

Chief Financial Officer's Report to
Audit Committee
2021 March 18

ISC: UNRESTRICTED
AC2021-0263
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Code of Conduct Annual Report

RECOMMENDATION(S):

That the Audit Committee receives AC2021-0263 report and presentation for the Corporate Record.

HIGHLIGHTS

- This report provides Audit Committee with an annual update on management practices and processes related to The City of Calgary's Code of Conduct Program, and assurance that it is serving as an efficient and effective internal control.
- *What does this mean to Calgarians?*
The Code of Conduct lays out the expectations The City of Calgary (The City) has for employee behaviour. It fosters a safe, healthy and ethical workplace, which strengthens our commitment to making Calgary a great place to make a living, and a great place to make a life.
- *Why does this matter?*
Citizens expect employees to do the right things, to be accountable and responsible. Ethical employee behaviour helps ensure public trust and confidence in municipal government and protects our collective reputation.
- Updated and new mandatory training courses launched in 2020 September are effective tools for ensuring employees are aware of the expectations for their behaviour, and leaders understand how to support employees with Code questions and concerns.
- Creating an environment where employees feel safe to speak up will strengthen the effectiveness of the Code of Conduct. Administration has an opportunity to better understand employees' fear of retaliation, enhance leadership accountability for psychological safety and addressing inappropriate behaviour, and develop a culture of speaking up about issues.
- *Most recent Council Direction*
Audit Committee's mandate, as established in Audit Committee Bylaw 33M2020, includes "assist(ing) Council in fulfilling its oversight and stewardship responsibilities by gaining and maintaining reasonable assurance in relation to...(ii) effective governance, risk management and compliance, including the evaluation of the performance of control systems and processes."
- Strategic Alignment to Council's Citizen Priorities: A well-run city
- Background and Previous Council Direction is included as Attachment 1.

DISCUSSION

Our strong Code of Conduct benefits everyone as it fosters a safe, healthy and ethical workplace and protects our collective reputation, while strengthening our commitment to making Calgary a great place to make a living and a great place to make a life.

Since the introduction of Code of Conduct training in 2018, the Corporate Employee Survey (CES) results show an increase in the number of employees that report having the resources to solve ethical dilemmas (75%) and that ethics are discussed in the workplace (74%). Overall, the majority of employees (95%) are satisfied with the updated Code of Conduct training course.

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The City has established a sustainable Code of Conduct program that consists of:

1. Mandatory formal training
2. Ongoing learning through team conversations and communications tactics
3. Evidence-based accountability and continuous improvement
4. Leadership in integrating and progressing the Code of Conduct

A coordinated and collaborative approach between the Chief Financial Officer's Department, Policy Owners and Senior Leadership has proven critical to the successful development and implementation of the Code of Conduct program. Recent accomplishments in 2020-2021 include the launch of updated mandatory Code of Conduct training to all employees, the launch of a new mandatory Code of Conduct for Leaders training, and a toolkit of resources to support application of the learning.

The 2019 Corporate Employee Survey (CES) results also reveal opportunities to improve employee perceptions that they can report Code issues without fear of retaliation and that inappropriate behaviour is addressed effectively. A number of corporate activities in 2020-2021 that supported the necessary progress in leadership and culture are detailed in Attachment 2.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- ☐ Public Engagement was undertaken
- ☒ Public Communication or Engagement was not required
- ☐ Public/Stakeholders were informed
- ☐ Stakeholder or customer dialogue/relations were undertaken

IMPLICATIONS

Social

The Code of Conduct supports the Social Wellbeing Principles (CP2019-01) of Equity, Truth and Reconciliation, Culture, and Prevention by articulating expectations for safe, respectful and inclusive work environment, and services that are delivered in a fair, objective and impartial way.

Environmental

Employees are required to consider actions, decisions and use of resources with respect to their impact on the environment.

Economic

The Code of Conduct promotes fiscal responsibility by providing employees with a reference guide to key City policies that address risk areas that they may encounter at work and also requires the proper use of City resources.

Service and Financial Implications

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Existing operating funding - Base

Code of Conduct related activities are within approved budgets and programs.

RISK

The Code of Conduct Program supports proactive management of The City's Principal Corporate Risk: Reputation Risk by introducing preventative, administrative controls.

The Code of Conduct learning and resources promote employees' individual responsibility and collective accountability to demonstrate the expected standards of workplace conduct in areas subject to inherent risk for the organization.

Efforts are underway to understand employees' fear of retaliation, increase psychological safety in the workplace, address inappropriate behaviour, and develop a culture of speaking up about issues. Creating an environment where employees can effectively apply the Code to foster a safe, healthy and ethical workplace will strengthen the effectiveness of the Code of Conduct. Without these efforts, employees are less likely to internalize and demonstrate the 4Cs of our culture (character, competence, commitment and collaboration).

ATTACHMENT(S)

1. Background
2. Code of Conduct Annual Report
3. Presentation

Department Circulation

General Manager	Department	Approve/Consult/Inform
David Duckworth	City Manager's Office	Consult
Carla Male	Chief Financial Officer's Department	Approve