



AUDIT COMMITTEE AGENDA

Audit Committee Meeting
Tuesday, August 11, 2015
Tom Davies Square

COUNCILLOR MIKE JAKUBO, CHAIR

Deb McIntosh, Vice-Chair

9:30 a.m. AUDIT COMMITTEE MEETING
COUNCIL CHAMBER

Council and Committee Meetings are accessible. For more information regarding accessibility, please call 3-1-1 or email clerks@greatersudbury.ca.

DECLARATIONS OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF

PRESENTATIONS

1. Whistle Blower Presentation
(ELECTRONIC PRESENTATION) (FOR INFORMATION ONLY)

3 - 17

- Vasu Balakrishnan, Interim Auditor General

(A presentation to the Audit Committee on establishment, monitoring and management of Fraud, Waste and Abuse.)

ADDENDUM

CIVIC PETITIONS

QUESTION PERIOD AND ANNOUNCEMENTS

NOTICES OF MOTION

ADJOURNMENT

BRIGITTE SOBUSH, DEPUTY CITY CLERK

Presented To:	Audit Committee
Presented:	Tuesday, Aug 11, 2015
Report Date	Monday, Jul 27, 2015
Type:	Presentations

For Information Only
Whistle Blower Presentation

Recommendation

For Information Only

Signed By

Report Prepared By

Vasu Balakrishnan
Interim Auditor General
Digitally Signed Jul 27, 15

Auditor General

Vasu Balakrishnan
Interim Auditor General
Digitally Signed Jul 27, 15



Whistle-Blower regime

By: Vasu Balakrishnan, Interim Auditor General

To: Audit Committee

August 11, 2015.

Presentation overview

1. “**Whistle-blower**”- background & operation
2. Management and oversight options.
3. Current legislation – Global & Canada
4. Cost vs. benefits.
5. Questions

1. “Whistle blowing” - background

A **whistleblower** is a person who exposes any kind of information or activity that is deemed illegal, dishonest, or not correct within an organization.



The term originated with reference to a referee’s action to indicate an illegal or foul play.

The whistle may be blown “by anyone” for:

**Fraud,
Waste or
Abuse**

That they may be aware of.....

Whistle blower hotline operation

A. Receiving communication

B. Assess/Triage

C. Investigate/Inquire

D. Conclude/Close

E. Periodic/Annual Reporting

A. Receiving communication

Complaints/concerns may be collected:

1. Internally at CGS by a designated individual or
2. Externally by an independent external service provider.

In a safe, secure way providing options to communicate by:

- Telephone,
- Email,
- Mail and
- Over the internet by accessing secure site.

B. Assess/Triage

**Fraud,
Waste or
Abuse of
CGS
resources?**



Fair practices

Crime

HR issues

**Frivolous
issues**



Whistle-blower
Investigation



Refer to HR/
provide feedback
to whistle blower.

C. Investigate/Inquire

- Conduct preliminary investigation to confirm,
- Assess seriousness of allegation,
- Provide suitable updates and plan investigation,
- Arrange for investigation resources,
- Conduct investigation,
- Draft report and present findings to appropriate authority for action.

D. Conclude & Closure

**Update Result of investigations in
complaints database**

&

Closure

E. Periodic/Annual Reporting

Provide periodic/annual report highlighting complaint:

- Statistics of complaints and disposition
- Type of remedial actions initiated
- Source – Public, employee, anonymous
- Method of submission – Internet, call, email etc.
- Follow up pattern of complaints
- Department/division statistics
- Measurement of loss and recovery
- Recommendations

2. Management and oversight options

In-house

External service provider

Factors:

1. Assessment of Cost vs. Benefit – initial cost of set up & operations
2. New system challenges – e.g. establishment, operation and marketing
3. After system has stabilized, routine complaints may be investigated by respective departments in consultation with AG/Legal & HR.
4. Need to balance confidentiality and protect privacy of complainants
5. Provide feedback and updates to anonymous complainants or seek further details on facts.

3. Current Legislation

GLOBAL:

1. Numerous legislations continue to evolve in the US, Dodd-Frank Act (2010), Supreme Court Decisions expanding protection to whistle blowers. The benefits of rewarding whistle blowers for successful convictions has yielded major tips.
2. Emerging debate around providing incentives to whistle blowers for tax issues and security fraud.
3. The number of complaint calls to UK's Financial Conduct Authority (FCA) has progressively increased annually.

3. Current Legislation

Canada:

1. The Treasury Board of Canada Secretariat “**Guidelines for Audit Committees in Crown Corporations and Other Public Enterprises**” provides recommendations and additional responsibilities to Audit Committees to oversee Whistle-blowing (by employees) mechanisms and
 - a. Establishment of ethics policy that covers employees and Board,
 - b. Protection mechanisms to manage disclosures by employees
2. **Public Servants Disclosure Protection Act** for disclosure of wrongdoings in the federal public sector and protection of persons who disclose wrongdoing– 2005.
3. Whistleblowers Protection Act, 2014 – BC
4. Toronto – since 2002. Policy issued in 2001. Hotline initially piloted for 6 months.
5. Mississauga – Policy issued in 2014
6. Ottawa – 2005.

4. Costs vs. Benefits

Costs

- Cost to establish and maintain a system.
- Certain individuals may be 'shopping' around for their concerns/complaints and may eventually withdraw their complaints.

Benefits

- First hand information from individuals on system weaknesses and other issues.
- An organization becomes aware of such individuals.
- Complaints and pattern of complaints over time provide a good basis for organizational improvement.
- Benefits of rewarding whistle blowers for successful convictions has yielded major tips.

Whistle-Blowing

Questions?



City of Greater Sudbury Charter

WHEREAS Municipalities are governed by the Ontario Municipal Act, 2001;

AND WHEREAS the City of Greater Sudbury has established Vision, Mission and Values that give direction to staff and City Councillors;

AND WHEREAS City Council and its associated boards are guided by a Code of Ethics, as outlined in Appendix B of the City of Greater Sudbury's Procedure Bylaw, most recently updated in 2011;

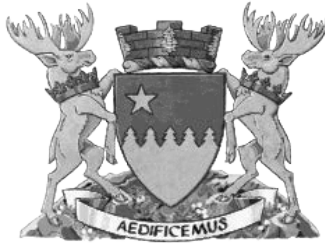
AND WHEREAS the City of Greater Sudbury official motto is "Come, Let Us Build Together," and was chosen to celebrate our city's diversity and inspire collective effort and inclusion;

THEREFORE BE IT RESOLVED THAT Council for the City of Greater Sudbury approves, adopts and signs the following City of Greater Sudbury Charter to complement these guiding principles:

As Members of Council, we hereby acknowledge the privilege to be elected to the City of Greater Sudbury Council for the 2014-2018 term of office. During this time, we pledge to always represent the citizens and to work together always in the interest of the City of Greater Sudbury.

Accordingly, we commit to:

- Perform our roles, as defined in the Ontario Municipal Act (2001), the City's bylaws and City policies;
- Act with transparency, openness, accountability and dedication to our citizens, consistent with the City's Vision, Mission and Values and the City official motto;
- Follow the Code of Ethical Conduct for Members of Council, and all City policies that apply to Members of Council;
- Act today in the interest of tomorrow, by being responsible stewards of the City, including its finances, assets, services, public places, and the natural environment;
- Manage the resources in our trust efficiently, prudently, responsibly and to the best of our ability;
- Build a climate of trust, openness and transparency that sets a standard for all the City's goals and objectives;
- Always act with respect for all Council and for all persons who come before us;
- Ensure citizen engagement is encouraged and promoted;
- Advocate for economic development, encouraging innovation, productivity and job creation;
- Inspire cultural growth by promoting sports, film, the arts, music, theatre and architectural excellence;
- Respect our historical and natural heritage by protecting and preserving important buildings, landmarks, landscapes, lakes and water bodies;
- Promote unity through diversity as a characteristic of Greater Sudbury citizenship;
- Become civic and regional leaders by encouraging the sharing of ideas, knowledge and experience;
- Work towards achieving the best possible quality of life and standard of living for all Greater Sudbury residents;



Charte de la Ville du Grand Sudbury

ATTENDU QUE les municipalités sont régies par la Loi de 2001 sur les municipalités (Ontario);

ATTENDU QUE la Ville du Grand Sudbury a élaboré une vision, une mission et des valeurs qui guident le personnel et les conseillers municipaux;

ATTENDU QUE le Conseil municipal et ses conseils sont guidés par un code d'éthique, comme l'indique l'annexe B du Règlement de procédure de la Ville du Grand Sudbury dont la dernière version date de 2011;

ATTENDU QUE la devise officielle de la Ville du Grand Sudbury, « Ensemble, bâtissons notre avenir », a été choisie afin de célébrer la diversité de notre municipalité ainsi que d'inspirer un effort collectif et l'inclusion;

QU'IL SOIT RÉSOLU QUE le Conseil de la Ville du Grand Sudbury approuve et adopte la charte suivante de la Ville du Grand Sudbury, qui sert de complément à ces principes directeurs, et qu'il y appose sa signature:

À titre de membres du Conseil, nous reconnaissons par la présente le privilège d'être élus au Conseil du Grand Sudbury pour le mandat de 2014-2018. Durant cette période, nous promettons de toujours représenter les citoyens et de travailler ensemble, sans cesse dans l'intérêt de la Ville du Grand Sudbury.

Par conséquent, nous nous engageons à :

- assumer nos rôles tels qu'ils sont définis dans la Loi de 2001 sur les municipalités, les règlements et les politiques de la Ville;
- faire preuve de transparence, d'ouverture, de responsabilité et de dévouement envers les citoyens, conformément à la vision, à la mission et aux valeurs ainsi qu'à la devise officielle de la municipalité;
- suivre le Code d'éthique des membres du Conseil et toutes les politiques de la municipalité qui s'appliquent à eux;
- agir aujourd'hui pour demain en étant des intendants responsables de la municipalité, y compris de ses finances, biens, services, endroits publics et du milieu naturel;
- gérer les ressources qui nous sont confiées de façon efficiente, prudente, responsable et de notre mieux;
- créer un climat de confiance, d'ouverture et de transparence qui établit une norme pour tous les objectifs de la municipalité;
- agir sans cesse en respectant tous les membres du Conseil et les gens se présentant devant eux;
- veiller à ce qu'on encourage et favorise l'engagement des citoyens;
- plaider pour le développement économique, à encourager l'innovation, la productivité et la création d'emplois;
- être une source d'inspiration pour la croissance culturelle en faisant la promotion de l'excellence dans les domaines du sport, du cinéma, des arts, de la musique, du théâtre et de l'architecture;
- respecter notre patrimoine historique et naturel en protégeant et en préservant les édifices, les lieux d'intérêt, les paysages, les lacs et les plans d'eau d'importance;
- favoriser l'unité par la diversité en tant que caractéristique de la citoyenneté au Grand Sudbury;
- devenir des chefs de file municipaux et régionaux en favorisant les échanges d'idées, de connaissances et concernant l'expérience;
- viser l'atteinte de la meilleure qualité et du meilleur niveau de vie possible pour tous les résidents du Grand Sudbury.