

**DATE:** November 14, 2013

**TO:** Hon. Maurizio Bevilacqua, P.C., Mayor  
Members of Council  
Senior Management Team

**COPY:** Suzanne Craig, Integrity Commissioner

**FROM:** Paul Wallis, Director of Internal Audit

**RE:** **COMMUNICATION – ITEM #1, FINANCE AND ADMINISTRATION  
COMMITTEE - NOVEMBER 4, 2013  
ANONYMOUS REPORTING SYSTEM – REPORTING ENHANCEMENTS**

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Item #	<u>1</u>
Report No.	<u>13 (F+A)</u>
<u>Council - November 19 / 13</u>	

The purpose of this memorandum is to address the request from the Finance and Administration Committee meeting held on November 4, 2013

**“That staff review the comments made by members of the Committee regarding reporting enhancements and report back to Council”**

**1. Vaughan Integrity Commissioner and Staff Anonymous Reporting**

A further examination was done to determine the feasibility of having the Integrity Commissioner assume the role of handling potential staff code of conduct/ethics issues.

From a municipal legislation perspective, the act basically states that Council can appoint an Integrity Commissioner to perform in an independent manner functions related to:

- Code of conduct for members of council.
- Application of procedures, rules and policies of the municipality governing the ethical behavior of members of council.

Although the legislation does not specifically cover the Integrity Commissioner's role with respect to code of conduct/ethical issues for staff, there is no specific language that prevents an Integrity Commissioner from assuming that role.

Assuming the Integrity Commissioner could assume a role in the area of staff anonymous reporting and not be in non-compliance with legislation, a quick high level cost analysis was done to determine economic feasibility.

Basically, the proposed outsourced solution provides all components, including a fully operational web-site and telephony, to run a robust reporting system for an annual cost of \$4,550. There is a one-time set of cost of \$3,050. The service is available 24/7/365 and there is the opportunity to have access to a variety of reporting tools and global benchmarking information.

Operating the system from the Integrity Commissioners Office is estimated to be approximately \$19,000 annually. This assumes that an intake and reporting coordination role would be required. It is estimated that this would take one to two days per week. Assuming a weekly average over one year, 78 days or 546 hours would be required. Assuming a fully loaded (benefits included) hourly rate of \$35 per hour equals the \$19,000 annual operating cost.

Assuming the City would still prefer the higher operation cost to keep the system totally in-house, there would still be the need to either build or acquire the necessary software to support the program. Although no definitive cost could be estimated for this, it would definitely be more than the \$3,050 one-time start cost proposed from the outsourced intake provider. Add ongoing system maintenance, software upgrades and ITM support, the in-house solution becomes increasingly more costly.

From a service perspective, telephone support would only be available at specific times during the week reducing the benefit of optional reporting mechanisms.

In conclusion, having an Anonymous Reporting System with outsourced intake and operated by City staff provides a cost effective, full service model with cleaner lines of responsibility and accountability.

## **2. Council and Management Reporting**

Reporting to Council and Senior Management will depend on the types of issues that are of the most importance to the City. Issues can be grouped into categories with specific events and definitions to help those reporting issues and support management and Council reporting.

Examples of categories typically used are:

- Accounting and Financial Issues
- Business and Integrity Issues
- Human Resource and Employee Issues
- Environment, Health and Safety Issues
- Misuse, Misappropriation of Assets, Information Misuse and Access Issues

There could be a number of different events supporting each of these categories. This would enable summarizing information thematically based on the identified events by the issue reporter. Having data in this format can support a variety of enhanced management reporting options. In addition, reports can be produced based on demand and the option always remains to add or subtract categories or events depending on management and Council needs.

## **3. Benchmark Reporting**

Benchmark reporting is important for determining if the Anonymous Reporting System is operating effectively and adding value. As part of an enhanced reporting package, benchmark measures will be developed and reported annually. In some cases, benchmarks can also act as performance measures.

For example, if the external global benchmark for case closure on normal issues is 33 days, the City could set this as the internal performance measure. Alternatively, the City could have a lower or higher follow-up period depending on needs and staff availability for follow-up and closing cases.

Other examples of benchmark or performance measures include:

- Substantiation Rate - Allegations or issues that have merit (higher the better)
- Anonymous Report Rate - Number of people favoring to remain anonymous because of potential fear of reprisal (lower the better)
- Report Category Rate - Categories where most of the issues fit. Issues high in one category may indicate where more systemic causes are a problem. Generally category rates should be within global benchmarks.
- Report Volume - Too many reports may indicate a misunderstanding of the reporting system's intent or point to significant problems. Too few reports may indicate lack of awareness of the reporting mechanism or elevated concerns of retaliation.

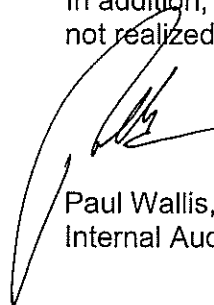
In addition to the above internal benchmarking can be established to determine patterns of issues raised by commission, department or program. This would help identify where there may be "pockets" of issues in the City or useful to track change over a time.

Examples include:

- Levels of Staff Reporting and not Reporting – Useful for determining if any particular areas of the City have report levels that are significantly different from norms.
- Case Closure by Commission – Useful for determining those areas in the City where closure times are more than usual norms. This may indicate slower follow-up response time or a higher complexity of case or issue content.
- Sources and Types of Reporting by Groups, Locations or Demographics – Useful for determining if there are any identifiable patterns that could be traced to a work location, gender group, union or non-union staff or length of employment.

The advantage of using an outsourced intake vendor is that they will have the data available to manage reporting and the needs of Council. The ability to do external benchmarking will support good performance measures for the system thus providing good information the effectiveness and value of the system.

In addition, the annual subscription service can be cancelled on advanced notice if value is not realized or if the system is being abused.



Paul Wallis, Director  
Internal Audit