30 percent of their annual salary. Reports are then distributed to the appropriate Divisional Manager responsible for the employees identified. Divisional Managers are advised to review the overtime and follow up on any overtime that appears unreasonable. This process was not documented for either of the departments reviewed.
- The Divisional Managers inquire with the frontline supervisors on the overtime highlighted in the continuous monitoring reports and request additional information and explanations for the overtime as needed or if concerns are identified.

[27] Audit Department's *Implementation of Audit Recommendations – 2021 Quarter 3.* Decision Making Information System (DMIS), Council Regular Meeting on December 16, 2021
[28] Audit Department's *Continuous Monitoring Advisory Report 2020*, page 7. Winnipeg.ca/audit
[29] Audit Department's *Continuous Monitoring Advisory Report 2020*, page 13

- If the Divisional Managers do not identify any concerns with the overtime, they are not required to report back to the Finance Managers or the Corporate Controller.



- The finance team for one of the two departments stated that the review and distribution of the continuous monitoring reports does not occur on a regular basis, and the other department only distributes the reports on a quarterly basis to the divisional managers for review.
- We identified that the two departments conduct additional review of overtime. One department performs a payroll analysis regularly for any deviations and conducts follow-up on any concerns identified. The other department reviews the timekeeping data in the department specific system quarterly and as needed, however, the review conducted does not only focus on the overtime but at the overall cost of a job performed.

The absence of reporting to a central process owner and a documented process may result in a lack of accountability in ensuring the continuous monitoring process is being effective at managing overtime costs and addressing potential significant inefficiencies, errors, or theft in a timely manner.

Pre-approval of Overtime

Formal, documented pre-approval is a leading practice for managing costs, proper resource allocation, ensuring compliance with collective agreements, and accountability. Formally documented policies and processes assist in ensuring that they are applied consistently throughout an organization.

We reviewed City policies and administrative standards as well as all six Collective Agreements for employees in scope, for any guidance on requirements for pre-approval of overtime.

- We noted that the WAPSO Collective Agreement states that “all overtime worked must be approved in advance.”
- The contract for Out of Scope employee’s outlines that any overtime worked must be approved before its performance and the approval must be in writing.
- We are not aware of any City-wide policy or administrative standards that require the pre-approval of overtime.

Case Studies

We asked leaders in our case studies to describe the process in place in their departments for reviewing and approving overtime.

- We noted that the process of pre-approving overtime varied among the 12 leaders.
    - Eight stated that pre-approval of overtime is done verbally.
    - Two stated that they pre-approve overtime via email. They provided emails documenting the pre-approval.
    - Two stated pre-approvals are done both verbally and documented, depending on the situation. We were not able to obtain an example of pre-approval email. However, one of the leaders provided an email communicating expectations to their employees to obtain pre-approval of overtime via email. The other leader provided an overtime tracker that documented an employee's overtime hours, tasks, work date, etc. This leader indicated that they regularly review the tracker as part of monitoring overtime.

Interviews

As part of our review of the continuous monitoring process, we requested documentation from the Finance Managers for the approval or reason for the higher number of overtime hours identified in the continuous monitoring reports.

- The Finance Manager for one the department's received documentation from the Division Manager on the high number of overtime hours identified. The overtime was attributed to staff shortages, which required other employees to work overtime to provide an appropriate level of service.
- For another department, the Finance Manager was not able to provide the reason for the overtime or the documented pre-approval. We reviewed the June 2023 Continuous Monitoring overtime report and requested the pre-approval or reason for the overtime hours worked for one of the employees with the highest number of overtime hours from the Divisional Manager.
    - We found that the pre-approval for overtime was done verbally.

The processes for approving, monitoring and reviewing overtime varies across the departments examined.

RECOMMENDATION #8			
We recommend that the Chief Financial Officer formally document the Continuous Monitoring process. The formalized process should be communicated to individuals responsible for the Continuous Monitoring. The process should include, at a minimum: • The key roles and their responsibilities in the process • The desired frequency of the Continuous Monitoring process • A requirement for the Finance Managers or Department Directors to report the results of the Continuous Monitoring process to the CFO or the Corporate Controller and the frequency of reporting			
RISK AREA	Business Process	**ASSESSMENT**	Moderate
BASIS OF ASSESSMENT	The Continuous Monitoring process was established to identify potential significant inefficiencies, errors, theft and fraud. The lack of reporting on the follow up on transactions that fall outside of parameters defined by management does not hold leaders accountable for properly reviewing high levels of overtime.		
MANAGEMENT RESPONSE			
Management agrees with the recommendation to provide formal documentation on the Continuous Monitoring process. The Corporate Controller Division will draft and distribute the formal documentation on the Continuous Monitoring process. The results of the Continuous Monitoring process will be elevated to the Department Heads. Directors of each Department control and direct staffing and their utilization of overtime, so the responsibility has to be with those that have control. As an added measure, Corporate Finance will provide a quarterly report to the SMT on overtime usage within the City to bring more awareness and transparency.			
IMPLEMENTATION DATE	Q3 2024		

RECOMMENDATION #9			
We recommend that the Chief Financial Officer, in consultation with the Director of HRS and Department Directors, establish the minimum standards for the departmental process concerning pre-approving overtime, including clearly defined documentation requirements. The process description should be documented and communicated to all leaders who have the authority to pre-approve overtime.			
RISK AREA	Business Process	**ASSESSMENT**	Moderate
BASIS OF ASSESSMENT	Formal, documented pre-approval and/or monitoring overtime is a good measure for cost control, proper resource allocation, compliance with collective agreements, budget decisions, and accountability.		
MANAGEMENT RESPONSE			
Management agrees with the recommendation. As part of the development of the documentation in Recommendation #8, management will include the relevant parameters and requirements for documentation for pre-approving overtime which will be communicated to supervisory staff.			
IMPLEMENTATION DATE	Q3 2024		

2.4.2 Supervision – Organizational Improvements and the PP&D Investigation

The Public Service presented the report "*Investigation into Allegations of Improper Conduct within PP&D"* to Council on September 26, 2019. The report identified eight action items that the interim CAO at the time would work with the City departments to implement. We identified five action items from the report that relate to leadership training, supervision, and employee productivity.

Observations

- Four of the five action items related to the audit objectives were completed.
- A review of the field operations for four other City departments as described in the report has not been completed. The $50,000 per year that was allocated to the budget of the Office of the CAO for a review of four departments was used to engage consultants for a By-law Enforcement Process Review and the Recruitment and Retention Phase 1 and 2 projects.

Analysis

The Public Service presented two follow-up administrative reports, *Organizational Improvement Update for the Planning, Property & Development Department*, to Council in March 2020 and a follow-up to EPC in May 2021, reporting on the status of the action items – completed or in progress. We noted that the City's senior management team has changed since these reports were presented to Council.

We followed up and confirmed the status of five out of the eight action items. These five action items are related to our audit objectives and were identified as completed in the last update presented to Council.

- We confirmed the following action items have been completed.
    - A cross jurisdictional scan for PP&D of other comparable municipalities was completed to determine how the department measures productivity and estimates inspection time frames[30].
        - Key performance indicators (KPIs) used by other jurisdictions were identified for the Commercial and Building Inspections. See Section 2.4 Supervision – Managing Employee Productivity, for further discussion.
    - A new Workforce Management Technology Administrative Standard for all City departments was developed and implemented to explore the use of technology. This was established to protect and manage City employees, assets, resources, and the reputation of the organization.

[30] Administrative Report, Organizational Improvement Update for the Planning, Property & Development Department, presented to Council during the March 20, 2020 Special Meeting II – 3 pm, Appendix 6.

        - The administrative standard outlines the process for City departments to follow for requesting the implementation of workforce management technology to assist with management of City operations, location, scheduling, performance and compliance.[31]
    - HRS developed a Management Review Tool to understand how leaders communicate with their employees and their direct reports. This tool was used in the PP&D Development and Inspections Division ("DI") following the PP&D investigation. HR has not considered using the tool in other departments at this time. However, they have incorporated some of the information and questions from the survey into the Flexible Workplace Program tools available on the City's internal website.
        - HRS used the information gained through the tool to develop new training courses for leaders as well as enhancements to the "Leadership Development Program". The courses reflect the core competencies required for leadership excellence. See section 2.6 Leadership Training for further discussion.
    - In 2021, HRS developed a new orientation framework for new leaders and also created a leadership training program for different levels within the organization. In addition, two new courses were developed as part of the new orientation process: Working Along Side the Public and New Frontline Supervisor.
- We found that the action item to "prioritize a review of field operations across all City departments to ensure consistency in procedures and management" has not been completed.
    - In October 2019, the CAO's office engaged a consultant to assist the Director of PP&D with a review of key functional services (processes) based on LEAN Continuous Improvement methodology. This process enables employees to become involved in operational reviews in a positive and productive way and foster support for continuous improvement. The workshop brought together employees in key roles "to map key process activities, identify existing 'pain points', and create an action plan for improvement."[32]
        - The review was completed in the PP&D Department, DI Division and opportunities were identified to improve the processes, including the training and supervision of employees. Thereafter, the Public Service developed a plan to implement the opportunities identified in the PP&D Department, DI Division in the March 2020 report to EPC and Council. Opportunities relevant to our

[31] Administrative Standard No. HR-020 Workforce Management Technology, page 1.
[32] Administrative Report, Organizational Improvement Update for the Planning, Property & Development Department, presented to Council during the March 20, 2020 Special Meeting II – 3 pm, Appendix 3.

audit objectives were reviewed and confirmed implemented such as the implementation of a Field Log Standard Operating Procedure.

- Four other departments were identified in the report to Council for a similar review:[33]
  - 2020 – Complete PP&D field operations review – all other divisions
  - 2021 – Public Works
  - 2022 – Water and Waste
  - 2023 – Community Services
- An update on the status of the action items was presented to Council at a Special Meeting on March 20, 2020. The report identified this action item as completed and that the four departments would be reviewed in the years identified in the report. In addition, $50,000 annually per department was allocated to the budget of the CAO to engage external consultants to complete the field operation reviews and assess and recommended improvements.
  - The current CAO stated that the reviews of other departments have not been completed; however external consultants were engaged, using the $50,000 annually, to complete a By-law Enforcement Process Review as well as a Recruitment and Retention Phase 1 and 2 projects.

RECOMMENDATION #10			
We recommend that the CAO, in consultation with Department Directors, conduct the review of field operations in the departments identified in the report to Council – All other divisions of PP&D, Public Works, Water and Waste, and Community Services. Any information gathered from these reviews should be considered for any policy/budget decisions, and if applicable, future reviews of other field operations.			
RISK AREA	Business Process	**ASSESSMENT**	Moderate
BASIS OF ASSESSMENT	The review of the field operations in other departments have not been conducted as reported to Council.		
MANAGEMENT RESPONSE			
Management agrees with the recommendation. The CAO will direct a review of field operations, one department per year, starting in 2024, ongoing annually until Q4 2027.			
IMPLEMENTATION DATE	Q4 2027		

[33] Administrative Report, *Organizational Improvement Update for the Planning, Property & Development Department,* presented to Council during the March 20, 2020 Special Meeting II – 3 pm, Appendix 1. This appendix listed the four departments to be reviewed.

2.5 Flexible Workplace Program

According to HRS, as of July 2023, the City has approximately 1,550[34] employees with approved flexible workplace agreements, representing approximately 19 percent of the City workforce of 8,200 employees (excluding the WPS). With the introduction of the Flexible Workplace Program (FWP), providing leaders the necessary tools, processes, and guidance for supervising and managing employees working remote is an important aspect of a successful program.

Observations

- HRS has developed, and continues to develop, FWP tools and processes accessible to leaders to manage their employees effectively.
- Leaders are using a variety of tools developed within their departments and by HRS, to manage employees working remotely.
- HRS developed and provided leaders a tool to use to assist with the annual FWP assessment, however, there currently is no required reporting on the completion of the annual reviews of the effectiveness of the FWP arrangements.

Analysis

The Administrative Standard No. AS-018 Flexible Workplace Program (AS-018), issued in May 2022 and updated in July 2023, "provides direction to all City employees whose positions are eligible to perform work during flexible hours, from a remote location, or in a hybrid model of flexible hours, remote work and or in-office work." AS-018 identifies the key roles and responsibilities of the employee and the supervisor/manager including outlining a responsibility of supervisors/management to formally review the effectiveness of the FWP arrangement annually or during the annual performance review process.

FWP Tools and Guidance

HRS has developed and made available a number of tools for leaders and employees related to the FWP. This includes: the application form, the eligibility criteria and selection, safety checklist, and the employee agreement that has to be completed before an employee can participate in the program.

In addition, HRS provides leaders tools and guidance to assist in supervising and managing work performance and productivity of employees that are working remotely. These comprise of the "Leading the Remote Worker" Leader guide, Work-in-Progress tool to track daily progress on tasks employees are assigned, detailed roles and responsibilities and defined procedures in AS-018.

[34] *Flexible Workplace Program – Year One Update.* This report was presented to Council during the September 29, 2023 meeting.

AS-018 was in the middle of a first-year pilot at the time of the audit. AS-018 was updated in July 2023 to include the role and responsibility of supervisors and management to "formally review the effectiveness of the Flexible Workplace Arrangement annually or during the employee's annual performance evaluation." Department Directors are responsible for ensuring the administrative standards and the related protocols and procedures are followed by supervisors.

- HRS developed an assessment tool that was provided to senior management in April 2023. Senior Managers were advised that all leaders are to use the review tool going forward.
    - We noted the tool provides guidance for leaders on the areas to discuss and assess as part of the annual review including:
        - Attendance or communication issues
        - The use of FWP tools to maintain good performance and productivity
        - Meeting the needs of the clients
        - Reductions or improvements in productivity
    - Currently, there is no process in place for HRS to track completed annual FWP assessments and there is no requirement for departments to report on completion of the annual assessments.
        - HRS advised that they are planning to explore incorporating the FWP annual assessment into the performance management process in the future.
- We noted that formalizing the review is a new requirement in the standard updated in July 2023. However, a lack of reporting on completion of the annual reviews does not hold leaders accountable and can lead to potential inconsistencies in the completion of the annual reviews.

Case Studies

The case studies included four leaders out of 12 who supervise employees with flexible workplace arrangements. The four leaders:

- Expressed a sense of support from HRS, and provided examples of the tools they used. This included spreadsheets to track the progress of tasks, emails for daily check-ins and screenshots of the information system used to illustrate an employee's work.
- Indicated that they use the same tools to supervise the work conducted by employees who are in the FWP and employees who work in the office or field.
- Did not conduct formalized reviews or reports assessing the effectiveness of the FWP during the case studies or before AS-018 update took place. It is noted the FWP was in its first-year pilot at the time of the audit and the requirement to conduct an annual review had just been included as a responsibility in AS-018 in July 2023.

- They described engaging in conversations with their employees to discuss their experiences in the FWP. Employee concerns or issues in the FWP arrangement are documented and tracked in the personnel file.

Report to Council related to the Organizational Improvements in PP&D-DI

We reviewed the report *Organizational Improvement Update for the Planning, Property, and Development Department* tabled at the March 20, 2020 Council Special Meeting.

Our review led us to identify that the PP&D DI Division has documented the Standard Operating Procedures for remote work. The document described the roles and responsibilities, as well as the daily requirements related to remote work (e.g. completing daily logs, check-ins, contact persons, etc.).

Reporting

HRS continues to review and monitor the FWP and make updates as required. HRS presented to Council on September 29, 2023 the *Flexible Workplace Program – Year One Update.*[35] An additional *Supplemental Report*[36] was presented to the Executive Policy Committee on November 14, 2023, that provided additional details and statistics on various aspects of the program including the number of front-line service positions participating in the program, any impacts to customer service, and statistics on various data points (cost savings, meetings conducted through Microsoft Teams, etc.).

- AS-018 does not provide specific reporting requirements to the CAO. However, HRS has provided periodic reports to both Council and the CAO on the flexible workplace program including the *Human Resources Strategic Alignment of the Flexible Workplace Program*[37] and the *Flexible Workplace Program – Year One Update* Administrative Reports.
- HRS provided periodic reports to the CAO with up-dates on the status of the program, however, we did not identify any reporting on the effectiveness of the FWP or any impacts on productivity. Reports to the CAO included the following information:
    - Number of FWP applications approved
    - Number of full-time and part-time employees working remotely
    - Any impact on service delivery or customer service complaints due to the employees working remotely

[35] Administrative Report presented to Council in September 2023, approximately 16 months since the start of the flexible workplace program.
https://clkapps.winnipeg.ca/DMIS/ViewDoc.asp?DocId=24097&SectionId=706269&InitUrl=
[36] *Supplemental Report* presented by HRS to Executive Policy Committee on November 14, 2023.
https://clkapps.winnipeg.ca/DMIS/ViewDoc.asp?DocId=24237&SectionId=710845&InitUrl=
[37] Administrative Report presented to Council in July 2022, approximately 2 months after the start of the formal flexible workplace program.

    - Number of FWP agreements ended
- There is limited guidance on the required reporting to the CAO about the effectiveness of the FWP.

RECOMMENDATION #11			
We recommend that the CAO, in consultation with the Department Directors and the Director of HRS, develop a process for Departments to report to HRS and the CAO on completion of the annual FWP review and the effectiveness of the Flexible Workplace arrangements.			
RISK AREA	Business Process	**ASSESSMENT**	Moderate Risk
BASIS OF ASSESSMENT	The review of the effectiveness of the Flexible Workplace Arrangement may be inconsistent across the organization without required reporting. A detailed reporting process and documented results can help the organization hold leaders accountable to the Flexible Workplace Program standards. Additionally, the information obtained through the annual review will provide HRS and the CAO insights to continuously improve the program.		
MANAGEMENT RESPONSE			
Management agrees with the recommendation. Flexible workplace arrangements are reviewed in real time and formally during the employee's annual performance review. All 1550 employees in the flexible workplace program can be evaluated using the PeopleSoft system. The Flexible Workplace Administrative Standard provides for two options to annually evaluate the formal FWP arrangement. Leaders will use the FWP annual evaluation tool as part of their review of FWP arrangements during annual performance evaluations. The survey tool can be printed and sent to the employee file if required. HRS will remind Directors of the FWP evaluation tool, which is currently available for use. HR Services is currently working to incorporate the FWP evaluation tool into the existing PS system for use. FWP review tools will be added to the design of the new PM program targeted for completion in 2025 to ensure it can be easily tracked and reported on as needed.			
IMPLEMENTATION DATE	Q1 2025		

2.6 Leadership Training

The City of Winnipeg advocates that training, education and development are critical components in improving the overall performance of the organization. Ongoing training, education and development enables employees to deliver current and future services to the residents of Winnipeg and is a key aspect in the development of leaders in the organization.

Observations

- HRS has continued to develop and add new leadership courses focusing on leadership skills and training for new leaders as well as updating existing courses. HRS offers more than 200 courses through the Employee Development Branch that cover all competencies identified specifically for leaders.
- The number of leaders who have participated in at least one leadership course has doubled from approximately 150 in 2019 to approximately 300 in 2022. However, 64 percent of leaders did not participate in at least one course categorized as leadership in 2022.
- There are low completion rates of the training identified as required by the City. Two of the 12 leaders from the case studies have completed 50 percent of the courses the City identifies as required. We found there is a lack of follow-up procedures or reporting mechanisms to track course completion rates.
- Employees are underutilizing PeopleSoft's capabilities by not documenting additional training and education obtained through external sources (e.g. universities, colleges).
- Eleven leaders from our case studies expressed the value of having a mentor in their leadership training. However, the City does not have a formalized mentorship program likely due to limited resources.

Analysis

Competency Profiles and HRS Employee Development Branch

HRS has established competency profiles and framework for all leadership levels. The leadership framework provides a recommended, comprehensive development plan for Frontline Supervisors, Managers and Executive/Senior Leaders.

- HRS has identified a leader's core competencies that include: dealing with ambiguity, composure, motivating others, and building effective teams.
- HRS provides training to support leaders in their role, offering more than 200 courses through the Employee Development Branch that cover all competencies identified specifically for leaders.

Data Analysis

We analyzed the PeopleSoft data obtained from HRS on the training completed by leaders[38] as of April 4, 2023. We found that:

- 49 percent of current leaders in the organization have taken between one and 10 courses categorized as *leadership* through HRS – Employee Development Branch since their employment with the City (on average 16 years employed with the City)
- 68 percent of leaders have taken over 10 courses, since joining the city, encompassing all training categories including leadership
- 25 percent of current leaders in the City have not taken any courses offered by the Employee Development Branch
- Participation in leadership courses gradually increased from 2012 to 2016, declined and then surged again in 2021 to 2022. See graph below for details.
    - Through discussions with HRS, the first increase in completion of courses that started in 2012, was attributed to the following initiatives fully implemented in 2014:
        - the launch of online learning modules via an external provider
        - the release of the course calendar online
        - updates to prescribed leadership training course offerings



Source: HRS
COVID 19 affected training participation in 2020. At this time HRS transitioned to virtual and online training which contributed to the increase in participation in 2021-2022.

- In 2021 and 2022, all corporate education training was provided online or virtually, as a result of the COVID-19 pandemic. Courses continue to be offered via an online module that is

[38] Identified by PeopleSoft as leaders – employees with at least one employee reporting to them (direct reporting relationship)

completed individually by the employee at their own pace or virtually, in groups, via video conferencing software.

- The data analyzed does not include any training or education an employee received from external sources.
    - We found the leaders interviewed as part of the case studies did not utilize the full capabilities of PeopleSoft to record their external training and education completed. Leaders were not aware that external training could be recorded in PeopleSoft.
- We identified duplicates in the HRS data due to the categorization of the data. This led to certain courses being counted multiple times, especially in cases where a course is classified in more than one category. HRS – Information Systems Branch is aware of the duplication the fact that not all employee education and training is captured in PeopleSoft data.

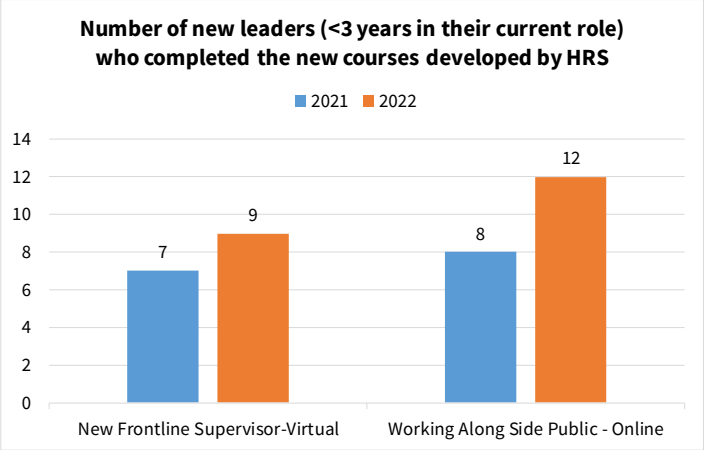
Reports to Council

We reviewed the report *Organizational Improvement Update for the Planning, Property, & Development Department* presented to Council at the March 20, 2020 Council Special Meeting. This report stated the status of action items that were identified to improve PP&D – DI's operations as a result of an initial investigation into allegations of minimal controls in place to monitor the performance or productivity of Commercial Inspectors. Please refer to **Appendix 4** Action Items from the Report, *Organizational Improvement Update for the Planning, Property, and Development Department,* for more details on the action items.

Recommendations for HRS included working with departments to create a new orientation process and stronger training for all new leaders which we confirmed were developed and implemented. These recommended courses are called *New Frontline Supervisor Virtual and Working Along Side Public Online*.

- We found the courses provide the tools, guidance and information on employee education and development, and the performance management function. The courses also list the key roles and responsibilities of leaders and provide information on supervising employees and managing the performance of direct reports. Furthermore, the training offers leaders additional resources to enhance their leadership skills.

- We noted low participation rates by leaders in the two courses between 2021 and 2022.
- We reviewed the aggregated results of the leadership surveys conducted by HRS in early 2023. The overall results identified that the respondents were satisfied with the training opportunities provided by HRS and felt the leadership courses helped improve their leadership skills.



Note: Between April 2020 and April 2023 – 54 new leaders (< 3 years with the city) were hired.

Case Studies

Our observations from the case studies of 12 leaders revealed the following:

- All 12 leaders interviewed had some form of training to prepare them for their positions. This included courses offered through the City, previous management experience, and on-the-job training.
    - On-the-job training was identified by all leaders as the most effective preparation for their leadership roles.
    - 11 of the 12 leaders interviewed expressed the importance of having a mentor.
        - One leader stated that they did not have a mentor, but viewed mentoring as helpful for developing in a leadership role.
    - The HRS Employee Development Branch offers an online module for leaders on mentoring. However, there is no formalized mentorship program supported by HRS due to limited resources. Any mentoring in place is carried out by the department, division or branch.
    - The 12 leaders' training data recorded in PeopleSoft indicated that none of the leaders had completed all of the training identified by HRS as required courses. Only two of the 12 leaders had completed more than 50 percent of the required training courses.
- Based on the interviews with the leaders, we noted that there are different processes in departments and divisions for monitoring and reviewing the training completed by leaders.

In interviews with HRS and the CAO, we found there is no required reporting on completion rates of required courses. Moreover, there is no formal City process or requirement for leaders to report on the completion of required training.

RECOMMENDATION #12			
We recommend the CAO, in consultation with the Director of HRS develop a formal documented process for obtaining reports on the completion rates for all employee required training. The process should include Department Directors working with leaders on addressing low completion rates.			
RISK AREA	Human Resources	**ASSESSMENT**	Moderate Risk
BASIS OF ASSESSMENT	Establishing a formalized review and reporting process to monitor the completion of required training and development promotes accountability and ensures the fulfillment of identified required training and development.		
MANAGEMENT RESPONSE			
Management agrees with the recommendation. Mandatory/Required Training lists will be identified for each Department and employee as part of the new Learning Management System roll out in 2024. The Director of HRS will work with Employee Development, and department HR teams, who will work with leaders across the city to assist them with monitoring and developing plans with Directors to address employee completion rates.			
IMPLEMENTATION DATE	Q4 2024		

RECOMMENDATION #13			
We recommend that the Director of HRS develop and implement a communication plan to educate all leaders and employees on the process for recording the external training that they have completed in PeopleSoft.			
RISK AREA	Human Resources	**ASSESSMENT**	Moderate Risk
BASIS OF ASSESSMENT	The City is not utilizing the full capabilities of PeopleSoft to record the external training and education completed by employees. The additional information can assist the City's recruitment decisions and training plans.		
MANAGEMENT RESPONSE			
Management agrees with the recommendation. The Director of HRS will work with Employee Development and leaders across the City to create a process to educate employees on how to submit external training information to HR Services for inclusion on their PS record and as part of the implementation of the new Learning Management System. This will be communicated city-wide via existing processes.			
IMPLEMENTATION DATE	Q4 2024		

Appendix 1 – Audit Methodology

The City Auditor is a statutory officer appointed by City Council under *The City of Winnipeg Charter*. The City Auditor is independent of the Public Service and reports directly to Executive Policy Committee, which serves as the City's Audit Committee.

The City Auditor conducts examinations of the operations of the City and its affiliated bodies to assist Council in its governance role of ensuring the Public Service's accountability for the quality of stewardship over public funds and for the achievement of value for money in City operations.

Once an audit report has been communicated to Council, it becomes a public document.

Project Risk Analysis

Our audits are conducted using a risk-based methodology. A risk assessment was performed to identify the areas of focus.

Scope

All departments were included in the scope of this audit except for the Winnipeg Police Service (WPS) that reports directly to the Winnipeg Police Board.

The audit examined both corporate and department specific tools, processes and guidance used and available for City employees that have a role in oversight, supervision or management of other employees. All administrative standards, policies, procedures, manuals and guidance related to workforce management are included in our scope. We did not audit the City's workforce management systems.

The scope period of examination for this audit was January 1, 2018 to April 4, 2023.

Approach and Criteria

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient appropriate evidence to provide a reasonable basis for our observations and conclusions, based on our audit objectives. We believe the evidence we have obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

Procedures for this audit consisted of:

- Reviewing the following information:
    - Administrative standards, policies, procedures, and best practices.
    - Training materials and sessions available for leaders.

- Management reporting.
- Public Service action items detailing the anticipated departmental changes as a result of the investigation into Planning, Property, and Development – Development and Inspection Division (PP&D – DI), in 2019.
    - Our procedures were limited to reviewing the action items relevant to the audit objectives. This included leadership training, supervision and employee productivity.
    - The following Administrative Reports to Council and Executive Policy Committee (EPC) were reviewed:
        - *Investigation into Allegations of Improper Conduct within Planning, Property & Development* tabled at Council September 26, 2019
        - *Organizational Improvement Update for the Planning, Property & Development Department* tabled at Council March 20, 2020 Council Special Meeting II
        - *Update on the City-wide ongoing initiatives related to the Organizational Improvement Update for the Planning, Property & Development Department* tabled at EPC May 18, 2021
- The 2022-2023 Employee Engagement and Workplace Culture Survey results relevant to the audit objectives.
    - In 2022, the City engaged a third-party consultant (EPSI) to create and conduct the survey, excluding the Winnipeg Police Service.
    - The City distributed 7,920 surveys (5,324 surveys were distributed electronically via City email and 2,596 surveys were mailed to employees without City email accounts).
    - The survey closed in 2023 and received a response rate of 38.8 percent.
    - In 2023 and 2024, the results from the survey were shared with all City employees.
    - The City's Audit Department was not involved in creating and conducting this survey. We supplemented the survey results with additional procedures as described in the report.

- Analyzing data from the City's PeopleSoft system:
    - Overtime data from 2019 to 2022.[39]
    - Performance review and span of control data, as of March 29, 2023.

[39] Data was provided by Corporate Finance.

        - The data obtained from PeopleSoft only identified performance reviews that have been completed and signed off by the employees and leaders within the system.
            - We noted in the data that some employees may have had multiple performance reviews documented and completed in PeopleSoft over the course of a year. This could be due to the variations of the positions.
                - For the purpose of our analysis, we have only commented on the number of performance reviews indicated as completed in PeopleSoft between 2018 and 2022 for all active employees (excluding the WPS).
                - We did not rely on the data as the sole source of our observations, we considered it suitable for reasonable estimation.
        - We recognize that the data may not be complete. Departments use paper-based forms and provide informal feedback that is not entered into PeopleSoft.
        - For the span of control, a leader was identified as an employee who has at least one direct report in PeopleSoft. The PeopleSoft data does not include employees who have been delegated leadership responsibilities or acting as leaders and do not have direct reports identified in PeopleSoft.
            - Due to this data limitation, we did not include employees who do not have direct reports in PeopleSoft.
    - Leadership training completed as of April 4, 2023.
        - HRS confirmed that the data is not complete. The training records include corporate courses with course codes. However, departmental and external training (e.g. university/college courses) are not all captured in the PeopleSoft data.
        - We identified duplicated training courses for employees due to the method used by HRS to categorize City courses.

- Conducting case studies:
    - We interviewed a sample of 12 leaders (supervisors and managers) from across the organization in different departments with direct reports to discuss, identify and review the tools, processes and guidance they use in conducting their role.
        - Interview responses were paraphrased throughout this report, where applicable, for anonymity and confidentiality.

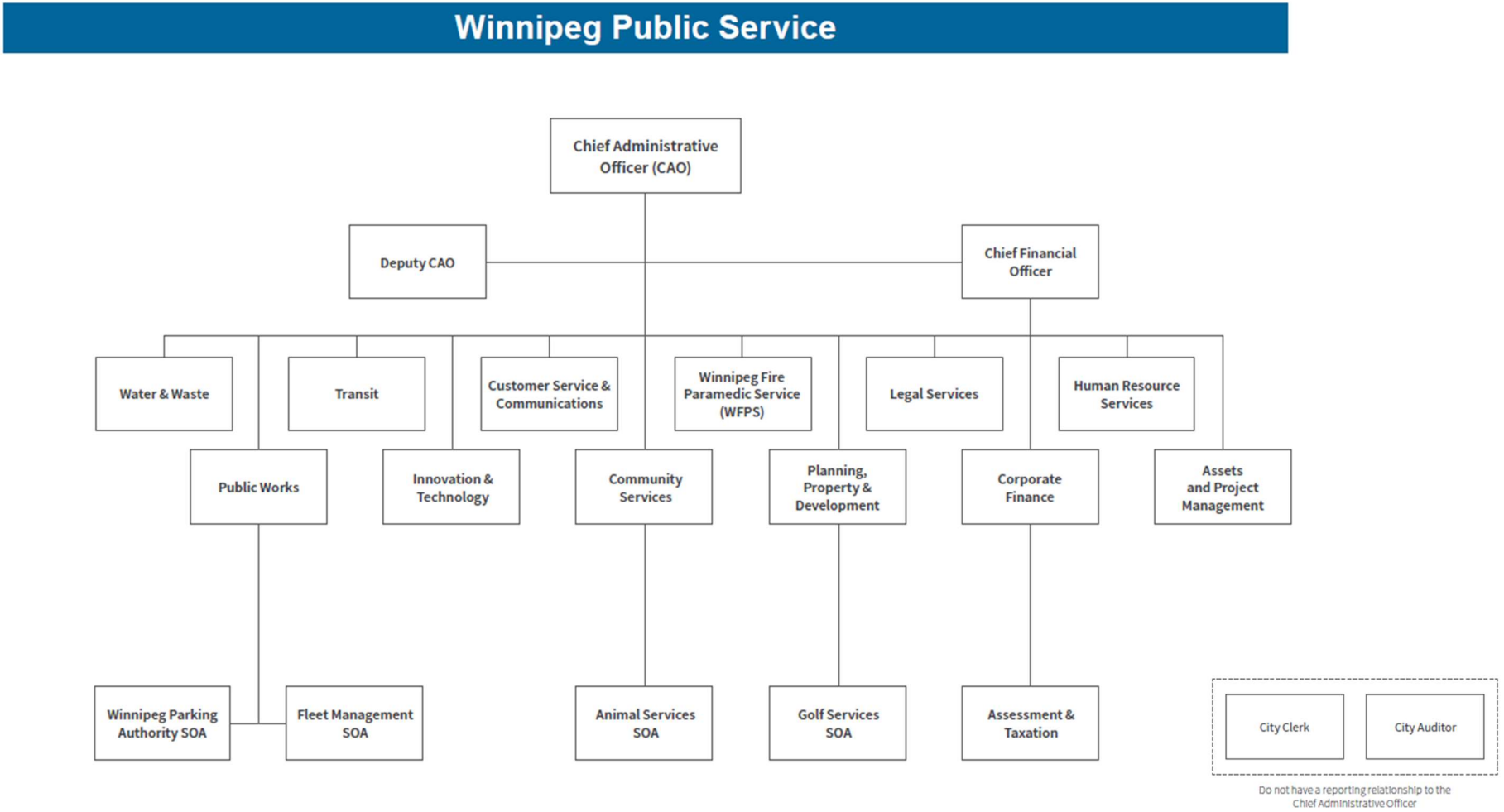
        - Generalizing evidence from one group to the whole department is not advisable.[40] Our case studies examined only one area or division that may not be representative of the department.
    - Discussions with HRS and departmental HR managers, Department Directors, the CAO, and Corporate Finance employees.

The relevant City administrative standards, policies, procedures, and best practices used as criteria throughout this audit include:

- Administrative Standard IS-001 Governance Structure - Internal Services
- Administrative Standard HR-003 Employee Education and Development
- Administrative Standard HR-012 Employee Performance Management
- Administrative Standard AS-018 Flexible Workplace Program
- Performance targets (Department-specific) related to workforce management
- Corporate and Department practices, policies and procedures
- Corporate Strategic Plan
- Government Finance Officers Association, Best Practices: Performance Measures

[40] We cannot conclude that the use of a tool or practice applies to all divisions within a department or limited to only one area.

Appendix 2 – 2022 Organization Chart



Source: City of Winnipeg's Community Trends and Performance Report – Volume 1 for 2022 Budget (Community Trends and Performance Report - Volume 1 for 2022 Budget (winnipeg.ca))

Appendix 3 – Summary of the Administrative Standards Reviewed

Administrative Standard	Issue Date	Last Update	Authority	Purpose(s)
Administrative Standard No. IS-001 Governance Structure - Internal Services ("IS-001")	November 2010	June 2023	Chief Administrative Officer	To provide clear, consistent direction regarding the roles, responsibilities, decision-making mechanisms and accountability of the Chief Financial Officer, Director of Human Resource Services, and Director of Innovation & Technology as they relate to the provision of internal services (i.e. Financial, Human Resources, and Innovation & Technology) of the City of Winnipeg. To ensure timely and efficient delivery of Internal Services to Departments and Special Operating Agencies in order to support front-line services to citizens of Winnipeg in accordance with Council policy.
Administrative Standards No. AS-001 Administrative Standards Framework	January 2002	March 2021	Chief Administrative Officer	To identify the process of developing and approving Administrative Standards (direction and guidance) for the organization.
Administrative Standard No. AS-018 Flexible Workplace ("AS-018")	May 2022	September 2022	Director, Human Resource Services	To enable the effective implementation of Flexible Workplace Arrangements.

Administrative Standard	Issue Date	Last Update	Authority	Purpose(s)
Administrative Standard No. HR-003 Employee Education and Development ("HR-003")	N/A	June 2010	Director, Corporate Support Services	To provide the organization with fundamental principles and guidelines respecting the value of education in our changing organization. To meet the ever-changing development needs of our organization, it is expected that learning opportunity requests will be diverse. It is important that employees, departments, and the organization recognize the need for flexibility in determining and supporting developmental needs of groups and individuals.
Administrative Standard No. HR-012 Employee Performance Management ("HR-012")	N/A	June 2014	Director, Corporate Support Services	1. Enhance employee performance in meeting department/organization goals and objectives. 2. Optimize employee performance in meeting and exceeding citizen/customer expectations and service requirements. 3. Support employees' development and continuous learning, providing readiness for current and future work. 4. Utilize information gathered in employee performance management process to effectively manage succession/replacement planning and employee retention.

Appendix 4 – Action Items from the Council Reports Regarding Organizational Improvements and the PP&D Investigation in 2019

The action items described in the reports are in the table below.

Action Items	Relevant Sections or Areas of the Workforce Management Audit
"Prioritize a review of field operations across all City departments to ensure consistency in procedures and management."	Supervision
"Engage an external consultant to work with the CAO's Office to assist the PP&D Director in reviewing all PP&D operations to ensure they are functioning optimally and to identify any potential issues that might exist beyond the Development & Inspections Division."	N/A
"HRS will assist PP&D to complete a cross jurisdictional scan of other comparable municipalities to determine how they measure productivity and estimate inspection time frames."	Supervision
"In coordination with the Interim CAO, the PP&D Director will prioritize plans to move the department forward including a review of the department structure, a review of management, and hiring new staff."	Supervision
"The Acting Chief Innovation Officer will work with all City departments to explore the use of technology to help with accounting for staff time and tracking productivity, while still supporting staff to maintain the autonomy needed to do their job."	Supervision
"HRS will work with Unions to review shift start times, end times, and break times for staff in the Commercial Branch to find a way to better meet customer requirements while still respecting employee working conditions."	N/A
"HRS will work with departments to create a new orientation process for all new leaders to ensure they understand the tools available to them when they are promoted or hired into a new supervisory role. They will also work to implement stronger training to assist supervisors across all City departments in transitioning from coworker to supervisor."	Supervision, Leader's Training
"Request PP&D explore the use of fleet vehicles for field staff instead of the current practice of using private vehicles."	N/A

Source: DMIS - March 20, 2020 Council Special Meeting II – 3 pm *Organizational Improvement Update for the Planning, Property & Development Department - Appendix 1 – Council Report Action Items*