Calgary

City Auditor's Office

Code of Conduct Program Audit

June 2, 2023

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This audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing.*

Executive Summary

The City of Calgary (the "City") has implemented a Code of Conduct Program that describes the expectations for employee conduct to enable employees to create and uphold a safe, healthy, and ethical workplace aligned with the City's 4 Cs behaviours (Character, Commitment, Competence, and Collaboration). Administration's Code of Conduct Program includes the updated Code of Conduct Policy, the Code of Conduct Standards, the Code of Conduct booklet, as well as nine (9) supporting policies.

The City Auditor's Office approved 2022 Audit Plan included an audit of City Administration's Code of Conduct Program (the "Program", the "Code") to assess the effectiveness of the Program in supporting an ethical workplace. The City Auditor's Office engaged KPMG LLP ("KPMG") to perform this audit.

The primary objective of this audit is to assess the effectiveness of the City Administration's Code of Conduct Program in supporting an ethical workplace as well as identify opportunities for improvement to the Program and assess it against leading practices.

To meet the audit's objective, the scope of the assessment focused on the following aspects of the Code of Conduct Program during the time period January 1, 2020 – July 1, 2022:

1. Policy content
2. Governance structure and tone at the top
3. Communication, training, and awareness
4. Reported incidents and investigations
5. Monitoring of Program performance

Testing was comprised of document review, the conduct of interviews, and detailed sample testing in the training and reported incident and investigation areas.

Based on our assessment and the detailed results as presented in this report on the effectiveness of City's Code of Conduct Program processes, we noted strengths as well as key observations to further improve the effectiveness of the Program across all of the five areas of our assessment.

In our audit, we have identified the following areas of strength in the City's Code of Conduct Program:

- Strong commitment from the Senior Management Team (SMT) and Executive Leadership Team (ELT) to maintaining an ethical culture at the City.
- Policy owners and those charged with administering the Code exhibit comprehensive knowledge of their respective policies and requirements.
- The Code includes scenario-based, mandatory training that covers key aspects of the Code of Conduct and how to report suspected violations.
- The City's internal and external websites are easy to navigate and provide comprehensive information regarding the Code, its policies, and reporting methods.
- Management has been responsive to feedback received on the Code, including the introduction of the Speaking Up initiative to address barriers to reporting.

Our audit identified key observations in the City Administration Code of Conduct Program that we recommend to increase the effectiveness of the Code of Conduct Program and achieve the Code's objectives which have been summarized below:

1. The role of Audit Committee (AC) in providing oversight is unclear.
2. There are 21 options for reporting suspected Code violations, which may cause inconsistency, confusion, a failure to report, or reporting to the wrong group / individual.
3. There are five (5) systems used to capture and document investigations, with inconsistent terminology, nomenclature, and categorization, inhibiting data integrity, analysis, and reporting.
4. Comprehensive and consolidated reporting on Code performance is not conducted and current reporting does not include key performance indicators (KPIs) or key risk indicators (KRIs), inhibiting trend analysis and effective decision making and oversight.
5. Employee awareness is not sufficiently measured and training does not leverage knowledge assessments to determine employee understanding.
6. The Investigation Matrix used to triage reported Code violations is out of date and may not reflect current organizational roles and responsibilities.
7. Groups conducting investigations into suspected Code violations utilize different investigative protocols and consultation processes, which may result in investigations conducted in an inconsistent manner or investigations where the appropriate group / individual within the organization is not consulted during the course of the investigation.
8. Five (5) of nine (9) supporting policies have not been updated for an extended period of time and the current four-year review cycle may not be adequate to determine that policies are current.
9. The Code of Conduct Policy does not include key elements such as reporting methods, protection of confidentiality, how to report suspected violations involving leadership, or the prohibition of making inappropriate payments/bribes.
10. Leadership responsibilities related to the Code are not reinforced through specific Performance Management Program goals or objectives.

Further information on each of the above summarized observations and associated recommendations, as well as management response and committed actions, can be found in Section 4: Observations and Recommendations in this report.

Per the results of our audit, we conclude that the City's Code of Conduct Program is partially effective but does not currently fully achieve its intended objectives.

Administration has agreed to our recommendations and has indicated in their responses a commitment to implement these actions no later than 2025. The City Auditor's Office will monitor the status of commitments as part of its ongoing recommendation follow-up process.

1.0 Background

Administration's Code of Conduct Program describes the expectations for employee conduct that enables employees to create and uphold a safe, healthy, and ethical workplace in line with the City's 4 Cs behaviours (Character – We behave the right way, Commitment – We are dedicated to the greater public good, Competence – We do the right things the right way, and Collaboration – We work together for a common purpose).

The Code of Conduct addresses a broad range of employee ethical and conduct issues that may create risk for the City. The City Administration's Code of Conduct Program includes the updated Code of Conduct Policy, the Code of Conduct Standards, the Code of Conduct booklet, as well as nine (9) supporting policies including:

1. Acceptable Use of City Technology Resources Policy (IM-IT-002)
2. Conflict of Interest Policy (HR-LR-004)
3. Environmental Policy (UEP001)
4. Freedom of Information and Protection of Privacy Act
5. Occupational Health and Safety Policy (HS-ESM-001(B))
6. Social Media, Media Relations and Public Statements Policy (MP-001)
7. Respectful Workplace Policy (ALT2020-1092)
8. Substance Use Policy (HR-TR-005(B))
9. Workplace Violence Prevention Policy (GN-040)

The City Auditor's Office approved 2022 Audit Plan included a Code of Conduct Program audit and the City Auditor engaged KPMG LLP ("KPMG") to perform this audit. Details of the audit is presented in the Audit Objective, Scope and Approach section of this report.

2.0 Audit Objective, Scope and Approach

2.1 Audit Objective
The objective of this audit was to assess the effectiveness of the City Administration's Code of Conduct Program in supporting an ethical workplace and to identify opportunities for improvement.

2.2 Audit Scope
To achieve the audit objective in determining the effectiveness of the City's Code of Conduct Program, the scope of the audit consisted of assessing the Program and its policies, as well as processes and controls to deliver and enforce the Program, against leading practices.
The time period under review for the audit was January 1, 2020 – July 1, 2022.
The scope of our audit of the City Administration's Code of Conduct Program consisted of the specific scope areas:
- Code of Conduct and supporting policy content against leading practices;
- Governance structure of the Program and the effectiveness of the tone at the top in creating and maintaining an ethical culture that reinforces the City's values;
- Communication and training provided to employees (both new and existing) pertaining to the Program to support understanding, awareness, and compliance against the Code of Conduct requirements;
- Procedures for reporting incidents / violations of the Code of Conduct and monitoring breaches, including conducting investigations into reported incidents / violations; and
- Ongoing monitoring and review of Program performance used to determine the effectiveness of the Program, including key performance indicators (KPIs) and reporting to Senior Management and the Audit Committee.

The scope of our Audit did not include formal benchmarking of the Code of Conduct Program to other Canadian Municipalities; however, our assessment of the Program included considering relevant leading practices per KPMG's methodology and experience on the specific scope areas noted above.

The scope of our Audit did not include an assessment of the City's Whistleblower Program; Code of Conduct for Elected Officials Bylaw (Bylaw 26M2018); or Code of Conduct for Public Members Appointed to Council Established Boards, Commissions and Committees (Policy CP2022-05).

2.3 Audit Approach
Our audit approach included reviewing existing documentation related to the Code of Conduct Program and its related policies (refer to Appendix A), performing interviews with key personnel (refer to Appendix B), and performing detailed sample testing regarding employee training completion and reported incidents and investigations. Our findings have been communicated with Administration and we have received their acknowledgement of the findings and their management actions.

The City Auditor's Office will monitor the progress of actions taken by Administration to address the audit recommendations and report to the Audit Committee on implementation of action plans.

3.0 Results

Based on our assessment and the detailed results as presented in this report on the City's Code of Conduct Program processes, we noted strengths as well as observations in all of the five areas of our Audit scope. Therefore, we concluded that the Program is partially effective in supporting an ethical workplace at the City.

Detailed results are set out below for each of the five areas of our scope under the headings of: Policy Content; Governance Structure and Tone at the Top; Communication, Training, and Awareness; Reported Incidents and Investigations; and Monitoring of Program Performance.

3.1 Policy Content

Based on our assessment and detailed results, we determined the processes and controls related to the Program policy content are partially effective in supporting an ethical workplace at the City.

Our Audit indicates the Code of Conduct, its supporting polices, and associated handbook contain relevant and detailed information including alignment to the City's core values, conduct and behavioural expectations with situational examples. Our inspection of the policies and handbook indicate that there are clearly defined roles and responsibilities, and consequences of non-compliance. Our inspection of Code of Conduct and its policies on the City's website against leading practice indicates that this information to be generally comprehensive and easy to find and navigate.

The City currently employs a Policy Review Program that requires the review and update of Administration policies every four years; however, five of the nine supporting Program policies did not indicate they had been reviewed or updated in at least four years. Additionally, interviews indicated that supporting Program policies were not consistently assessed against one another to determine alignment. As such, we identified an observation related to updating and maintaining Program policies (Section 4.8). We recommend the establishment of a risk-based approach to the prioritization of policy reviews and updates that requires the various policies be assessed for alignment to determine consistency (Recommendation #8).

We identified that the Code of Conduct Policy and Code of Conduct Standards do not include three elements related to reporting methods for suspected violations, including those conducted by leadership, protection of the confidentiality of reports, and prohibition of making inappropriate payments or bribes (Section 4.9). We recommend updating the Code of Conduct Policy and related Standards to include these elements (Recommendation #9).

3.2 Governance Structure and Tone at the Top
Based on our assessment and detailed results, we determined the processes and controls related to the Program governance structure and tone at the top are partially effective in supporting an ethical workplace at the City.

Evidence indicates commitment from Senior Management Team (SMT) and Executive Leadership Team (ELT) to upholding a safe, healthy, and ethical workplace at the City. We observed that this commitment is reinforced through the Program's policies and related documentation as well as the recent Speaking Up initiative encouraging employees to report suspected Code violations. Our Audit indicates City leadership are generally aware of their responsibilities as it relates to the Code including modeling ethical behaviour, determining that the City's employees complete Code training, applying the Code fairly and consistently, and taking corrective action when necessary. However, the City's Leader's responsibilities are not explicitly reinforced through performance goals or Key Performance Indicators (KPIs) (Section 4.10). We recommend reviewing the City's performance management program to consider inclusion of requirements specifically tied to Code responsibilities and the establishment of KPIs to monitor performance (Recommendation #10).

The City's governance structure for the Code of Conduct Program includes annual reporting to the Audit Committee on employee training completion rates and employee survey results related to the City's ethical culture. However, our Audit indicated there was inconsistent awareness of the Administration's Code of Conduct by the Audit Committee. As well, it was observed that the Audit Committee's role and oversight regarding the Program is no longer explicitly documented. In addition, communication to Audit Committee on Code performance are currently conducted as briefings that eliminates the discussion of this agenda item (Section 4.1). We recommend the City provide onboarding to the Audit Committee on Administration's Code of Conduct and reassess the Audit Committee's responsibility and the format of reporting it receives related to the Code (Recommendation #1).

3.3 Communication, Training, and Awareness
Based on our assessment and detailed results, we determined the processes and controls related to the Program communication, training, and awareness are partially effective in supporting an ethical workplace at the City.

Our Audit indicated a detailed communications plan is used to regularly reinforce key messages, updates, and information related to the Program to employees through a variety of training, emails, bulletins, and the City's internal website. A training program has been developed that consists of an overview of the Code of Conduct, its related policies, and their requirements; scenarios to assist employees' understanding; information on reporting methods; and reinforcement of the City's core values. Code of Conduct training is required to be completed by all employees on a biannual basis, with additional training provided to Leaders on addressing violations reported to them by employees, their responsibilities, and communication of the Code.

Our Audit confirmed that in 2021, the training completion rate was 96% and in 2022 it was 96.8% across all employees. Our testing indicated that 100% of the 42 City employees and leaders sampled had completed their training within the required timeframe. However, our Audit identified that currently there is no formal knowledge assessment (e.g., quiz) upon

completion of the Code training, which inhibits the City's ability to accurately assess employee understanding and retention of training concepts (Section 4.5). In addition, although the City provides an optional anonymous survey upon completion of training for employees to obtain feedback on the training and indicate their understanding of the Code, the response rates are not accurately tracked. We recommend the inclusion of a short quiz upon completion of the training to verify employees' understanding and awareness of Code requirements (Recommendation #5).

Our Audit indicates that the City conducts regular employee surveys that includes consideration of employees' willingness and knowledge of reporting unethical behaviour, and consideration of whether their Leaders effectively address inappropriate behaviour. This survey was recently completed in 2021 and had a 46.9% completion rate overall, making it an insufficient mechanism for assessing actual employee awareness of Code requirements. For the City to receive more accurate information on employee awareness, we recommend utilizing a quiz upon completion of the mandatory Code training as noted above (Recommendation #5).

3.4   Reported Incidents and Investigations

Based on our assessment and detailed results, we determined the processes and controls related to the Program's reporting of incidents and investigations are not effective in supporting an ethical workplace at the City.

Our Audit indicated the City uses a decentralized approach to conduct intake, investigate, and follow up on reported incidents related to the Code. There are currently 21 methods available to employees to report suspected violations and no central intake group to support triaging of reported incidents depending on their nature and urgency (Section 4.2). The City has developed an Investigation Matrix to be used as a guideline for individual intake groups to triage incidents reported into them and consult with appropriate groups elsewhere in the organization. However, our Audit indicated the Matrix is not always followed consistently and it was observed that the Matrix has not been updated in five years and not all relevant groups within the organization are included (e.g., Legal) (Section 4.6). We recommend streamlining reporting methods available to employees and implementing a central intake group to direct reported violations more effectively (Recommendation #2).

Our Audit also indicates that the Investigation Matrix is currently owned by the Corporate Security Group which is not aligned to the intent of the City's Code of Conduct Program as the Corporate Security Group is not the central intake group. We recommend reassigning ownership of the Investigation Matrix, updating it, and communicating those updates to groups responsible for conducting investigations or intake across the organization (Recommendation #6).

Our Audit indicates that each primary group who receives reports related to alleged Code violations has established investigative and consultative processes, although these processes are not consistent between the groups (Section 4.7). We recommend the City review and update the Draft Corporate Security Investigative Protocols to determine that the processes are consistently applied (Recommendation #7).

3.5 Monitoring of Program Performance

Based on our assessment and detailed results, we determined the processes and controls related to monitoring of the Program's performance are not effective in supporting an ethical workplace at the City.

Our Audit indicates that reported incidents are logged and tracked within five separate systems (excluding the Whistleblower Program). Inspection of a data extract from each of the five systems indicated that inconsistent nomenclature / terminology is used across the systems, not all data points were completed (e.g., category or type of incident missing in 28% of cases), and that 529 cases during the time period under review had not been designated as closed. The root cause of our findings indicate that the lack of centralized intake creates data integrity inconsistency, which results in ineffective reporting (Section 4.3). We recommend developing a City defined common terminology and categorization across all data capture systems and implementing a process to track and review unresolved cases in the Code of Conduct Program (Recommendation #3).

The City Manager and Audit Committee currently receive reports for the Code of Conduct program performance which contain information related to training completion rates and employee survey results. The City Manager also receives separate quarterly reports regarding incidences related to the Respectful Workplace Office as well as Safety. The individual Business Unit Leaders receive reports on specific investigations or incidences. Leadership across the various Code intake groups (Legal, HR, Labour Relations, etc.) meet on a regular basis to discuss specific reported Code violations or incidents. However, comprehensive reporting on Code performance, incidences, and trends / themes is not prepared and available. The lack of comprehensive reporting is due to the decentralized nature of intake and data inconsistency (Section 4.4). We recommend that a framework to monitor and report on Code of Conduct violations / investigations across the whole organization, including key performance indicators (KPIs) be developed so that systematic issues can be identified in a timely manner and addressed (Recommendation #4).

4.0 Observations and Recommendations

Our assessment of the City Administration's Code of Conduct Program identified observations and areas of improvement the City should consider to increase the effectiveness of the Code and achieve its objectives.

4.1   Audit Committee Oversight and Governance

Per Bylaw 48M2012, Audit Committee's (AC) role previously included reviewing reports regarding the effectiveness and adequacy of the Code of Conduct Program and providing recommendations; however, Bylaw 48M2012 was replaced by Bylaw 33M2020 in 2020 which does not explicitly state the AC has a role in providing oversight of or reviewing the effectiveness or adequacy of the Code of Conduct Program. While Code of Conduct annual reports to the AC are still provided in practice, this is no longer formally required.

Additionally, in September 2022, a motion was passed to introduce briefings as a method to relay information to Council or Committee that were informational in nature. Briefings are indicated on the consent agenda and are a report from Administration that does not seek any direction from Council, where no action will result, or where the intention is to only highlight information of interest to Council. In September 2022, a motion was passed to move the Code of Conduct reports from Management to the AC to briefings and, as a result, they will be conducted as briefings rather than presentations, removing any component for formal presentation or discussion with the AC or Council.

While the AC receives a copy of Administration's Code of Conduct Policy, we observed that there was inconsistent awareness of the Code of Conduct policies and their content, limiting the ability to provide effective governance over the Code of Conduct Program holistically.

Risk / Impact
Audit Committee members may not be fully aware of the nature and content of the Code of Conduct and its related policies, which may impact the AC's ability to provide effective oversight with respect to the Code of Conduct Program and the ethical culture within the organization.

Recommendation 1

a) Consider re-introducing a responsibility for the Audit Committee to have oversight of and review reports regarding the effectiveness and adequacy of the Code of Conduct Program performance, including providing recommendations to Administration for improvement, when Bylaw 33M2020 formally review.

b) Consider delivering Code of Conduct program reports to the AC as reports rather than briefings to allow for adequate discussion between Administration and the AC regarding the effectiveness and adequacy of the Code of Conduct Program.

c) Consider providing a refresh of training on Administration's Code of Conduct as part of the Audit Committee orientation, so they are aware of the Code requirements for City employees, and how the Administration Code of Conduct differs from other Codes of Conduct to allow for more effective governance and oversight.

Management Response
Agree.

Administration will be pleased to assist in any review the Audit Committee chooses to undertake of the Audit Committee bylaw. Administration currently provides Audit Committee with the Code of Conduct booklet to familiarize with the Code of Conduct during their orientation. Councilors have access to Administration's Code of Conduct training course through the Learning Management System. Public members do not have access to the Learning Management system and Administration has recently developed a solution to provide Public members with access.

Action Plan	Responsibility
Administration will provide the recommendations to the Executive Assistant to the Audit Committee.	Lead: Manager, People and Culture (HR) Support: N/A Commitment Date: July 31, 2023

4.2   Number of Methods for Reporting Suspected Violations

While employees are encouraged to first consider reporting to a leader within the organization or Human Resources, the Code of Conduct program provides employees with 21 different options for reporting suspected violations of the Code of Conduct (see Appendix C).

These options include:

1. Their leader or supervisor or the leader of the individual they are reporting about
2. Another leader within the organization (incl. Director, General Manager)
3. Union representative
4. HR Business Partner
5. HR Support Services
6. Access and Privacy office or FOIP
7. BU Environmental Contact
8. 3-1-1
9. X217 Form / Service Request
10. Calgary Fire Department
11. 9-1-1 (including Fire, Police, EMS)
12. Corporate Waste Division
13. Respectful Workplace Office
14. Media Relations Team
15. BU Safety Advisor
16. SDMS online safety reporting tool
17. Corporate Security
18. City Auditor's Office
19. Law

20. Labour Relations
21. Whistle-blower Program

Risk / Impact
The combination of various reporting options may contribute to employee uncertainty regarding the correct group / individual within the organization to report an alleged Code violation or issue to. This uncertainty may result in issues either not being reported, reported to more than one group resulting in redundant efforts, or being reported to the wrong group/individual.

Recommendation 2

a)   Review all the current reporting options that support the Code of Conduct Program and consider streamlining the number of reporting methods available to employees; determine that only those that pertain to Code of Conduct requirements are included.

b)   Consider the implementation of a central intake group to direct reported violations, depending upon their nature, to the appropriate group within the organization. The revised list of reporting options or central intake information should then be published and communicated in future communication campaigns and training related to the Code of Conduct Program. In addition, develop appropriate training and escalation protocols established for groups who may receive reported violations outside the central intake group so that they know how to transmit reported violations they receive to the central intake group.

Management Response
Agree.

The diverse subject matter of the Code of Conduct policies makes it challenging to have a single method or channel for reporting breaches or violations. The current reporting channels for some violations such as privacy breaches and safety hazards are well established in the organization and are designed for swift action where required. Employees are always encouraged to raise concerns and report issues to their leader to ensure escalation to the appropriate channel.

A central intake group may be beneficial when employees are unsure which policy(ies) their concerns are related to, and the appropriate channel to report the concern. Administration must ensure a balanced approach that enables efficient and effective response to issues.

Action Plan	Responsibility
i. Administration will review the current reporting options and determine whether they can be streamlined. ii. Administration will evaluate and consider the implementation of a central intake group for reported violations. iii. Any changes resulting from actions A and B would be communicated to employees	Lead: Code of Conduct Program Lead (HR) Support: Policy Owners, Investigative groups, Whistle Blower Program, Safe Disclosure Office, Leaders Commitment Date:

Action Plan	Responsibility	
alongside the next update to the Code of Conduct training course.	i.	June 30, 2024
	ii.	June 30, 2024
	iii.	January 31, 2025

4.3 Decentralized Data Capture and Data Integrity

Currently, City Administration does not have a central process in place to collect and track data related to Code of Conduct violations. There are five systems used to capture and document investigations related to reported violations (excluding the Whistle-blower Program) including:

1. Perspective Database (Corporate Security)
2. HR Helpdesk System (Respectful Workplace Office and Human Resources)
3. Safety Data Management System (SDMS) (Safety)
4. FOIPNet and SharePoint (Access and Privacy)
5. EnviroPortal System (Environmental Management)

Testing indicates a lack of clearly defined terminology, nomenclature, or consistent categorization of incidents between each of the data systems. Additionally, it was observed that the category or "type" of incident was not indicated on average 28% of the time, resulting in incomplete data for analysis. Further, as data systems are operated independently and do not always accurately reflect which incidences have been referred or transferred to another group within the organization, these incidences may be captured in more than one system, eroding data quality and the ability to report in a consistent, accurate, and consolidated manner.

Finally, analysis of data from 2020 to 2021 from the various data systems indicated there were 22 cases within the Respectful Workplace Office and Human Resources systems and 507 cases within the Safety system that were still designated as "open", indicating they are under investigation for greater than 6 months or have been "closed" but not updated in the system. While it is understood that some of these cases may be a result of employees being on leave or absent from the organization, this indicates data within the system may not be updated in a timely manner.

Risk / Impact

Lack of complete and accurate data related to Code of Conduct violations inhibits analysis which may result in systemic issues not being addressed or focused on within the organization in a timely manner. In addition, lengthy periods to address reported violations erodes employee confidence in the commitment and ability of management to take employee concerns seriously.

Recommendation 3

a) Develop a defined terminology, nomenclature, and categorization approach that can be used across all Code of Conduct data capture systems to determine consistent data points are captured and to aid in analysis of data across all systems going forward.

b) Implement a process for tracking and reviewing unresolved cases and bringing them to the attention of Senior Management. Review existing outstanding or "open" cases across

Respectful Workplace Office, Human Resources, and Safety systems and update status to reflect those that have been "closed" or require further actions. Consider expediting those with an "open" status of greater than 6 months.

Management Response
Agree.

Action Plan	Responsibility
Administration will investigate and develop a common nomenclature and data collection structure that can be used across all policies. Administration will develop a tracking process to monitor, review, and escalate unresolved cases.	<u>Lead</u>: Code of Conduct Program Lead (HR) <u>Support</u>: Policy owners, Investigative groups, Whistle Blower Program, Information Technology (IT) <u>Commitment Date:</u> December 31, 2024

4.4   Reporting on Code of Conduct Performance

Some individual Business Units (e.g., Safety) capture data and report to their respective leadership on reported incidences they investigate, and the Whistleblower Program conducts reporting to the AC on its performance. Additionally, The City Manager receives separate reports quarterly regarding incidences related to the Respectful Workplace Office as well as Safety. However, consolidated and comprehensive Code of Conduct reporting to the City Manager and the Audit Committee across the Code of Conduct Program overall is not conducted.

Additionally, the formal Code of Conduct reporting to the AC is focused on training completion rates and employee survey results. This reporting does not include accepted Code of Conduct Key Performance Indicators (KPIs) and Key Risk Indicators (KRIs), such as incident types, numbers of incidents reported, investigations conducted and closed out, themes / trends, follow up on action items from previous reports. The ability to produce this type of reporting is limited by the data captured and lack of common terminology or definitions used between systems.

Risk / Impact
Lack of integrated analysis and reporting related to Code of Conduct violations may result in systemic issues not being addressed or focused on within the organization in a timely manner.

Recommendation 4

Develop a framework to monitor and report on Code of Conduct violations / investigations to the City Manager and the AC. This framework should include:

- Roles and responsibilities of groups / individuals within the organization as it relates to Code of Conduct performance reporting;
- Reporting frequency (e.g., quarterly or annually) and dissemination;

- Specific KPIs and KRIs that will be used to determine Code performance (e.g., incident types, numbers of incidents reported, investigations conducted and closed out, themes / trends, and the status of action items or recommendations from previous reports); and
- Data and systems that will be used to provide information related to reporting.

Management Response
Agree.

Administration is committed to maturing how we collect and report on data related to the Code of Conduct.

Action Plan	Responsibility
Building on the actions in the management response to Recommendation 4.3 (to develop a common nomenclature and data collection structure that can be used across all policies), Administration will develop a framework to monitor and report on Code of Conduct violations and investigations, including the specific roles of the City Manager and Audit Committee in performance monitoring.	Lead: Code of Conduct Program Lead (HR) Support: Audit Committee, City Manager's Office, Policy Owners, Investigative groups Commitment Date: June 30, 2025

4.5 Assess Employee Awareness

To assess employee awareness of Code of Conduct requirements, the City relies on an optional anonymous survey that is provided to all employees upon their completion of their training and on the results of a biannual employee survey conducted by Administration.

The results of the training survey provided upon completion of the training are cumulative over time and could not be accurately linked to the specific current year training completion rates.

The biannual employee survey inquires at a high level whether employees are comfortable with and their general knowledge of the Code of Conduct Program requirements; Inspection of the 2021 survey results indicated a 46.9% completion rate which is considered an insufficient measurement of actual employee awareness.

While the City's training program on the Code of Conduct is robust, it does not leverage knowledge assessments to determine employees' understanding, retention, or awareness of Code of Conduct requirements upon completion of the training.

Risk / Impact
Employees may not be fully aware of or understand their responsibilities as it relates to the Code of Conduct.

Recommendation 5

Consider the inclusion of a brief knowledge assessment or quiz upon completion of the existing Code of Conduct training to assess employees' understanding and awareness of basic Code requirements. Consider mandating that employee training completion is subject to a passing score (e.g., 80%) on the quiz.

Management Response

Agree.

Administration currently reinforces our values-based Code of Conduct during training through scenario-based practice activities and ongoing learning opportunities, where employees apply the Code of Conduct decision tool.

Administration recognizes KPMG's recommendation of knowledge assessments as an alternative.

Action Plan	Responsibility
Administration will consider the value of including a knowledge assessment in a future update to the training program. The next training update project will be in 2024, and the updated training will launch January 2025.	<u>Lead</u>: Code of Conduct Program Lead (HR) <u>Support</u>: Labour relations, HR Business Advisory Services, Law, Policy Owners <u>Commitment Date:</u> January 31, 2025

4.6 Triaging of Reported Violations

Currently the City relies on an Investigation Matrix owned by Corporate Security to triage reported incidences and assign them to the correct investigative group. However, feedback from interviews indicates that ownership of the Matrix was not clear and that it is not always followed, generating confusion regarding which groups have oversight of different types of reported incidences and who is responsible for maintaining the Matrix.

Additionally, the Matrix lacks inclusion of some groups within the organization, such as Law, who may require consultation. Given the Matrix has not been updated since 2017 and the City has undergone a recent reorganization, the Matrix may not be reflective of the current organizational structure and roles and responsibilities.

Risk / Impact

Reported incidents may be triaged to the wrong group / individual, may fail to be investigated, and subsequent investigations may fail to consult with the appropriate groups or individuals.

Recommendation 6

a) Establish a process for periodic review and update of the Investigation Matrix to determine that it is aligned with current roles and responsibilities as well as processes for

incident triaging, consultation, investigation, and reporting / documentation of the results of investigations.
b) Once updated, provide training on the updated Investigation Matrix and associated roles and responsibilities to relevant investigative groups within the organization or those that receive and / or direct reported incidents.
c) Consider the appropriate ownership of the Investigation Matrix given its use as a central Code of Conduct triaging tool (e.g., Human Resources or People, Innovation and Collaboration Services). Once determined, communicate the updated ownership and responsibility of the Investigation Matrix to relevant groups within the organization.

Management Response
Agree.

Action Plan	Responsibility
i. Administration will clarify and document roles and responsibilities, including ownership of the Investigation Matrix and communicate to those involved. ii. Administration will review and update the Investigation Matrix and establish a process, roles and responsibilities for ongoing reviews and updates. iii. Administration will provide training to relevant investigative groups and those who receive/direct reported incidents.	<u>Lead</u>: Code of Conduct Program Lead (HR) <u>Support</u>: Policy Owners, Investigative groups, Whistle Blower Program, Safe Disclosure Office, Leaders <u>Commitment Date:</u> i. June 30, 2024 ii. June 30, 2024 iii. December 31, 2024

4.7   Investigative Protocols
The various groups conducting investigations utilize different investigative and consultation processes. Safety and HR have determined and follow a defined protocol and investigators have access to a variety of documented investigative resources and procedures they are required to adhere to. Corporate Security currently utilizes draft protocols which are not fully updated.

Risk / Impact
Investigations may be conducted in an inconsistent manner or may fail to consult with or escalate incidents to the appropriate group / individual.

Recommendation 7
a) Review and update the Draft Corporate Security Investigative Protocols to determine inclusion of appropriate consultation processes, alignment with current investigative process, and consistency with other Code of Conduct investigative groups.

b) Formally publish finalized Investigative Protocols and determine that all individuals responsible for investigations within the Corporate Security team receive appropriate training on its requirements.

Management Response
Agree.

Action Plan	Responsibility
Administration will review and update the Draft Corporate Security Investigative Protocols. Once updated, the protocols will be published, and training provided. Administration will ensure updates to the Corporate Security protocols are incorporated in the Investigation Matrix.	Lead: Team Lead, Investigations (Corporate Security) Support: Code of Conduct Program Lead (HR) Commitment Date: June 30, 2024

4.8 Out of Date Supporting Policies

Testing indicated that 5 of the 9 supporting Code of Conduct policies have not been updated for extended periods of time:

- Acceptable Use of City Technology Resources (AUP) (last updated July 2016)
- Conflict of Interest (last updated January 2019)
- Environmental Policy (last updated June 2012)
- Social Media, Media Relations and Public Statements Policy (last updated October 2015)
- Substance Use Policy (last updated June 2018)

The Policy Review Program implemented in 2021 requires the review and as required, subsequent update of Administration policies every four years. While current policies are expected to be reviewed and updated by December 2024, this represents a lengthy review cycle, particularly during periods of significant organizational change or for policies that may be subject to more frequent regulatory changes or updates. Additionally, interviews indicated that policies are not always assessed against one another to determine alignment and consistency.

Risk / Impact

Content in policies may not be current and consistent with other policies or City Administration expectations for employees.

Recommendation 8

a) Establish a risk-based approach to the prioritization of policy reviews and updates. In addition to the length of time since the last review, consider factors such as regulatory landscape or other external changes that may impact a given policy. Evidence of review should be retained, and policies should reflect the new "next revision" date.
b) Establish a process that requires Code policies to be reviewed against one another as well as the Code of Conduct booklet and Code of Conduct Standards to determine consistency.

Management Response
Agree.

Administration adheres to the Administration Policy Program policy, which requires Administration Policies to be reviewed every four years and allows for more frequent reviews as needed. Reviewing for alignment and consistency is a best practice promoted for all policy reviews at The City.

Administration currently conducts a review and update of the Code of Conduct Standards and booklet alongside the biannual update to the Code of Conduct training program. This ensures alignment to the policies that the Standards are derived from, and efficient communication of updates to employees.

Action Plan	Responsibility
As part of ongoing enhancements to the Policy Review Program, Administration will incorporate a risk-based approach into the creation of a prioritization process for policy review. Administration will formalize a process to review Code policies for both consistency with one another and other Code of Conduct resources such as the Standards, booklet and website.	Lead: Leader Administration Policy and Department Strategy (PICS) Support: Code of Conduct Program Lead (HR), Policy Owners, Investigative groups Commitment Date: December 31, 2024

4.9   Content Gaps in the Code of Conduct Policy

While the Code of Conduct booklet, Code of Conduct Standards, and City of Calgary website provide a comprehensive overview of key elements of the Code of Conduct program, the Code of Conduct booklet which houses much of the detailed Code of Conduct information is not referenced in the new Draft Administration Code of Conduct Policy. In addition, neither the Code of Conduct Policy nor the Code of Conduct Standards includes the following key elements:

- Reporting methods for suspected violations or issues, including how to report suspected violations conducted by leadership; and
- That confidentiality of reports is to be protected.

Further, the Code of Conduct Policy, Code of Conduct Standards, Code of Conduct booklet, and related policies prohibit employees from receiving inappropriate payments or discounts, but do not explicitly prohibit them from making inappropriate payments or bribes.

Risk / Impact
Employees who use the Code of Conduct Policy or Code of Conduct Standards as a reference may have to go to other documents to identify how to report suspected violations, including those conducted by leadership, and may not feel the confidentiality of their report will be upheld. This may result in issues either not being reported or being reported to the wrong group / individual.

The lack of prohibition of employees making inappropriate payments or bribes may result in this inappropriate behaviour being conducted by employees.

Recommendation 9
Review and update the Code of Conduct Policy to include:

- Reference to the Code of Conduct booklet for further details and information;
- Reporting methods for suspected violations or issues, including information and guidance to report suspected violations conducted by leadership;
- Reference to the confidentiality of reports being protected; and
- Language that indicates employees are prohibited from making inappropriate payments and bribes (in addition to receiving them).

Management Response
Agree.

Action Plan	Responsibility
Administration will review the relevant policies, standards, procedures, and guidelines and make recommended updates in alignment with best practices contained in the Administration Policy Guidelines.	Lead: Code of Conduct Program Lead (HR) Support: Policy Owners, Corporate Governance, ELT Commitment Date: January 31, 2025

4.10 Performance Management Program Alignment
The Performance Management Program does not currently require specific Code of Conduct goals be included in performance objectives. Section 6.7 of the Draft Administration Code of Conduct Policy states that leaders are responsible for ensuring employees have participated in Code of Conduct orientation and training and for creating a psychologically safe work environment where employees are comfortable raising question and concerns; however, this is not reinforced through KPIs (beyond employee survey results) or other performance management goals.

Risk / Impact
Leaders may not understand their responsibilities as outlined in the Code of Conduct and/or are not held accountable for their ongoing responsibilities to implement the Code as part of their regular duties (e.g., completion of Code of Conduct orientation and training, making other employees aware of Code requirements, reporting Code violations, receiving and remediating Code related issues).

Recommendation 10

Review the current performance management program and consider updating it to include requirements related to the Code of Conduct as part of employees' and leaders' baseline performance objectives and KPIs.

Performance management requirements should reflect that leaders are not responsible for the design and implementation of Code awareness campaigns but instead are responsible for reinforcing the Code and its visibility within their areas, for following up with employees to complete Code training and orientation, and for creating an environment where employees are comfortable raising concerns.

Management Response

Agree.

Action Plan	Responsibility
Administration will review and consider updates to the Corporate Goals to incorporate performance objectives related to responsibilities for the Code of Conduct.	Lead: Manager, Corporate Strategy (City Manager's Office) Support: Human Resources Commitment Date: March 31, 2024

Appendix A: Documentation Reviewed

The following documentation was reviewed as part of our audit:
- Draft Administration Code of Conduct Policy (Amended – effective January 2023)
- HR-LR-005 Code of Conduct Policy
- Code of Conduct booklet – 2020 Update
- Code of Conduct Standards
- IM-IT-002 Acceptable Use of City Technology Resources Policy
- HR-LR-004 Conflict of Interest Policy
- HR-LR-002 Labour Relations Policy
- HR-LR-006 Exempt Staff Policy
- UEP001 Environmental Policy
- CFO008 Sustainable Environmental and Ethical Procurement Policy (SEEPP)
- HS-ESM-001(B) Occupational Health and Safety Policy
- Province of Alberta - Freedom of Information and Protection of Privacy Act
- ALT2020-1092 Respectful Workplace Policy
- MP-001 Social Media, Media Relations and Public Statements Policy
- HR-TR-005(B) Substance Use Policy
- GN-040 Workplace Violence Prevention Policy
- Bylaw 26M2018 – Code of Conduct for Elected Officials
- CC045 Code of Conduct for Citizen Members Appointed to Council Established Boards, Commissions and Committees
- CC026 Whistle-blower Policy
- CP-2022-05 Code of Conduct for Public Members Appointed to Council, Established Boards, Commissions and Committees
- ALT-2020-1056 Supplier Code of Conduct Policy
- ALT2019-1469 Procurement Policy
- Bylaw 48M2012 – Audit Committee for the City of Calgary (Repealed)
- Bylaw 33M2020 – Audit Committee for the City of Calgary
- ELT2022-0297 – People, Innovation & Collaboration Services Report to Executive Leadership Team (ELT)
- ELT2022-0786 – Memo: Barrier to Speaking Up
- ELT2022-0577 - People, Innovation & Collaboration Services Report to Executive Leadership Team (ELT)
- ALT2016-0491 – Chief Financial Officer Report to Administrative Leadership Team
- PFC2018-1391 Chief Financial Officers Report to Priorities and Finance Committee
- City of Calgary - External Website:
  - Code of Conduct Program
  - 2020 Audit Committee Meeting Minutes
  - 2021 Audit Committee Meeting Minutes
  - 2022 Audit Committee Meeting Minutes
  - Methods for Reporting Code of Conduct Violations
- City of Calgary Internal Website:
  - Code of Conduct
  - Code of Conduct for Leaders
  - Respectful Workplace Information
  - Training and Resources
  - Whistle-blower

- Rethink to Thrive Strategy
  - Safety Dashboard
- The Leadership Circle – Self Survey for Participants
- The Leadership Circle – Evaluator Survey Questions
- City of Calgary – Competency Framework
- City of Calgary - ELT Strategic Plan and Business Plan
- City of Calgary – 2023-2026 Strategic Alignment Strategy
- City of Calgary – 2021 Corporate Employee Survey, City Wide
- City of Calgary – 2021 Audit Committee Work Plan
- City of Calgary – 2022 Audit Committee Work Plan
- City of Calgary – 2023 Audit Committee Work Plan
- 2020 – Code of Conduct Annual Report and Attachments
- 2021 – Code of Conduct Annual Report and Attachments
- 2022 – Code of Conduct Annual Report and Attachments
- 2020 – Code of Conduct Report to Audit Committee
- 2021 – Code of Conduct Report to Audit Committee
- 2022 – Code of Conduct Report to Audit Committee
- 2020 – Code of Conduct Communication Plans and Sample Communications
- 2021 – Code of Conduct Communication Plans and Sample Communications
- 2022 – Code of Conduct Communication Plans and Sample Communications
- City of Calgary – Strategic Meeting of Council Meeting Agenda June 29, 2020
- City of Calgary – Code of Conduct Training Completion Snapshot January 5, 2022; March 31, 2022; July 4, 2022
- Excerpt from City of Calgary Ethics Project Close Out Report
- Learning Management System (LMS) – Learning Assignment Notification, Reminders, Overdue Screenshots and Automated Notifications
- Code of Conduct Training Course and Training Completion Records
- Code of Conduct for Leaders Training Course and Training Completion Records
- FOIP Training Course and Materials
- Respectful Workplace Supplemental Training Course
- IPPF – Evaluating Ethics-Related Programs and Activities (June 2012)
- City of Calgary - Respectful Workplace Behavior Zones
- City of Calgary - Incident Reporting Logs
  - Whistleblower (Excel Workbook)
  - Environmental (EnviroPortal System)
  - Corporate Security (Perspective System)
  - Human Resources (HR Helpdesk System
  - Safety (Safety Data Management System)
  - Access and Privacy (FOIP Net System)
- City Auditors Office – 2nd Quarter 2022 Report April 1, 2022 – June 30, 2022
- City Auditors Office – 2021 Annual Report
- City of Calgary - HR Helpdesk System Training Material
- City of Calgary – Leaders Guide: Reporting & Investigating Safety Incidents
- City of Calgary – Corporate Security and Human Resources Investigation Matrix 2017 August 1
- City of Calgary – Corporate Security Investigation Protocols (Draft) 2022
- City of Calgary – Respectful Workplace Office Quarterly Update (SAMPLE)
- City of Calgary – Investigation Update Summary Email

- City of Calgary – All About Briefings – When to use a Briefing instead of a Report
- City of Calgary – Instruction for Key Management Personnel Declaration Statement
- City of Calgary – Key Management Personnel Declaration Statement
- City of Calgary – Barrier to Speaking Up In-Depth Interviews Draft Report
- City of Calgary - Access to Information & Privacy Employee Handbook
- City of Calgary – FOIP Program Administrator Handbook
- Leger Research – The City of Calgary Barrier to Speaking Up Secondary Research
- City of Calgary Job Profiles:
  - City Manager
  - General Manager PICS
  - Chief Human Resource Officer
  - HR Manager
  - Manager, People and Culture
  - HR Leader, HR Consultant
- City of Calgary Policy Review Program 2021

Appendix B: Interviews Conducted

The following interviews were conducted as part of our audit:

Interviewee Name	Function	Title / Role
Erin Barnes	Human Resources	HR Consultant, People and Culture
Christiana Stevens	Human Resources	Manager, People and Culture
Adediwura (Wura) Odiase	Human Resources	Leader, Employee Experience
Christine Arthurs	Human Resources	GM, People Innovation and Collaboration Services (PICS)
Alain Bleau	City Auditor's Office	Manager, Whistleblower Program
David Duckworth	City Manager's Office	City Manager
Mark Lavallee	Human Resources	Director Chief Human Resources Officer
Richard Pootmans	Audit Committee	Audit Committee Chair
Corrie Smillie	Audit Committee	Executive Advisor
Andrea Vaney	Corporate Security	Team Lead, Integrity & Advisory Services
Jennifer Kapala	Human Resources	Manager, Business Advisory Services
Vaden Hiller	Human Resources	HR Consultant, People and Culture
Duncan Hamilton	Labour Relations	Manager, Labour Relations
Dawn Nixon	Occupational Health & Safety	Manager, Strategic Services

Appendix C: Methods for Reporting Code of Conduct Violations

The following methods are provided to City of Calgary employees for reporting suspected Code of Conduct violations in the City's Code of Conduct Booklet:

Ask questions and seek guidance

If you are unsure at any point, pause and find the answers from someone who does know. Your **leader** is a great place to start. They are there to provide clarity on expectations in the **workplace** and to support you.

If you are not comfortable speaking to your **leader**, you can speak with their **leader.**

The Corporate Organizational Chart can help you identify who this is **http://corporgchart.**

The **HR Business Partner** in your business unit can answer some of your questions or help you find someone who can.

If you need to find contact information for your HR Business Partner call **403-268-5800.**

Source: Code of Conduct Booklet, December 2022, p. 6

Speaking with someone who can help

If you need support, or the issue is not appropriate for you to address, you're encouraged to start by speaking with your **leader**. Your leader has access to the tools and resources necessary to address your concerns or guide you on next steps. If speaking to your leader is not an option, you can also speak to the person your leader reports to, another leader in your area, your union rep or the **Human Resources Business Partner** in your business unit. **Human Resources Support Services** at 403-268-5800 can give you contact information or redirect your call.

Source: Code of Conduct Booklet, December 2022, p. 8

Specific concerns can also be reported in other ways

TO REPORT...	CONTACT...	AT...
Privacy breach or loss, unauthorized access to, or disclosure of personal information	Access and Privacy, City Clerks Office	403-268-5861 ext. 2 foip@calgary.ca
Chemical or hazardous material releases OR soil contamination discovery at construction sites	Your business unit environmental contact and project manager (if applicable to a construction site) to notify	311 to complete an X217 form or using the online X217 Service Request
Emergency spills or releases (beyond the ability of the business unit or contractor to clean up) OR soil contamination discovery at construction sites	Calgary Fire Department (CFD) to respond	9-1-1
Corporate waste concern	Corporate Waste Diversion	311
Disrespectful behaviour, harassment or discrimination	Respectful Workplace Office	403-268-2594 rwp@calgary.ca
Emergencies	Fire/Police/EMS	9-1-1
Inappropriate statements on social media, at public events or in the news	Media Relations Team	media.relations@calgary.ca
Safety concerns or incidents	Business Unit Safety Advisor, your supervisor or use the SDMS online safety reporting tool.	http://myCity/Safety
Workplace violence or threats, security concerns or incidents, illegal drugs, theft and other criminal matters, computer and other device misuse	Corporate Security	http://securityincident.coc.ca corporate.security@calgary.ca 403-268-8868
A suspected, real or perceived conflict of interest	Your exempt supervisor, Director or General Manager, Corporate Security, the City Auditor's Office, Law, and/or your Labour Relations representative. Human Resources Support Services can give you contact information or redirect your call.	Corporate Security http://securityincident.coc.ca corporate.security@calgary.ca 403-268-8868 HR Support Services 403-268-5800

Source: Code of Conduct Booklet, December 2022, p. 9