
Hotline Evaluation Leading Practice Review

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Table of Contents

Executive Summary	1
1. Introduction	3
2. Background	3
3. Objectives	3
4. Scope and Methodology	4
4.1. Research of Leading Practices	4
4.2. Employee Survey	4
5. Summary of Research Results.....	5
5.1. City of Edmonton's Current Environment.....	5
5.1.1. Existing Reporting Channels.....	6
5.1.2. Assessment of Existing Reporting Channels	6
5.2. Whistle-blower Protection	7
5.2.1. Current Protection offered by the City of Edmonton	8
5.2.2. Employee Perception on Existing Protection	8
5.2.3. Enhancing Current Protection.....	9
5.3. Ombudsman Role	10
5.4. Hotline Method of Reporting Misconduct	11
5.4.1. Benefits of Hotlines	12
5.4.2. Leading Practices	13
5.4.3. Employee Perceptions on Hotline	14
5.4.4. Implementing a Hotline	14
5.4.5. Intake of Tips	14
5.4.6. Estimated Cost for the City of Edmonton	15
5.4.7. Entertaining Calls from the Public.....	16
6. Conclusion and Recommendations.....	17
7. Appendix 1 - List of Individuals and Groups Consulted.....	18
8. Appendix 2 - Employee Hotline Survey Report.....	19

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Hotline Evaluation

Executive Summary

In May 2005, the Office of the City Auditor (OCA) evaluated the City's ethics management framework in collaboration with departmental management teams and members of the Senior Management Team (SMT). Reporting of alleged violations was one of the framework elements evaluated. Leading practice organizations provide several easily accessible ways for people to safely, effectively and confidentially report alleged violations of the Code of Conduct, policies and other acts of misconduct. At the SMT meeting of June 16, 2005, the City Auditor in conjunction with the General Manager of Corporate Services agreed to review the need for and assess the risks and benefits of reporting alleged violations through a hotline. It should be noted that this research project was part of an ongoing effort to stay in touch with better practices in leading organizations, not in response to any particular incident or issue at the City of Edmonton.

The OCA in collaboration with Corporate Services researched leading practices for enhancing reporting methods, including the associated risks and benefits. A number of internal groups that currently receive tips on alleged violations were asked to provide their feedback on the City's current environment and the need for additional measures. A survey was commissioned to gauge employee perceptions and explore additional channels for reporting misconduct in the work place. Major Canadian municipalities were also contacted and additional information obtained from those that had implemented whistle-blower protection and/or a hotline method of reporting in order to learn from their experiences.

Our research indicates that although the City's existing reporting channels are useful and reasonably effective, additional measures would serve the City well by increasing employee comfort levels and willingness to report misconduct. One such measure is to promote the existing reporting channels more diligently through ongoing campaigns and education. The General Manager of Corporate Services will work with SMT, the OCA, and Union/Association leaders to establish and implement a promotion strategy.

The City could also offer more formal protection to employees who make disclosures by establishing and implementing a whistle-blower City policy. Our research of better practices in leading organizations indicates that an integrated whistle-blower and fraud investigation policy serves organizations well in providing a high profile for combating fraud, waste and abuse. SMT and Union/Association leaders support the implementation of a whistle-blower policy to provide additional protection to employees. Council approval is required to establish and implement such a policy.

A hotline facilitates the reporting of alleged misconduct in a confidential and anonymous manner, if the caller desires. Although it comes with additional cost and some level of nuisance calls since callers are allowed to remain anonymous, the benefits outweigh the costs and risks involved. The Employee Hotline Survey results also suggest that a hotline method of reporting would likely be successful in increasing employee comfort levels and willingness to report misconduct. SMT supports the implementation of a hotline as an additional method of reporting and agrees that in order to provide the required independence and objectivity, the OCA should lead this initiative.

Union/Association leaders have expressed some concerns with a hotline but have agreed to work with the OCA and SMT to establish a fair and credible process.

Council's approval will be required to incorporate the OCA's oversight role in Bylaw 12424, *City Auditor Bylaw*.

The City Auditor will be coming forward with a report for consideration at the March 16, 2006 Audit Committee and April 11, 2006 City Council meetings. The City Auditor will recommend:

1. That the establishment and implementation of an integrated whistle-blower and fraud investigation City policy, to be coordinated by the Office of the City Auditor, be approved in principle.
2. That the Office of the City Auditor be appointed as the independent body that will lead the implementation and operation of a hotline to ensure the required independence and objectivity.

Hotline Evaluation

1. Introduction

The City of Edmonton values integrity and ethics, and expects its employees to demonstrate civic values by working responsibly, being trustworthy and behaving ethically. Reporting alleged violations and acts of misconduct is an integral part of an ethics management framework. Leading practice organizations provide several easily accessible ways for people to safely, effectively and confidentially report alleged violations of the Code of Conduct, policies and other acts of misconduct.

2. Background

In May 2005, the Office of the City Auditor (OCA) evaluated the City's ethics management framework in collaboration with departmental management teams and members of the Senior Management Team (SMT). Reporting of alleged violations was one of the framework elements evaluated. As reported in the OCA's report titled *City of Edmonton Ethics Framework Evaluation* issued on July 18, 2005, in many cases, employees are comfortable reporting suspected violations of the Code through available channels. However, the existing process may not be completely effective due to concerns about confidentiality and working relationships within operational areas. This concern was discussed at the SMT meeting of June 16, 2005. It was agreed that the existing reporting channels would be promoted more diligently and employee perceptions will be gauged through various methods such as employee engagement surveys. The City Auditor in conjunction with the General Manager of Corporate Services agreed to review the need for, and assess the risks and benefits of reporting alleged violations through a hotline. It should be noted that this research project was part of an ongoing effort to stay in touch with better practices in leading organizations, not in response to any particular incident or issue at the City of Edmonton.

3. Objectives

The OCA's objectives in this project were:

1. To complete the research and analysis phases for determining whether additional measures would help enhance the existing methods of reporting misconduct in the City, including their respective costs and benefits.
2. To present the results to Union/Association leaders and members of SMT, incorporate their responses and report the overall results to City Council.

4. Scope and Methodology

4.1. Research of Leading Practices

The OCA in collaboration with staff from the Strategic Services, Communications and Law Branches of Corporate Services undertook research of leading practices for enhancing reporting methods including the associated risks and benefits. These included practices recommended by professional organizations, consulting firms that provide related services, other levels of government, and organizations that have implemented additional measures to enhance their reporting processes. An extensive literature search was also conducted to gain an understanding of the various options available to the City to enhance its reporting methods. The City's external auditors were also invited to provide their views on what they considered leading practice. Appendix 1 provides a listing of the individuals and groups we consulted during this project. It should be noted that this was a research project and the actual set-up and implementation of the additional measures were not in scope.

Members of SMT, Union/Association leaders and internal groups such as Human Resources, the Citizen Action Centre, Corporate Security and other groups which currently receive tips on alleged violations were asked to provide feedback on the City's current environment and the need for additional measures.

Major Canadian municipalities were also contacted and additional information was obtained from those that had implemented whistle-blower protection and/or a hotline method of reporting in order to learn from their experiences.

In addition, the OCA explored the role of an ombudsman as a dimension of accountability and its applicability in the City's current structure.

4.2. Employee Survey

The City Manager and the City Auditor commissioned Bannister Research and Consulting Inc. to conduct the Employee Hotline Survey. A pre-promotion strategy was implemented in collaboration with the Communications Branch to keep employees and City Council informed. 2,200 City employees (18%) selected at random were invited to participate in a survey designed to gauge employee perceptions and explore additional channels for reporting misconduct in the workplace. Employees not selected to complete the surveys were provided other avenues to share their views on the existing reporting channels. Members of SMT and Union/Association leaders were invited to provide feedback on the survey questions and the definition of misconduct. For the purpose of the survey, misconduct was defined as *violations of the Employee Code of Conduct Directive or other City policy and directives, or other laws and regulations*.

The surveys were distributed with employee pay notices to ensure that every employee selected would receive a copy of the survey through the City's normal distribution channel. The survey consisted of six questions pertaining to the likeliness of employees

using current and potential channels for reporting misconduct; gauging incidence of witnessing misconduct in the workplace and employee willingness to report that misconduct; comfort with current protection offered against retaliation and the change in comfort level if the City were to provide additional protection to employees through a bylaw or City policy. Ample time was provided to the selected employees to respond and mail the completed surveys directly to Banister Research's offices.

Adequate processes were used and testing was performed by the Survey Consultant to avoid duplicate responses or copying of surveys for use by other employees. A total of 819 completed surveys were received (37% response rate). The results were analyzed by the survey consultant and provide a margin of error no greater than $\pm 3.3\%$ at the 95% confidence level or 19 times out of 20. A copy of their detailed report is attached as Appendix 2.

5. Summary of Research Results

The OCA in collaboration with the Corporate Services Department has completed its research of leading practices for reporting misconduct in the workplace. There has been a legislated impetus to establish enhanced whistle-blower protection and reporting systems due to corporate scandals such as Enron and WorldCom. For companies whose stock is traded on the major exchanges in the US and Canada, provision of whistle-blower protection and anonymous reporting systems through a hotline are mandated. It is important to note that such measures are not mandated for organizations whose stock is not publicly traded (such as municipalities, privately-held companies, and non-profit organizations). However, there is increasing pressure on Audit Committees and Chief Executive Officers of such organizations to proactively implement leading practices and voluntarily provide enhanced reporting systems.

After comparing the City's existing reporting channels to leading practices, obtaining feedback from employees and learning from other organizations that either have implemented leading practices or provide related services, the OCA's conclusion is that additional measures would serve the City well in increasing employee comfort levels and willingness to report misconduct. The detailed results of this project have been discussed with members of SMT and Union/Association leaders and they have agreed in principle that the additional measures will enhance existing reporting channels.

The following sections provide the details of the research and analysis conducted to arrive at the above conclusion.

5.1. City of Edmonton's Current Environment

In July 2005, the OCA reported that the City of Edmonton was seen as one of the leaders in implementing many elements of an ethics framework such as the use of a corporate approach, a formalized Code of Conduct Directive with principles that outline expected rules of behavior, and the provision of formal training and communication of

the Code to employees. The City acknowledges that it is only through the commitment of its employees that it is able to deliver quality service and maintain public trust. Employees are expected to be above reproach in their professional dealings and are expected to be aware of, and comply with, the Code of Conduct and Fraud Investigation Directives.

5.1.1. Existing Reporting Channels

City employees that may be in violation of the Code of Conduct are required to address the situation, and make full and prompt disclosure to their supervisor. If employees become aware of misconduct, the City has several easily accessible ways for reporting this. As a general guideline, employees are encouraged to promptly discuss the situation with their supervisor. They can also contact their General Manager, the City Manager or the City Auditor. Other City resources such as Human Resource representatives, Union/Association representatives, the City Chaplain, Corporate Security and FOIP Coordinators are also available to them. The City's Fraud Investigation Directive A1431, *Conduct of Examinations into Allegations or Suspicions of Fraudulent Acts*, provides similar guidance to employees for reporting suspected fraudulent activities. Employees are also cautioned that anyone who knowingly makes a false accusation about non-compliance will be subject to disciplinary action.

The City's Fraud Investigation Directive states that appropriate measures will be taken to prevent and detect fraudulent activities and that the Office of the City Auditor will rigorously investigate significant allegations or suspicions of activities constituting fraud. To date, a number of incidents of alleged misconduct in the City of Edmonton have been identified through tips made either anonymously or by identified individuals, using existing reporting methods. The outcomes of OCA's investigations are reported through its Quarterly Reports to City Council through the Audit Committee. In July 2005, action plans were initiated by SMT and the OCA to develop protocols for evaluating alleged ethical violations and clarify ongoing responsibility for sustaining the City's ethics program as well as for regular monitoring, measurement and reporting at the overall program level.

5.1.2. Assessment of Existing Reporting Channels

During this project, the OCA in collaboration with the Corporate Services Department obtained feedback from groups within the City that currently receive tips on alleged misconduct. Most groups expressed the opinion that existing reporting methods are working reasonably well and employees are encouraged to come forward and report alleged misconduct in the workplace. Some groups were able to provide the approximate number of tips received while others did not have formal tracking systems and were unsure of the number of tips received. Currently, the City does not have a corporate tracking and reporting system and a formal baseline on the overall number and type of tips received using existing reporting methods is not available. Most groups expect that the number of tips would increase if the City were to implement a hotline method of reporting where employees could remain anonymous. However, they also

cautioned that a high number of such tips may be frivolous since anonymous reporting may encourage “nuisance” types of tips, gripes and interpersonal issues that may be unsubstantiated.

The City Manager and the City Auditor decided to gauge employees’ likeliness to use current channels for reporting misconduct through the Employee Hotline Survey. The results indicate that 70% of the respondents are very likely or somewhat likely to report alleged misconduct through their supervisors and management levels within their departments. This result confirms the City’s original evaluation of the reporting channels in 2005, which stated that in most cases employees are comfortable reporting suspected violations, but the process may not be fully effective due to concerns about confidentiality and working relationships within operational areas. 41% of the respondents stated that they would be very likely or somewhat likely to report misconduct through other City resources such as the City Manager, City Auditor, Human Resource representatives, etc. These results show that many employees have internalized the general guideline of discussing alleged misconduct with supervisors and will be likely to access other reporting channels only when the need arises.

When employees come forward to discuss alleged misconduct with their supervisors and managers, there is a stronger likelihood that all the pertinent facts will be obtained and the issues will be addressed in a cost-effective and timely manner. It also remains the best method of letting the complainants know of the action taken on the tips provided. Providing other corporate avenues is also seen as an effort to encourage employees to report sensitive or serious matters that they may not want to discuss within a department. These channels were promoted corporately during the roll out of the Code of Conduct in 2004. Since then, varying levels of communication and information exchange has taken place at the departmental level.

An additional measure that can be taken by the City to enhance reporting of misconduct is to promote existing reporting channels more diligently through ongoing promotion campaigns and education. SMT and Union/Association leaders support this initiative. The General Manager of Corporate Services has been assigned by the City Manager to work with SMT, the OCA, and Union/Association leaders to establish and implement a strategy to periodically promote existing reporting channels to City employees. The estimated cost of this effort would range from \$3,000 to \$5,000 annually and would consist of various ways to remind employees of their obligation to report alleged misconduct and reiterate the variety of methods available to them.

5.2. Whistle-blower Protection

A whistle-blower is a person who exercises free speech rights to challenge corporate and government abuses of power that betray the public trust as well as other acts of misconduct in the workplace. A whistle-blower protection law or policy provides the means by which such disclosures may be made, and provides appropriate protections for those who make such disclosures in good faith. In Canada, Bill C-11, the *Public Servants Disclosure Protection Act* is intended to protect public servants in the Federal

Government who make such disclosures. The Government of Alberta does not have whistle-blower protection, but employees and the public can report misconduct in writing to an ombudsman with some level of protection. They are also considering extending the jurisdiction of the ethics commissioner to investigate any government employee in a position of authority. As of February 2006, three Canadian municipalities (Toronto, Ottawa and Windsor) had either implemented separate whistle-blower protection policies or included such clauses in their existing bylaws or policies; and two others were looking into implementing such a policy.

5.2.1. Current Protection offered by the City of Edmonton

The City's Administrative Directive on the Code of Conduct states the following:

- *The identity of the complainant will be kept confidential, except as allowed by the FOIP Act.*
- *No retaliation will be tolerated when reporting of a potential violation of the Code of Conduct is made in good faith.*
- *If retaliatory action occurs, the employee should report the action to their supervisor(s) or their General Manager or the City Manager or the City Auditor.*
- *Knowingly submitting a false report will be subject to disciplinary action in accordance with the Policy A1102, Discipline of City Employees.*

The City's Fraud Investigation Directive states the following:

- *The City Auditor shall not disclose or discuss the results of investigations with anyone other than those persons associated with the City of Edmonton who have a legitimate need to know in order to perform their duties and responsibilities.*
- *Any individual who reports suspected dishonest or fraudulent activity and those cooperating with the ensuing investigation will be protected from retaliatory actions.*

Some Union/Association leaders interviewed during this project stated that the current process could be improved and that more formal whistle-blower protection is needed within the City of Edmonton.

5.2.2. Employee Perception on Existing Protection

In the Employee Hotline Survey, respondents were asked to indicate their comfort level with the current level of protection offered by the Code of Conduct Directive. 69% responded that they are very comfortable or somewhat comfortable with the existing protection. 40% indicated that their comfort level would increase if the City were to provide additional protection through a bylaw or City policy and 56% indicated that their comfort level would remain the same. These results are an indicator of the City's efforts to offer protection to those employees who come forward and report misconduct.

Taking ongoing steps to promote strong and effective internal controls in operating areas and implementing corrective measures if and when deficiencies are identified are

key responsibilities of management. In the absence of consolidated results on how many tips are currently being reported in the City, pointed questions were asked in the Employee Hotline Survey on whether respondents had witnessed misconduct in the workplace in the last two years and, if yes, whether they had reported it. The City should be commended for asking such questions. It demonstrates the ongoing need for the City to stay in touch with its environment and take prompt action as required. 64% of respondents indicated that they had not witnessed misconduct in the workplace in the last two years. This is an indicator of the City's success with implementing a good ethical framework and of management's belief that most City employees understand and are able to apply basic ethical standards. Of the 289 respondents (35%) who indicated that they had witnessed misconduct, 43% indicated that they had reported it and 56% had not.

It should be pointed out that an employee survey is only one tool used to determine an organization's ethical environment and this was the City's first attempt to obtain a general scan of employees witnessing misconduct. The City has not formally promoted definitions of inappropriate behaviour for existing employees since the training during the rollout of the Code of Conduct. Therefore, the definition of misconduct, although stated on the survey form, may not have been fully understood by some employees. The City needs to educate employees on an ongoing basis on the types of misconduct that should be reported. It should also be noted that regardless of an organization's attempts to enhance employee comfort levels, the choice to come forward and report misconduct rests with the individuals and there will always be some employees who may choose not to come forward. However, all organizations have the responsibility to implement effective systems for identifying fraud, waste, abuse and other acts of misconduct, as well as take appropriate action as required. The survey results do demonstrate the need for enhancing the current protection offered by the City and in turn recognizing the invaluable contribution of employees who come forward to make disclosures.

5.2.3. Enhancing Current Protection

The OCA discussed the results of its research with Union/Association leaders and members of SMT. Both groups agree that it would be in the City's best interests to implement additional measures that would increase employee comfort levels and willingness to report instances of misconduct. One such measure would be to implement a whistle-blower protection policy to supplement the existing protection offered by the City. An official policy would define processes for submitting tips on misconduct and provide protection to employees who do. It would also promote involvement and help ensure that procedures are followed appropriately if and when an incident of misconduct is reported.

The OCA also consulted with the Law Branch regarding the mechanism that would most effectively provide additional protection to City employees coming forward to report misconduct. In their opinion, a whistle-blower policy, approved by City Council, would

serve the City well in enhancing current protection. Based on the research of leading practices, such a policy would include the following provisions:

- Clearly define acts of misconduct that employees should report,
- How an employee would disclose alleged acts of misconduct and to whom,
- Who will investigate such complaints,
- Stress that complaints would need to be made in good faith,
- Indicate that employees would be disciplined for bad faith reporting,
- Define the process for filing complaints if an employee believes she/he has been retaliated against for disclosing information regarding alleged misconduct in the workplace,
- Define the level of protection that the City would offer to its employees,
- Provide a right and a means for complainants to appeal if they are not satisfied with the manner in which their complaint was dealt with, and
- Clearly indicate that federal or provincial laws will be paramount where the City's whistle-blower policy is inconsistent with other laws.

Our research of better practices in leading organizations indicates that an integrated whistle-blower and fraud investigation policy provides a higher profile for combating fraud, waste and abuse. The City's fraud investigation directive (A1431) is scheduled for review in 2006. If Council approves the OCA's recommendation to implement a whistle-blower protection policy, the OCA intends to integrate it with the fraud investigation policy to offer more protection to employees making disclosures. SMT and Union/Association leaders support the concept of enhancing the protection already offered to employees. The City Auditor will make a recommendation to City Council through the Audit Committee, to approve in principle, the establishment and implementation of an integrated whistle-blower protection and fraud investigation policy. This will demonstrate that the City is fulfilling its responsibility to seek out and correct any and all abuses resulting from improper activities, and to protect those who come forward to report such activities. There will be no incremental cost for implementing this additional measure since the promotion of the new policy can be undertaken at the same time that existing and new reporting channels are promoted. The cost of writing and communicating the policy would be absorbed within the City's existing budget using ongoing processes for recommending new policies or updating existing ones.

5.3. Ombudsman Role

The OCA explored the role of an ombudsman as a means to offer additional protection and its applicability in the City's current structure. "Ombudsman" is a Swedish word meaning a defender or protector of citizens' rights. In government organizations, an ombudsman's office, by providing an avenue for the mediation of citizen grievances is a valuable tool for enhancing the relationship between a government and its citizens, and ultimately for improving the administration of government itself. It also provides an independent, objective means of appeal from a decision rendered by an organization. In effect, it is put in place to provide complainants with a final appeal of an administrative decision. An ombudsman does not have enforcement or disciplinary powers.

Ombudsman offices have been established in several jurisdictions, especially in the United Kingdom and the United States. They are less common in Canada, but have been established by several organizations, including some federal agencies and some provincial and territorial governments. For example, the Alberta Ombudsman *investigates written complaints from individuals who feel they have been treated unfairly by an administrative decision, act, omission or recommendation of an Alberta government department, board, agency or commission and some professional organizations.*

Ombudsman offices are not advocates for the citizen, but rather are established to provide an unbiased evaluation of the cases brought to them. In addition to their primary role, ombudsman offices normally respond to requests for guidance and assistance in their dealings with the government administration. They often operate with legislated authority to maintain strict confidentiality of all information that comes to them.

The City of Edmonton's existing reporting methods provide individuals channels for confidential reporting, if desired. The City does not currently have a separate Office of the Ombudsman. If Council desires, it could create a separate Office in as much the same way as it created the OCA through a bylaw. In the context of whistle-blower protection for employees, the benefit of such an Office is that it would be separate from the City Administration and one of its functions would be the investigation of allegations pertaining to retaliatory measures taken against City employees who report an alleged misconduct. However, there is no indication of how often employees would utilize such a service. In the opinion of the OCA, there is no requirement to establish a separate office at this time.

5.4. Hotline Method of Reporting Misconduct

The renewed interest in corporate governance, spurred by major corporate scandals and the resulting US Sarbanes-Oxley Act in 2002, has inspired many organizations to implement a confidential and anonymous employee hotline to report misconduct. The Sarbanes-Oxley Act requires the Audit Committee of the Board of Directors of publicly traded corporations to provide a mechanism for reporting financial irregularities that enables employees who report information to remain anonymous. As of 2004, Canadian securities legislation requires all publicly-listed companies to provide an anonymous reporting service to employees. A key defence against management override of internal controls is a whistle-blowing process that typically incorporates a hotline. There is increasing pressure on Audit Committees and Chief Executive Officers of non-regulated companies to also provide enhanced reporting systems. Many organizations are acting proactively to include reporting of misconduct through a hotline so that an employee can choose to remain anonymous. This is seen as a logical and important step toward protecting a whistle-blower from retaliation.

In Canada, departments in the Federal Government have not yet implemented a hotline method of reporting misconduct. We are aware of one provincial crown corporation that

has a hotline and one Office in the Province of Alberta that has initiated a hotline method of reporting for use by its own employees. As of February 2006, three Canadian municipalities (Toronto, Ottawa and Windsor) had implemented a hotline method of reporting and the City of Brampton was actively considering the establishment of such a program. The Audit offices lead the operation of the hotline in all three municipalities. This is consistent with leading practice organizations that provide a level of independence in the oversight role.

5.4.1. Benefits of Hotlines

The most cost-effective method of dealing with fraud, misconduct or other irregularities involving City resources is to prevent it. Establishing and implementing an anonymous method of reporting through a hotline may strengthen controls by minimizing the risk of irregularities involving City assets. The hotline method of reporting usually consists of an individual either phoning in a tip or completing an on-line web form providing details of the misconduct witnessed. The process of receiving tips provides for confidentiality and anonymity, if the caller desires. This method is quickly reaping the benefits of a reporting tool that has demonstrated its usefulness in detecting fraud and other acts of misconduct. In its *2004 Report to the Nation on Occupational Fraud and Abuse*, the Association of Certified Fraud Examiners (ACFE) found that tips are the number one method of detecting fraud. In fact, the ACFE found that organizations with a hotline typically cut their fraud losses in half. This was consistent with the findings of the 2002 version of their report. Most organizations are incorporating complaints received from all sources (anonymous telephone hotline, On-line Form, referrals from other sources, letters, etc.) into their hotline programs. Disposition of complaints include actions such as referral to outside agencies, referral to departments for investigation and response, no action on tips that cannot be fully substantiated, and investigation of more serious complaints by an independent office such as the Office of the City Auditor. The investigation of complaints received through the hotline program or otherwise is conducted in accordance with Fraud Investigation policies, governing laws and regulations. To this end, complaints are investigated both confidentially and objectively with respect for the rights of all parties involved.

Other benefits of implementing a hotline include increased transparency, an enhanced ethical workplace, deterrence of unethical behaviour, prevention of losses, and a centralized reporting mechanism. In some cases, substantiated complaints may result in recovery of funds to the organization. In addition, actions taken by departments in response to recommendations resulting from an investigation minimize the risk of fraudulent activities and other improprieties, thereby mitigating potential losses to the organization. An annual report for the period ending December 31, 2005 published by the Auditor General's Office, City of Toronto states that their program resulted in a total quantifiable value (actual loss) of \$346,063 and a total recovery of \$224,481. In addition, twenty-two internal control weaknesses were identified and resulting operational changes were made by departments.

5.4.2. Leading Practices

The OCA researched better practices through an extensive literature review and discussing experiences with organizations that have implemented hotlines. The OCA identified the following as leading practices that would apply in the City's environment:

- Visible support from top executives is critical for the success of the hotline program,
- Clear definition of roles and responsibilities for the program, with an independent group leading the process to provide the required objectivity,
- Define success criteria and establish a plan for evaluating and periodically redirecting the program,
- An effective planning process to determine how information will be received, distributed and how records of complaints and investigations will be maintained securely in accordance with FOIP and other requirements,
- The appointment of an executive project leader who champions the implementation process,
- A collaborative process that ensures that the needs of the entire organization are met by involving representatives from all stakeholder groups,
- Provide a variety of methods for tipsters to report their concerns about illegal or unethical behaviour (telephone, web-based, letter, etc.),
- Use of technology and call-back privileges for tipsters to remain anonymous but still provide follow-up information and obtain the status on their tips,
- Interactive communication between a tipster and trained operators generates more detailed information that is required to deal with the tip than one-way communication such as a message on a voice mail or an anonymous note,
- Around-the-clock coverage is vital since nearly 50% of hotline calls occur outside of regular business hours. The need for human interaction is especially critical when dealing with an anonymous caller, because there may never be another chance to fully document the complaint,
- Implement effective processes to avoid the potential for inconsistent handling of similar types of complaints,
- Establish protocols for who will analyze the tips received, who will investigate them, who will report their disposition, to whom and how often,
- Determine and communicate escalation criteria and procedures to be followed when high-risk, time-sensitive issues are reported,
- Establish an effective ongoing communication strategy that promotes the hotline as part of the organization's overall program for encouraging ethical behaviour and preventing instances of fraud. The communication should educate employees and motivate them to report their concerns through a variety of communication channels,
- Establish an effective tracking and reporting system to record complaints, the action that has been taken to investigate them and the final disposition of the complaints as well as any corrective action taken as a result of the complaints. Summary reports that assist in discovering trends and "hot spots" within the organization should also be prepared.
- Establish protocols for forwarding tips pertaining to other boards and authorities that are part of an organization but are not included in the scope of the hotline.

5.4.3. Employee Perceptions on Hotline

City employees participating in the Employee Hotline Survey were asked to indicate how likely they would be to use a City-wide confidential and anonymous way of reporting misconduct through the use of a telephone and/or web-based reporting system. 63% indicated that they would be very likely or somewhat likely to use a hotline method of reporting. This includes 62% of those who indicated they would be unlikely to report misconduct through their supervisors or management levels and 59% of those who said that they were unlikely to use other City resources. By implementing a hotline, the City would provide additional motivation for the majority of those employees who hesitate to use the existing methods to come forward and report alleged misconduct.

5.4.4. Implementing a Hotline

These results were discussed with members of SMT, who agreed that implementing a hotline method as an additional channel for employees to report misconduct would be beneficial. In order to provide independence and objectivity, SMT agrees that the Office of the City Auditor should lead the implementation and operation of the hotline. If this direction is pursued, Bylaw 12424, *City Auditor Bylaw* will need to be amended to incorporate the OCA's oversight role. Union/Association leaders have expressed some concerns with a hotline but have agreed to work with the OCA and SMT to establish a credible and fair process. This exercise would build on the success previously achieved by the three groups when the City implemented the existing administrative directive on the Code of Conduct.

5.4.5. Intake of Tips

A hotline program needs to clearly indicate who receives the tip and how. This process is commonly referred to as the intake of tips. There are two methods for an organization to receive tips. The first option referred to as "internal intake" consists of an organization setting up its own infrastructure and using internal resources to administer the intake function. The second option ("external intake") is to commission an external party to provide the infrastructure and intake resources and communicate the tips received to the organization. The organization is then responsible for analysis, investigation, resolution and reporting using internal processes.

When publicly-traded companies were first mandated to implement hotlines, most chose to administer the intake of tips internally through a partially manned phone line, voice mail after hours and some form of web-based reporting. At that time, there were few external organizations that offered intake services and the cost for outsourcing this service was high. The advantage of internal intake of calls is that there is a higher probability of internal staff connecting related tips over time. The disadvantages are high set up and operating costs, the inability to staff the phone line around-the-clock, and the unpredictable nature of demand on internal resources.

Over time, several external organizations have begun to offer these services and the cost of outsourcing the intake function is much more reasonable. The advantages of an external intake function include better use of internal resources to analyze and investigate the tips, around-the-clock independent trained intake operators, enhanced processes, lower costs and effective processes to minimize nuisance calls. The disadvantage of external intake is that immediate responses cannot be provided to callers making inquiries about internal City processes.

Our research indicates that in view of these advantages, many organizations that originally started with internal intake of tips are moving to outsourcing this function, and those that are starting a hotline program favour an external intake function. It should be noted that in this method, only the receiving and tracking of tips is performed externally. The tips continue to be researched and resolved internally through involving an independent office, such as an audit office. This arrangement provides an organization the ability to leverage the infrastructure and expertise of external firms while maintaining the internal investigation and reporting processes for which they are currently set up. There is of course the third option of outsourcing the whole function, but that may not serve the City well since it already has the infrastructure and processes for investigation in place.

During this project, interviews with SMT, Union/Association leaders and internal groups that currently receive tips in the City indicated a high degree of concern with nuisance calls when callers are allowed to remain anonymous. In addition to the cost of implementing a hotline, this is seen as a major disadvantage of hotlines compared to other methods of reporting misconduct. Organizations that have implemented hotlines deal with this by educating their employees on the type of calls that will be investigated. Most emphasize live interaction through around-the-clock skilled intake operators that are trained to ask detailed questions and screen the calls. It should be emphasized that the risk of receiving nuisance calls does not justify the fact that organizations marginalize the importance of tips with serious allegations that may not otherwise be received using existing channels.

5.4.6. Estimated Cost for the City of Edmonton

The following tables summarize the estimated cost of implementing a hotline with intake of tips being administered internally by City staff and externally by a third party. Both intake administration options assume that existing and new reporting channels will be promoted. Industry estimates for the number of tips generated by a hotline range from 1% to 3% per year per employee. The estimated number of tips for the City is based on 12,000 full-time, part-time and seasonal employees and was used to calculate the likely costs. It is difficult to estimate the internal resources required to administer the program since every organization's experience with the number and type of tips received is different. The OCA obtained rough estimates of likely costs during its research. These will need to be refined in an implementation phase.

Option 1 – Hotline with Intake Administered Internally

Description	Estimated Cost
One-time Costs	\$50,000 to \$100,000
Annual Operating Costs	\$100,000 to \$200,000

Option 2 – Hotline with Intake Administered Externally

Description	Estimated Cost
One-time Costs	\$5,000 to \$20,000
Annual Operating Costs	\$60,000 to \$100,000

Should the City decide to implement a hotline, the most logical and cost-effective option is to use an external intake function. The analysis, investigation of tips received and periodic reporting would continue to be undertaken internally and the program would be led by the Office of the City Auditor to ensure the required independence and objectivity. Some organizations have opted to implement a hotline in a trial mode to gain operating experience. This provides an opportunity to test the hotline concept without investing in an internal infrastructure. It would also allow the OCA to request approval of additional funding if required, based on actual experience rather than an estimate. If this concept receives Council's approval in principle, the OCA may be able to absorb the initial cost of implementing a hotline that uses external intake within its current budget with the option to firm up and continue the contract with the selected external intake firm. The City Auditor will be coming forward with a report for consideration at the March 16, 2006 Audit Committee and April 11, 2006 Council meetings, which if approved, would appoint the OCA as the independent body that will lead the implementation and operation of a hotline in the City of Edmonton.

5.4.7. Entertaining Calls from the Public

The City prides itself in being an open and transparent organization. Members of the public currently phone the Citizen Action Centre, elected officials, senior management or the City Auditor to provide information on any concerns or misconduct they witness in the City's environment. Remaining anonymous is not generally a concern for the public, although existing processes do provide this option. For the public, the process of providing such tips to the City should be seamless regardless of who they call. Those who receive tips would continue to forward them to appropriate groups within the organization using specific criteria that can be developed for determining those tips related to fraud, waste, abuse and other acts of misconduct. The Citizen Action Centre staff is trained to receive all types of calls from the public, and SMT and Union/Association leaders have shown interest in maintaining this central point of contact for the public. Citizen Action Centre staff would be trained to forward tips related to fraud, waste, abuse or other acts of misconduct directly to the Office of the City Auditor for resolution.

6. Conclusion and Recommendations

The City of Edmonton values integrity and ethics, and expects its employees to demonstrate civic values by working responsibly, being trustworthy and behaving ethically. Its expectations of ethical behavior have been formally communicated to employees. The channels to report alleged misconduct currently available to employees are reasonably effective. Our research, including the results of the Employee Hotline Survey, indicates that although current measures are useful and effective, additional measures are likely to be successful in increasing employee comfort levels and willingness to report misconduct. These measures include promoting existing reporting channels more diligently, implementing enhanced whistle-blower protection and establishing a hotline for employees to confidentially and anonymously report alleged misconduct in the workplace. If approved, the OCA will work in collaboration with SMT and Union/Association leaders to implement a fair and credible process.

The City Auditor will be coming forward with a report for consideration at the March 16, 2006 Audit Committee and April 11, 2006 City Council meetings. The City Auditor will recommend:

1. That the establishment and implementation of an integrated whistle-blower and fraud investigation City policy, to be coordinated by the Office of the City Auditor, be approved in principle.
2. That the Office of the City Auditor be appointed as the independent body that will lead the implementation and operation of a hotline to ensure the required independence and objectivity.

The Office of the City Auditor and the Corporate Services Department would like to thank all the individuals and groups consulted during this research project for their support and cooperation.

7. Appendix 1 - List of Individuals and Groups Consulted

City of Edmonton

- Members of Senior Management Team
- Union/Association leaders
- Receptionists, Office of the Councillors
- City employees selected on a random basis (2,200 with 819 respondents)
- Corporate Services Department
 - Branch Manager, Human Resources
 - Director, Employee Relations, Human Resources
 - Senior Negotiator, Employee Relations, Human Resources
 - Manager of Diversity and Inclusion
 - Director, Corporate Security, Law Branch
 - Director, Risk Management, Law Branch
 - Lawyers and staff members from the Law Branch (15)
 - Business Partner Representative, Communications Branch
 - Business Partner Representative, Human Resources
 - Business Partner Representative, Information Technology Branch
 - Project Manager, e-Business, Strategic Services Branch
 - City Chaplain, Human Resources
 - Director, Citizen Action Centre, Communications Branch

External Organizations

- Office of Public Values and Ethics (Federal)
- Office of the Ethics Commissioner (Provincial)
- Canadian Municipalities
 - City of Toronto
 - City of Ottawa
 - City of Windsor
 - City of Hamilton
 - City of Brampton
 - City of Calgary
 - City of Vancouver
 - City of Montreal
 - City of Winnipeg
- BSG Corporation
- The Network, Inc.
- ClearView Strategic Partners Inc.
- Crime Stoppers Association of Edmonton and Northern Alberta
- Internal Affairs Section, Edmonton Police Service
- Agriculture Financial Services Corporation
- Office of the Auditor General, Province of Alberta
- Deloitte & Touche LLP
- TransCanada Corporation
- TELUS
- EPCOR
- Various US member organizations of the National Association of Local Government Auditors
- PricewaterhouseCoopers LLP
- TELUS Business Solutions

8. Appendix 2 - Employee Hotline Survey Report

Any questions on the survey results should be directed to the Office of the City Auditor, City of Edmonton.

**CITY OF EDMONTON
OFFICE OF THE CITY AUDITOR**

**Employee Hotline Survey
Report**

January 25, 2006



TABLE OF CONTENTS

1.0 study background..... 1
2.0 Methodology 2
 2.1 Project Initiation and Questionnaire Design 2
 2.2 Survey Population and Data Collection..... 2
 2.3 Data Analysis and Project Documentation 3
3.0 study findings 5
 3.1 Likeliness to Use Reporting Methods..... 5
 3.2 Misconduct in the Workplace 9
 3.3 Protection..... 11
 3.4 Additional Comments 13
4.0 summary of findings..... 14

Appendix A – Cover Letter & Survey Instrument

1.0 STUDY BACKGROUND

In 2005, the Office of the City Auditor (OCA) evaluated the City of Edmonton's ethic management framework in collaboration with department management teams and Senior Management Team (SMT). Through this evaluation, it was determined there was a need to review other options for employees to report alleged Code of Conduct violations, such as a confidential and anonymous telephone line and/or web-based reporting system.

An evaluation of the City's current reporting channels for ethical violations indicated that, in general, employees are comfortable reporting violations of the Code of Conduct through the available channels, such as supervisor and management levels, the City Auditor, City Manager or other City personnel.

Following the release of OCA's report titled Ethics Framework Evaluation dated July 18, 2005, OCA and the General Manger of Corporate Services agreed to review the need for and assess the risks and benefits of reporting alleged violations through a hotline. The City Manager and the City Auditor agreed that a survey of City employees would provide important information on employee perceptions on this topic. Consequently, OCA commissioned Banister Research & Consulting Inc. to conduct the Employee Hotline Survey. The primary purpose of this research was to gauge employee perceptions and explore additional channels for reporting misconduct in the workplace. Specific project objectives included:

1. To determine employee's likeliness to use current and potential channels for reporting misconduct.
2. Gauge employee's incidence of witnessing misconduct in the workplace and willingness to report that misconduct.
3. Assess comfort with the current protection offered by the Code of Conduct Directive against retaliation if reporting misconduct.
4. Determine change in comfort level if City were to provided additional protection to employees through a bylaw or City policy.

This report provides a detailed description of the City of Edmonton Employee Hotline Survey.

2.0 METHODOLOGY

All components of the project were designed and executed in close consultation with the Office of the City Auditor (the client). A detailed description of each task of the project is outlined in the remainder of this section.

2.1 Project Initiation and Questionnaire Design

At the outset of the project, the consulting team familiarized itself with the project objectives, ensuring a full understanding of the issues to be addressed in the assignment. The result of this task was an agreement on the research methodology, a detailed work plan and project initiation.

During the initial meeting, a self-complete survey instrument proposed by OCA was reviewed and modifications were incorporated into the survey design, including changes to the questions and layout of the survey. A cover letter to accompany the survey was also drafted by Banister Research which detailed the purpose of the survey, confidentiality of responses, the deadline for submission and contact information for Banister Research. Upon client review of the revised survey, minor modifications were made and the instrument was finalized. A copy of the cover letter and final questionnaire is provided in Appendix A.

2.2 Survey Population and Data Collection

The sampling frame for the project was comprised of all City of Edmonton employees, approximately 12,000 full-time, part-time and seasonal staff. Of this group, a total of 2200 employees were randomly selected to participate in the study (approximately 18% of all employees).

The surveys were distributed with employee pay notices to ensure that every employee selected would receive a copy of the survey through the City's normal distribution channel. To avoid duplication of responses or employees copying the survey and providing it to other employees, a unique number was placed discretely on each survey. These numbers were randomly assigned so they could not be tracked back to the employee, thus protecting that employee's anonymity.

Surveys were distributed on December 6th, 2005 and a deadline of December 20th was given to submit completed surveys. While the majority of surveys had been submitted by this date, surveys were accepted up to January 4th, 2006.

A total of 819 surveys were submitted during this timeframe. Based on a total sample of 819 surveys, overall results provide a margin of error no greater than $\pm 3.3\%$ at the 95% confidence level or 19 times out of 20.

2.3 Data Analysis and Project Documentation

While data was being collected, Banister Research provided either a written or verbal progress report to the client.

Upon receipt of the completed questionnaires, surveys were reviewed for completeness and instances of duplication. A listing of the varied responses to the open-ended, or verbatim question, was reviewed and a code list was established. To ensure consistency of interpretation, the same coder was assigned to this project from start to finish. The coding supervisor verified at least 20% of the coder's work. Once the responses were fully coded and entered into the data file, computer programs were written to check the data for quality and consistency.

Data analysis included cross-tabulation, whereby the frequency and percentage distribution of the results for each question were broken down based on respondent responses, including:

- Likelihood to use current and potential channels of reporting misconduct,
- Witness and reporting of misconduct,
- Level of comfort with the current protection offered by the Code of Conduct Directive, and
- Change in comfort level if additional protection was provided.

Statistical analysis included a Z-test (a statistical test that compares two different populations) to determine if there were significant differences in responses between respondent subgroups. Results were reported as statistically significant at the 95% confidence level. Tabulations of the detailed data tables have been provided under separate cover.

It is important to recognize that the survey findings are based on those employees who choose to participate in the study. As a result, findings may not be reflective of the all employees. Consequently, the reader should be cautious when interpreting the survey findings. Though valuable insight was gained into members' opinions, results may not be statistically representative of all employees.

Any discrepancies between charts, graphs or tables are due to rounding of the numbers. Additionally, the reader should note when reading the report that the term significant refers to “statistical significance”.

This report provides a detailed description of the City of Edmonton Employee Hotline Survey.

3.0 STUDY FINDINGS

Results of the study are presented as they relate to the specific topic areas addressed by the survey.

3.1 Likelihood to Use Reporting Methods

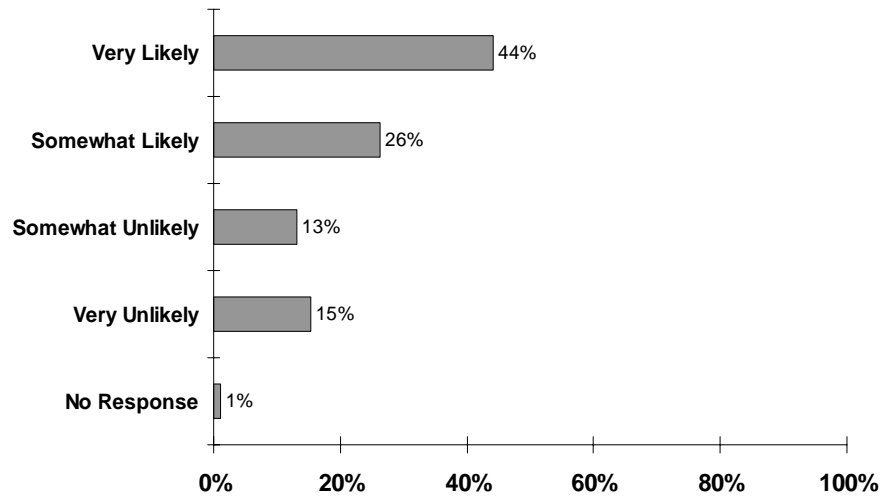
To begin, the survey respondents were asked to indicate how likely it was that they would use each of three methods of reporting misconduct in the workplace if they were to witness a violation.

Respondents were asked how likely it was that they would report misconduct to the supervisor and management levels within their department. As shown in Figure 1, on the following page, 70% indicated they were likely to report misconduct this way if they were witness to it, as 44% said they would be very likely to use this method and 26% said they would be somewhat likely. Thirteen percent (13%) of respondents said they would be somewhat unlikely to use this method to report misconduct, while 15% were very unlikely (28% overall who would be unlikely to report misconduct to the supervisor or management levels within their department).

Interestingly, **63%** of those who indicated they would be unlikely to use other City resources to report misconduct in the workplace and **71%** of those who said they were unlikely to use a City-wide confidential telephone and/or web-based reporting system said they would be **very or somewhat likely** to report misconduct through supervisor or management levels in their department.

Figure 1

Likelihood to Report Misconduct through: Supervisor and Management Levels within Department



n=819

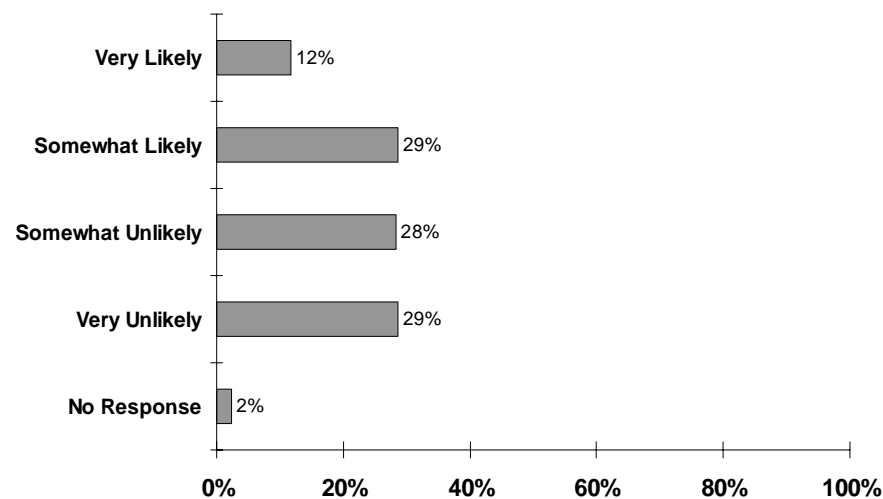
Respondent subgroups significantly more likely to report misconduct in the workplace through supervisor or management levels within their department included:

- ◆ Respondents that were **likely to use other City resources to report misconduct** (82% versus 63% who were unlikely to report misconduct this way);
- ◆ Those who **witnessed misconduct in the workplace in the last two years and reported it** and those who **did not witness misconduct in the workplace** (73% and 81%, respectively, versus 37% of those who witnessed misconduct in the past two years, but did not report it); and
- ◆ Those that felt **comfortable overall with the current protection under the Code of Conduct Directive** (84% versus 40% of those not at all comfortable with the current protection).

When asked how likely they were to report misconduct to other City resources, such as the City Manager, City Auditor or Human Resources representative, overall, 41% indicated that they would report misconduct to other City resources (12% were very likely and 29% somewhat likely). The majority of respondents (57%) stated they would be unlikely to report misconduct to other City resources (29% were very unlikely and 28% were somewhat unlikely).

Figure 2

Likelihood to Report Misconduct through: Other City Resources



n=819

The following respondent subgroups were significantly more likely to report misconduct in the workplace through other City resources included:

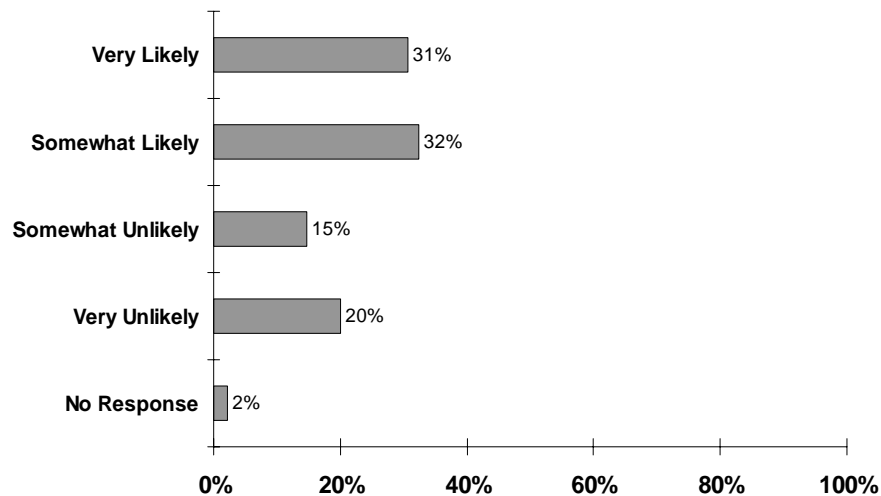
- ◆ Respondents that were **likely to report misconduct through supervisor or management levels** (47% versus 25% that were unlikely to report misconduct this way);
- ◆ Respondents that were **likely to report misconduct through a City-wide telephone and/or web-based system** (45% versus 34% of those who were unlikely to use this system);
- ◆ Those who **witnessed misconduct in the workplace in the past two years and reported it** and those who **did not witness misconduct in the workplace** (41% and 46%, respectively, versus 26% of those who witnessed misconduct, but did not report it);
- ◆ Those who felt **comfortable overall with the current protection under the Code of Conduct Directive** (46% versus 27% who were not at all comfortable); and
- ◆ Those whose **comfort would increase if the City provided additional protection** (45% versus 38% of those whose comfort level would remain the same).

Figure 3, below, details how likely respondents were to report misconduct through a confidential and anonymous telephone and/or web-based system. Thirty-one percent (31%) of respondents said they would be very likely to use this method of reporting, while 32% said they would be somewhat likely (63% overall). Fifteen percent (15%) of respondents felt they would be somewhat unlikely to use this type of system and 20% said they would be very unlikely to use it to report misconduct in the workplace (35% overall).

Interestingly, **59%** of those who indicated they would be unlikely to use other City resources to report misconduct in the workplace and **62%** of those who said they were unlikely to report misconduct through their supervisor or management levels said they would be **very or somewhat likely** to report misconduct through a City-wide telephone and/or web-based system of reporting.

Figure 3

Likelihood to Report Misconduct Through: Telephone and/or Web-Based Reporting System



n=819

Respondent subgroups significantly more likely to report misconduct in the workplace through a City-wide telephone and/or web-based system included:

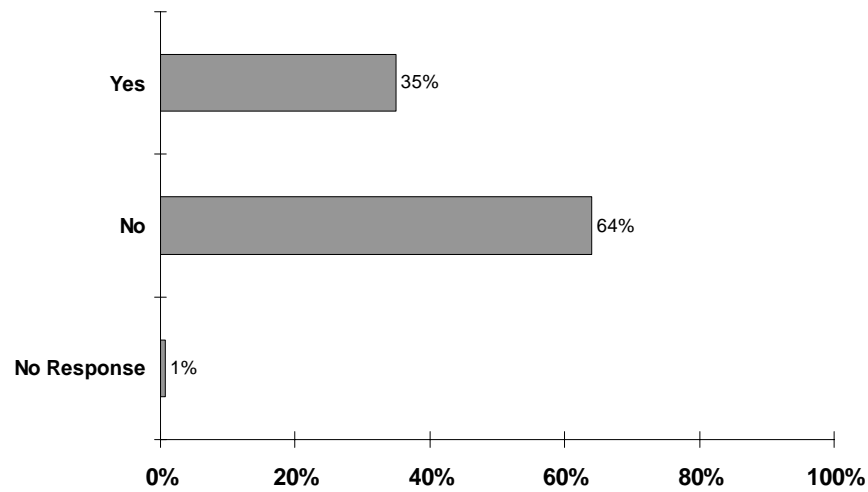
- ◆ Respondents that were **likely to use other City resources to report misconduct** (71% versus 59% of those who were unlikely to report misconduct this way);
- ◆ Those who **witnessed misconduct in the past two years, but did not report it** (72% versus 56% of those who witnessed misconduct and reported it and 62% of those did not witness misconduct); and
- ◆ Those whose **comfort would increase if the City provided additional protection** (77% versus 56% of those whose comfort level would remain the same).

3.2 Misconduct in the Workplace

Respondents were asked if they witnessed misconduct in the workplace over the last two years, and if so, if they reported it. The majority of respondents (64%) indicated they had not witnessed misconduct over the last two years. However, 35% did witness misconduct of some form. One percent (1%, or 6 respondents) did not respond. See Figure 4, below.

Figure 4

Have you witnessed misconduct in the workplace in the last two years?

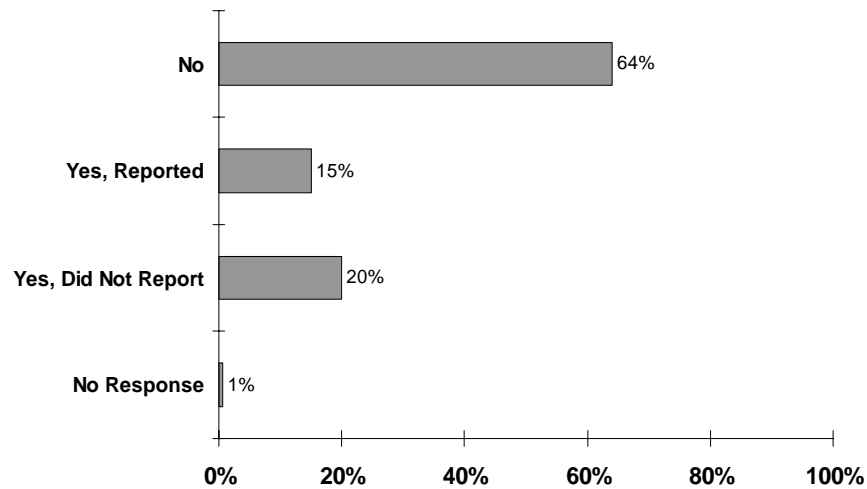


n=819

Of those who did witness misconduct (n=289), 43% reported the misconduct, while 56% did not. As shown in Figure 5, below, of all respondents, 64% did not witness misconduct in the workplace, while 15% indicated they had witnessed misconduct and reported and 20% witnessed misconduct, but did not report it.

Figure 5

Witness and Response to Misconduct in the Workplace



n=819

Respondent subgroups significantly more likely to indicate they did not report misconduct included:

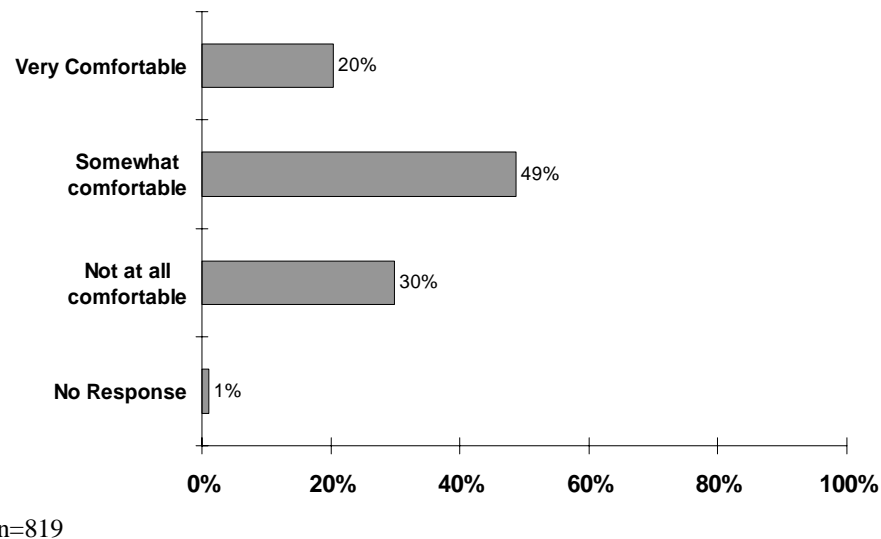
- ◆ Respondents that were **likely to use a City-wide telephone and/or web-based reporting system report misconduct** (62% versus 45% of those who were unlikely to report misconduct this way);
- ◆ Those who are **not at all comfortable with the current protection provided by the Code of Conduct Directive** (74% versus 34% of those who are comfortable with the current protection).

3.3 Protection

Currently, the Code of Conduct Directive protects employees against retaliation if they report misconduct in the workplace. Respondents were asked how comfortable they are with the current protection offered by the Code of Conduct Directive. Overall, 69% indicated that they were either very (20%) or somewhat (49%) comfortable with the current level of protection. Thirty percent (30%) of respondents were not at all comfortable with the current protection offered by the Code of Conduct Directive. See Figure 5, below.

Figure 6

Comfort with Current Protection Offered by the Code of Conduct Directive



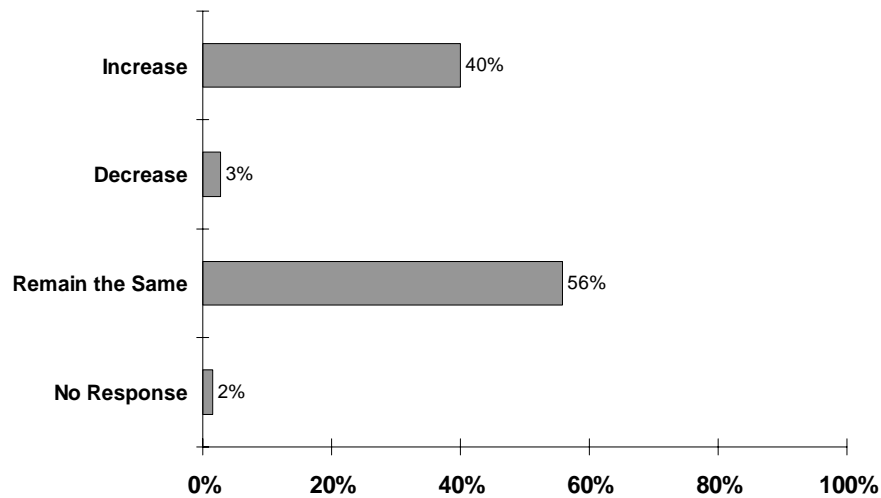
The following respondent subgroups were significantly more likely to indicate they are not at all comfortable with the protection currently offered by the Code of Conduct Directive:

- ◆ Respondents that were **unlikely to report misconduct through supervisor or management levels** (62% versus 17% who were likely to report misconduct this way);
- ◆ Respondents that were **unlikely to report misconduct through other City resources** (37% versus 20% who were likely to report a misconduct this way);
- ◆ Those who **witnessed misconduct in the past two years, but did not report it** (71% versus 32% of those who witnessed misconduct and reported it and 17% of those did not witness misconduct); and
- ◆ Those whose **comfort would increase if the City provided additional protection** (35% versus 26% of those whose comfort level would remain the same).

Respondents were asked if their comfort level would change if the City were to provide additional protection through a bylaw or City policy. Forty percent (40%) of respondents felt their comfort level would increase if this were to occur, while 56% said it would remain the same. Three percent (3%) of respondents felt their level of comfort would decrease if the City were to provide this additional protection.

Figure 7

Change in Comfort Level if City Provide Additional Protection through a Bylaw or City Policy?



n=819

Respondent subgroups whose comfort level would significantly increase with additional protection through a bylaw or city policy included:

- ◆ Respondents that were **likely to report misconduct through other City resources** (45% versus 38% of those who were unlikely to report misconduct this way);
- ◆ Respondents that were **likely to report misconduct through a City-wide telephone and/or web-based system** (49% versus 25% who were unlikely to use this system);
- ◆ Those who **witnessed misconduct in the workplace in the last two years and reported it** (49% versus 37% of those who did not witness any misconduct or who witnessed misconduct, but did not report it); and
- ◆ Respondents **not at all comfortable with the current protection offered by the Code of Conduct** (47% versus 38% who were comfortable with the current protection offered).

3.4 Additional Comments

Finally, respondents were asked if they had any other comments they would like to make in regards to the topic. As shown in Table 1, below, the majority of respondents did not provide any additional comments regarding misconduct in the workplace. The most frequently mentioned comment was in regards to concern about retaliation from either co-workers or management (12%). This was followed by the perception that reported misconduct was not followed up or acted upon (4%) and concerns about anonymity (3%). Respondents also mentioned they are happy with the current means of handling misconduct (3%) and feel the Code of Conduct provides good protection (2%).

Table 1

Do you have any additional comments about this topic?	
	Percent of Respondents * (n=819)
Concerned about retaliation from co-workers/management	12
Nothing done when reported misconduct/incidents not followed up on that should have just consequences	4
Concerned about anonymity	3
Happy with current means of handling misconduct	3
Code of conduct is good protection/legislative backing is a must	2
Ensure fairness in investigation of reported misconduct/keep reports confidential	2
Feels an anonymous reporting system would create ill-intended accusations and undermine managements decisions	2
Would only report major issues/every incident is unique	1
Need more education/meetings offered about what is expectable, what is not, and steps that can be taken/Hand out code of conduct annually	1
Will not hesitate to report misconduct or speak to the individual	1
Unsure of what constitutes misconduct/unsure of where to report certain positions misconduct	1
Other (<1% per mention – see detailed data tables)	10
No other comments	61
No Response	5

* multiple response

4.0 SUMMARY OF FINDINGS

In general, employees are comfortable working for the City of Edmonton. The majority (64%) has not witnessed misconduct in the workplace and is comfortable with the protection offered by the Employee Code of Conduct Directive (69%). In addition, most respondents (70%) indicated they would be very or somewhat likely to report misconduct through supervisor or management levels within their department and 40% said they were likely to report misconduct through other City resources.

However, over one-third of respondents (35%) indicated they had witnessed instances of misconduct in the workplace and over half of those (56%) said they did not report it. In addition, 30% said they were not at all comfortable with the current protection offered by the Code of Conduct Directive.

The majority (63%) of respondents said they would be likely to report misconduct through a new, City-wide confidential and anonymous telephone and/or web-based reporting system. Interestingly, the majority of those who said they would be unlikely to use other channels of reporting misconduct said they would be likely to use this method. Also, almost three-quarters (72%) of respondents who witnessed misconduct in the last two years, but did not report it, said they would be likely to use this system.

Although the majority of respondents are comfortable with the current level of protection offered by the Code of Conduct Directive, 40% indicated their comfort level would increase if the City were to provide additional protection through a bylaw or City policy. Furthermore, almost half (47%) of those who said they are not at all comfortable with the current level of protection felt their comfort would increase if this additional protection were provided.

As such, though the measures currently in place to control misconduct in the workplace are perceived to be useful and effective, additional measures would likely be successful in increasing employee comfort levels and willingness to report instances of misconduct.

Appendix A
Survey Instrument

OFFICE OF THE CITY MANAGER

CITY OF EDMONTON
3rd Floor, City Hall
1 Sir Winston Churchill Square
EDMONTON, ALBERTA T5J 2R7
PHONE (780) 496-8222
FAX (780) 496-8220
EMAIL: al.maurer@edmonton.ca

OFFICE OF THE CITY AUDITOR

CITY OF EDMONTON
10th Floor, Chancery Hall
3 Sir Winston Churchill Square
EDMONTON, ALBERTA T5J 2C3
PHONE (780) 496-8315
FAX (780) 496-8062
EMAIL: david.wiun@edmonton.ca

December 6, 2005

Dear City employee:

You have been selected at random from among all City employees to take part in this very important survey. The information gathered in this survey will be used to understand the perceptions of City of Edmonton employees in terms of reporting misconduct in the workplace. To maintain your confidentiality, the management consulting firm of Banister Research & Consulting Inc. has been contracted to collect and report on this feedback. **The survey form is on the other side of this letter.**

The City of Edmonton is committed to providing trustworthy, confidential ways for employees to report suspected misconduct, that is, violations of the Code of Conduct or other City policy and directives, or other laws and regulations.

The City Auditor and the City Manager are undertaking this survey to determine:

- the likelihood of employees using existing or alternative reporting methods;
- whether employees have witnessed misconduct in the workplace;
- the level of comfort with the protection currently offered by the Code of Conduct Directive; and
- whether additional protection needs to be provided for employees who come forward to report misconduct.

The overall survey results will be presented to City Council, along with other information, in March 2006. Individual results will not be released or reported.

You will hear about the overall survey results in City Link early in 2006.

Once you have finished your survey you can either fax the form back to Banister Research at **451-2777** or mail it back to Banister Research's offices using the stamped envelope provided. The deadline for submitting your survey is **December 20th, 2005.**

Thank you for taking the time to complete this survey. Your views are very important to the successful completion of this study.



A.B. Maurer, P. Eng.
City Manager



David J. Wiun, B. Comm., C.M.A., C.F.E.
City Auditor

See Reverse for Employee Survey on Reporting Misconduct

City of Edmonton Survey of Employees

Thank you for taking the time to complete this survey. Your views are very important. We assure you that all of your responses will remain **confidential** and **anonymous**.

By December 20th, 2005, please complete the following survey and return it to Banister Research & Consulting by fax (780-451-2777) or mail (11223 99 Ave. Edmonton, AB, T5K 0G9) using the enclosed stamped envelope.

The focus of this survey is on misconduct in the workplace. For the purpose of this survey, Misconduct refers to violations of the Employee Code of Conduct Directive or other City policy and directives, or other laws and regulations.

For each of the following questions, please indicate your response with an "X" in the appropriate box below.

1. For each of the methods of reporting misconduct stated below, please indicate how likely you would be to use this method if you were to witness misconduct in the workplace.

	Very unlikely	Somewhat unlikely	Somewhat likely	Very likely
a) Supervisor and management levels within my department.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Other City resources such as the City Manager, City Auditor, Human Resource representatives, etc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) A City-wide confidential and anonymous way of reporting misconduct through the use of a telephone and/or web-based reporting system.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Yes	No
2. Have you witnessed misconduct in the workplace in the last two years?	<input type="checkbox"/>	<input type="checkbox"/>
3. If you answered "yes" to Question 2... Did you report this misconduct?	<input type="checkbox"/>	<input type="checkbox"/>

	Not at all comfortable	Somewhat comfortable	Very comfortable
4. Currently, the Code of Conduct Directive protects employees against retaliation if they report misconduct in the workplace. How comfortable are you with the current protection offered by the Code of Conduct Directive?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Increase	Decrease	Remain the same
5. How would your comfort level change if the City were to provide additional protection through a bylaw or City policy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. Do you have any additional comments about this topic?

Privacy Declaration

We are committed to protecting your privacy. The personal information on this survey is being collected under the authority of Section 33 of the Freedom of Information and Protection of Privacy Act (FOIP) and is protected by the FOIP Act. This information will be used to understand the perceptions of City of Edmonton employees in terms of reporting instances of misconduct in the workplace. Banister Research & Consulting Inc. is acting on behalf of the City of Edmonton to collect and process the data from this survey and will adhere to the provisions of the FOIP Act. No personal information will be released to any outside parties. If you have any questions regarding the protection of your privacy, please contact: Kate Mann, Acting FOIP Coordinator for the Office of the City Auditor, at 496-8159.