



Office of the Auditor General / Bureau du vérificateur général

FOLLOW-UP TO THE 2008 AUDIT OF HOSPITALITY

AND OTHER ETHICAL MATTERS

2010

SUIVI DE LA VÉRIFICATION DES MARQUES D'HOSPITALITÉ ET

DES AUTRES QUESTIONS D'ÉTHIQUE DE 2008

Table of Contents

EXECUTIVE SUMMARY	i
RÉSUMÉ.....	iii
1 INTRODUCTION	1
2 KEY FINDINGS OF THE ORIGINAL 2008 AUDIT OF	1
3 STATUS OF IMPLEMENTATION OF 2008 AUDIT RECOMMENDATIONS	2
4 Summary of the Level of Completion.....	11
5 CONCLUSION.....	11
6 ACKNOWLEDGEMENT.....	12

EXECUTIVE SUMMARY

Introduction

The Follow-up to the 2008 Audit of Hospitality and Other Ethical Matters was included in the Auditor General’s Audit Plan.

The key findings of the original 2008 audit included:

- Since a City Manager’s directive in June 2007 prohibiting City staff from accepting gifts, entertainment and hospitality, virtually all such activity has stopped.
- Prior to the City Manager’s memo of June 15, 2007, the acceptance of hospitality was widely prevalent throughout the Corporation. There was a very positive change after this time, as nearly all staff have adhered to the new directive.
- However, the audit concluded that some employees continue to have close personal relationships with suppliers or have a conflict of interest and there remains a need for vigilance, to ensure that former practices are not revived.

Summary of the Level of Completion

1. The table below outlines our assessment of the level of completion of each recommendation as of December 2010.

CATEGORY	% COMPLETE	RECOMMENDATIONS	NUMBER OF RECOMMENDATIONS	PERCENTAGE OF TOTAL RECOMMENDATIONS
LITTLE OR NO ACTION	0 – 24	-	-	-
ACTION INITIATED	25 – 49	-	-	-
PARTIALLY COMPLETE	50 – 74	7	1	14%
SUBSTANTIALLY COMPLETE	75 – 99	1, 2, 3, 4, 6	5	72%
COMPLETE	100	5	1	14%
TOTAL			7	100%

2. The table below outlines management’s assessment of the level of completion of each recommendation as of Winter 2011 in response to the OAG’s assessment. These assessments have not been audited.

CATEGORY	% COMPLETE	RECOMMENDATIONS	NUMBER OF RECOMMENDATIONS	PERCENTAGE OF TOTAL RECOMMENDATIONS
LITTLE OR NO ACTION	0 – 24	-	-	-
ACTION INITIATED	25 – 49	-	-	-
PARTIALLY COMPLETE	50 – 74	7	1	14%
SUBSTANTIALLY COMPLETE	75 – 99	1, 4, 6	3	43%
COMPLETE	100	2, 3, 5	3	43%
TOTAL			7	100%

Conclusion

The majority of the recommendations made in the original 2008 audit have at least been partially implemented, including one which has been fully completed.

Progress on some recommendations might appear to have been slow, however, a new Code of Conduct has a major impact, with the objective of a culture change. There were consultations at executive and management levels, with staff associations, and with the Corporate Services and Economic Development Committee (CSEDC). The Code was officially distributed in the third quarter of 2010. Some parts of the recommendations still need to be put in place and there remain some small gaps.

There is only one recommendation for which management had initiated implementation, and then decided to stop the implementation process, and for which there is a significant gap. The gap is for the ITS retention period of purging all calendar emails older than 90 days, and the change in the retention period to two years, which represents the statutory limitation period.

Acknowledgement

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

RÉSUMÉ

Introduction

Le Suivi de la vérification des marques d'hospitalité et des autres questions d'éthique de 2008 était prévu dans le Plan de vérification du vérificateur général.

Les principales constatations de la vérification de 2008 sont les suivantes :

- Depuis que le directeur municipal a publié au mois de juin 2007 une directive interdisant au personnel de la Ville d'accepter des cadeaux, des divertissements et d'autres marques d'hospitalité, cette pratique a presque cessé.
- Avant la publication de la note de service du 15 juin 2007 du directeur municipal, l'acceptation de marques d'hospitalité était un phénomène largement répandu à la Ville. Un changement très positif s'est produit par la suite, la quasi-totalité des employés ayant respecté la nouvelle directive.
- Toutefois, le rapport de vérification conclut que certains employés continuent d'avoir des relations étroites avec des fournisseurs ou se trouvent en conflit d'intérêts, de sorte que la vigilance demeure de rigueur pour avoir l'assurance que les anciennes pratiques ne reviendront pas.

Sommaire du degré d'achèvement

1. Le tableau ci-dessous présente notre évaluation du degré d'achèvement de chaque recommandation au mois de décembre 2010 :

CATÉGORIE	POURCENTAGE COMPLÉTÉ	RECOMMANDATIONS	NOMBRE DE RECOMMANDATIONS	POURCENTAGE DU TOTAL DES RECOMMANDATIONS
PEU OU PAS DE MESURES PRISES	0 – 24	-	-	-
ACTION AMORCÉE	25 – 49	-	-	-
COMPLÉTÉE EN PARTIE	50 – 74	7	1	14 %
PRATIQUEMENT COMPLÉTÉE	75 – 99	1, 2, 3, 4, 6	5	72 %
COMPLÉTÉE	100	5	1	14 %
TOTAL				100 %

2. Le tableau ci-dessous présente l'évaluation de la direction concernant le degré de réalisation de chaque recommandation à l'hiver 2011 en réponse à l'évaluation du Bureau du vérificateur général. Ces évaluations n'ont pas fait l'objet d'une vérification.

CATÉGORIE	POURCENTAGE COMPLÉTÉ	RECOMMANDATIONS	NOMBRE DE RECOMMANDATIONS	POURCENTAGE DU TOTAL DES RECOMMANDATIONS
PEU OU PAS DE MESURES PRISES	0 – 24	-	-	-
ACTION AMORCÉE	25 – 49	-	-	-
COMPLÉTÉE EN PARTIE	50 – 74	7	1	14 %
PRATIQUEMENT COMPLÉTÉE	75 – 99	1, 4, 6	3	43 %
COMPLÉTÉE	100	2, 3, 5	3	43 %
TOTAL			7	100 %

Conclusion

La majorité des recommandations formulées dans la vérification originale de 2008 ont été au moins en partie mises en œuvre, y compris une qui a été entièrement réalisée.

Pour certaines recommandations, les progrès peuvent sembler lents; toutefois, un nouveau Code de conduite, dont l'objectif est un changement de culture, a une incidence importante. Des consultations aux niveaux des cadres supérieurs et de la direction, avec les associations de personnel et le Comité des services organisationnels et du développement économique ont été organisées. Le Code a été officiellement distribué durant le troisième trimestre de 2010. Quelques parties des recommandations doivent encore être mises en œuvre et quelques lacunes demeurent.

Il n'y a qu'une recommandation dont la direction avait commencé la mise en œuvre, puis a décidé d'en arrêter le processus, et pour laquelle une lacune importante demeure. La lacune concerne la période de rétention du STI qui consiste à purger tous les courriels de plus de 90 jours et le changement de la durée de la période de rétention à deux ans, ce qui représente la période limite établie par la loi.

Remerciements

Nous tenons à remercier la direction pour la coopération et l'assistance accordées à l'équipe de vérification.

1 INTRODUCTION

The Follow-up to the 2008 Audit of Hospitality and Other Ethical Matters was included in the Auditor General's Audit Plan.

The key findings of the original 2008 audit included:

- Since a City Manager's directive in June 2007 prohibiting City staff from accepting gifts, entertainment and hospitality, virtually all such activity has stopped.
- Prior to the City Manager's memo of June 15, 2007, the acceptance of hospitality was widely prevalent throughout the Corporation. There was a very positive change after this time, as nearly all staff have adhered to the new directive.
- However, the audit concluded that some employees continue to have close personal relationships with suppliers or have a conflict of interest and there remains a need for vigilance, to ensure that former practices are not revived.

2 KEY FINDINGS OF THE ORIGINAL 2008 AUDIT OF

Prior to June 15, 2007:

- Acceptance of hospitality was part of the corporate culture;
- Some staff considered it a requirement of Council;
- It was prevalent in many areas of the organization; and,
- Some managers considered the existing policies to be ambiguous and open to interpretation.
- Hospitality accepted included:
 - Ottawa Senators game tickets;
 - Golf tournament fees;
 - Consultant organized receptions;
 - Lunches or dinners; and,
 - Social events.

Post June 15, 2007:

- Directive clearly articulated the City's position and expectations.
- What we expected:
 - Staff to avoid even the appearance of impropriety.
- What we found:
 - Nearly all employees adhered to the City Manager's directive; and,

- Based on the audit, a limited number of employees continue to have close personal relationships with suppliers that may prompt the appearance of a conflict of interest.

3 STATUS OF IMPLEMENTATION OF 2008 AUDIT RECOMMENDATIONS

2008 Recommendation 1

That the City review the Gifts, Entertainment and Hospitality Corporate Policy, the Hospitality (Internal) for City Employees Corporate Policy and the Employee Code of Conduct in order to provide a consolidated reference for all managers and staff that will outline in plain language their obligations when dealing with any external parties to address any real or perceived conflict of interest.

2008 Management Response

Management agrees with these recommendations and anticipates that the changes contemplated to the City's policies and practices will be in place by the end of Q3 of this year.

Management Representation of the Status of Implementation of Recommendation 1 as of September 30, 2010

Legal Services conducted a comprehensive review of the Employee Code of Conduct. The Code was revised, reviewed by Executive Committee and the City's Senior Management Committee in consultation with all staff associations and presented to Corporate Services and Economic Development Committee in April of 2010. The new Code of Conduct provides references, along with "questions and answers" to deal specifically with all ethical matters, including the receipt of gifts and hospitality. As such, these policies will be reviewed in Q1 of 2011 to see if they are relevant in light of the revised Code's implementation.

Management: % complete

90%

OAG's Follow-up Audit Findings regarding Recommendation 1

A comprehensive review of the Employee Code of Conduct has been conducted. The review was done in consultation with the Executive Committee and with the City's Senior Management Committee. Consultations also included the Corporate Services and Economic Development Committee and staff associations. As a result, a new Employee Code of Conduct was introduced as an official City reference for all managers and staff in October 2010. The new Code of Conduct outlines in plain language, the City core values and core Code of conduct and addresses any real or perceived conflict of interest.

The previous version of the Employee Code of Conduct was removed from the City internal and external web sites.

The City Gifts, Entertainment and Hospitality (Internal) for City Employees Corporate Policy, approved on December 12, 2007, has not yet been reviewed. Management indicated that these policies will be reviewed in Q1 of 2011 to see if they are relevant in light of the revised Code's implementation.

OAG: % complete

75%

Management Representation of Status of Implementation of Recommendation 1 as of Winter 2011

Management agrees with the OAG's follow-up audit finding, however, further progress has been made.

A review of the Gifts, Entertainment and Hospitality (Internal) for City Employees Corporate Policy is currently underway and is expected to be finalized by the end of Q1 2011.

Management: % complete

90%

2008 Recommendation 2

That the City revise the *Employee Code of Conduct* and related City policies to require regular reviews and renewals of any authorization given to an employee in relation to a declared potential conflict of interest, secondary employment or other provision of the *Code* or related City policy, and that this review/renewal be incorporated into the employee's annual performance planning and review cycle.

2008 Management Response

Management agrees with these recommendations and anticipates that the changes contemplated to the City's policies and practices will be in place by the end of Q3 of this year.

Management Representation of the Status of Implementation of Recommendation 2 as of September 30, 2010

Legal Services included these changes as part of its comprehensive review of the Employee Code of Conduct. The Code was revised, reviewed by Executive Committee and Senior Management Committee in consultation with all staff associations and presented to Corporate Services and Economic Development Committee in April of 2010. The Code was recently rolled out to all employees of the Corporation and is posted on Ozone, as well as Ottawa.ca, for employees and members of the public to access. As part of the revised Code, under the section entitled "Accountability", staff have an ongoing obligation to disclose and a review of the Code will be part of the annual performance planning cycle.

Management: % complete

100%

OAG's Follow-up Audit Findings regarding Recommendation 2

The Code of Conduct addresses any real or perceived conflict of interest. The Accountability section addresses the review and observance of the Code of Conduct as part of the daily work and of the annual performance planning cycle. Review and renewal of any authorization given to an employee in relation to a declared potential conflict of interest, secondary employment or other provision of the Code is implicitly part of his annual performance planning cycle. New draft versions of the Individual Contribution Agreements (ICA), with revisions, to incorporate the Code of Conduct, have been submitted to the audit follow-up team as documents to be fully implemented for the 2011 cycle. There is still a need to establish a process.

OAG: % complete *80%*

Management Representation of Status of Implementation of Recommendation 2 as of Winter 2011

Management disagrees with the OAG's follow-up audit finding that implementation of this recommendation is only substantially complete.

The revised forms for 2011 ICAs were posted on Ozone in March 2011. These will be used for performance planning (i.e., goal setting) for 2011.

As part of the Code of Conduct communications strategy, in September 2011, and each subsequent September, a Management Bulletin will be issued to remind managers to review the Code of Conduct with employees, either at a team meeting or individually, providing employees with an opportunity to discuss the nature of their work and potential conflicts with the Code of Conduct. In year-end ICA discussions, managers will confirm that the Code of Conduct has been reviewed with their entire team.

Management: % complete *100%*

2008 Recommendation 3

That the City foster a corporate culture that acknowledges the need to ensure that all managers and employees carry out their duties with a focus on maintaining the highest ethical standards by:

- a) **Incorporating compliance with the Employee Code of Conduct and related City policies into the performance management system for all employees;**
- b) **Issuing regular reminders for all managers and staff of the requirements of the Employee Code of Conduct and related City policies, through formal internal communications (e.g., City Briefs, Management Bulletin), as well as through more informal means (e.g., staff meetings, etc.);**

- c) **Making available on the City's Intranet a collection of plain-language questions and answers, sample scenarios and guidelines that can assist managers and staff when they are confronted with a situation that may put them in conflict with the Employee Code of Conduct and/or related City policies; and,**
- d) **Making the Employee Code of Conduct available on Ottawa.ca.**

2008 Management Response

Management agrees with these recommendations and anticipates that the changes contemplated to the City's policies and practices will be in place by the end of Q3 of this year.

Management Representation of the Status of Implementation of Recommendation 3 as of September 30, 2010

The newly-adopted Code of Conduct for City employees is a collection of plain-language "questions and answers" that was rolled out to staff through both formal and informal communication of the changes through such things as a message to all Network Users from the City Manager, and as part of the City Briefs. It is expected that additional briefings will be provided on a regular, ongoing basis. The Code has been posted on both the City's Ozone and Ottawa.ca for reference whenever necessary by both employees and members of the public. As part of the revised Code, under the section entitled "Accountability", the Code will be part of the annual performance planning cycle.

Management: % complete

100%

OAG's Follow-up Audit Findings regarding Recommendation 3

The City undertook with the implementation of the New Code of Conduct, a significant step towards fostering a corporate culture of the highest ethical standards.

The new code of Conduct was introduced during the fall, which does not leave many opportunities for reminders this year. The City however found a good way to post permanent reminders, by hanging large posters of the Code of Conduct in strategic locations in the City building.

As a complement to the Code of Conduct, the City first committed to produce Q&As, sample scenarios and guidelines. The City however decided to only develop Q&As as a single complementary reference document. The rationale for this approach was to offer a blend of questions and scenarios, some of which were drafted with common questions in mind and some in a more open-ended fashion with a view to sparking thought and discussion about the underlying values set out in the Code. They believed that this approach was preferable and would cause the reader to give broader consideration to the ethical principles involved.

The audit team has reviewed the Q&As with that explanation in mind and is comfortable with that strategy.

The City has posted the Code of Conduct on Ottawa.ca as requested.

This recommendation has been fully implemented with the exception of the incorporation of compliance into the performance management system for all employees. This portion is still in progress and its full implementation is planned for 2011.

OAG: % complete *90%*

Management Representation of Status of Implementation of Recommendation 3 as of Winter 2011

Management disagrees with the OAG's follow-up audit finding that implementation of this recommendation is only substantially complete.

The revised forms for 2011 ICAs were posted on Ozone in March 2011. These will be used for performance planning (i.e., goal setting for 2011). As employees and managers are still completing the performance management cycle for 2010, the current version of the ICA forms remain on Ozone until performance appraisals for 2010 are completed.

Management: % complete *100%*

Recommendation 4

That the Standard Terms and Conditions of all City contracts (including Corporate and Departmental Purchase Orders, and Payment Without Reference) clearly state that "Hospitality is not to be extended to City Staff" and that the City offer orientation sessions to all of the City's suppliers, consultants, contractors, etc., to ensure that they understand and comply with the Code in all of their business dealings with staff.

2008 Management Response

Management agrees with these recommendations and anticipates that the changes contemplated to the City's policies and practices will be in place by the end of Q3 of this year.

Management Representation of the Status of Implementation of Recommendation 4 as of September 30, 2010

The General Terms and Conditions were updated in March 2010 and form part of every bid solicitation and non-competitive contract. Ottawa.ca currently contains important information on how both new and existing suppliers can do business with the City. Work is underway to have the General Terms and Conditions posted on Ottawa.ca in Q4 of 2010.

Management: % complete *90%*

OAG's Follow-up Audit Findings regarding Recommendation 4

The General Terms and Conditions updated in March 2010 and used in all City contracts clearly state that hospitality is not to be extended to City Staff. Since December 2010, the General Terms and Conditions are available on Ottawa.ca.

The City has started offering orientation sessions to City suppliers, consultants and contractors to ensure that they understand and comply with the Code in all of their business dealings with staff. The first orientation session took place on March 03, 2010.

The recommendation will be fully implemented when the Gifts, Entertainment and Hospitality (Internal) for City Employees Corporate Policy is updated in Q1 2011, as presented in recommendation 1, and as the General Terms and Conditions refer to.

OAG: % complete **90%**

Management Representation of Status of Implementation of Recommendation 4 as of Winter 2011

Management agrees with the OAG's follow-up audit finding.

A review of the Gifts, Entertainment and Hospitality (Internal) for City Employees Corporate Policy is currently underway and is expected to be finalized by the end of Q1 2011.

Management: % complete **90%**

Recommendation 5

That the City ensure that all senior managers, as well as all employees involved in the procurement process, including those evaluating the technical merits of RFP's, be provided with specific training with respect to hospitality and conflict of interest guidelines, and to be vigilant and proactive in identifying any potential conflict of interest.

2008 Management Response

Management agrees with these recommendations and anticipates that the changes contemplated to the City's policies and practices will be in place by the end of Q3 of this year.

Management Representation of the Status of Implementation of Recommendation 5 as of September 30, 2010

The newly-adopted Code of Conduct for City employees is a collection of plain-language "questions and answers" that was rolled out to staff through both formal and informal communication of the changes through such things as a message to all Network Users from the City Manager, and as part of the City Briefs.

Purchasing staff are well informed with respect to hospitality and conflict of interest guidelines, and are vigilant and proactive in educating their clients in identifying any potential conflicts of interest.

Management: % complete **100%**

OAG's Follow-up Audit Findings regarding Recommendation 5

Specific formal training with respect to hospitality and conflict of interest for employees involved in the procurement process has been provided at two different occasions.

Also, formal and informal messages to all Network Users from the City Manager, have been used and they can be considered informal training.

Ensuring that all senior managers and all employees involved in the procurement process are provided with a specific training is an ongoing process, as there will always be personnel movements in such a large organization. However, a solid initial implementation process has been achieved with respect to hospitality and conflict of interest awareness for employees. The audit team believes that this training will continue to be provided in the future and considers this recommendation as fully implemented.

OAG: % complete **100%**

Recommendation 6

That the City periodically review a listing, by manager, of sole sourced contracts greater than a certain value on a regular basis in order to identify high risk areas.

2008 Management Response

Management agrees with these recommendations and anticipates that the changes contemplated to the City's policies and practices will be in place by the end of Q3 of this year.

Management Representation of the Status of Implementation of Recommendation 6 as of September 30, 2010

A report was completed and provided to the City Manager in March of 2010. This report will be provided on an annual basis.

Management: % complete **100%**

OAG's Follow-up Audit Findings regarding Recommendation 6

A report of all sole sources contracts over \$10,000 has been prepared by the supply team. Analysis of the high-risk areas has been done on a file-by-file analysis. From that analysis, some departments have been identified as high risk. For those cases, the supply team approached the departments offering options to obtain the

required goods and services through a reviewed process. They are actively working with the departments in question to establish competitive process.

The report itself has been produced in March 2010 and covered the previous year. The report has however only been forwarded to the City Manager in December 2010.

For future reports, the risk analysis should be more succinct and focussed, the report format reviewed, and the communication process to the City Manager improved to provide a better management tool.

OAG: % complete *90%*

Management Representation of Status of Implementation of Recommendation 6 as of Winter 2011

Management agrees with the OAG's follow-up audit finding.

The recommended enhancements will be incorporated in the next report to be produced in March 2011. Therefore, implementation of this recommendation is expected to be complete by the end of Q1 2011.

Management: % complete *90%*

Recommendation 7

That the City review its ITS retention period of purging all calendar emails older than 90 days and change the retention period to two years which represents the statutory limitation period.

2008 Management Response

Management agrees with these recommendations and anticipates that the changes contemplated to the City's policies and practices will be in place by the end of Q3 of this year.

Management Representation of the Status of Implementation of Recommendation 7 as of September 30, 2010

IT Services included these changes in its workplan for 2009, with a view to presenting the revised policy to Committee/Council in the early fall of 2009, following review by EC/SMC. However, Legal Services advised IT Services that as a result of litigation before the Divisional Court, the two-year e-mail archive should not be implemented until the court case has concluded and the decision of the Divisional Court regarding MFIPPA and personal employee e-mails has been rendered. The matter is expected to be heard by Divisional Court in December of 2010, with a decision to follow thereafter. Following the release of the decision, consideration will be given to revising the policy. In the interim, IT Services proceeded with the costing of technology solutions which would enable the policy

to be implemented. The Request for Information (RFI) was issued in Q1 of 2010 to get a better sense of the cost related to the possible solutions. The ITS department received 17 responses to the RFI, with high-level cost estimates ranging from \$200K - \$2.9 million. Further investigation of the possible solutions was put on-hold pending the decision of the Divisional Court.

Management: % complete

90%

OAG's Follow-up Audit Findings regarding Recommendation 7

In the OAG's opinion the legal case relates more to whether staff's personal emails, retained on the corporate system, can be released under MFIPPA. The outcome of the case should not preclude the City from continuing to work on implementing the statutory two year retention period for emails.

Our Office is also concerned with the initial high-level cost estimates to implement this statutory requirement. We understand that the cost to store electronic records is continually decreasing and the estimates noted by management seems high. Management should revisit the cost estimate. In any case, the cost to implement this requirement should be absorbed within the existing IT budget.

In developing our Office's 2011 audit plan, we met with councillors and found that many councillors expressed an interest in this matter. We therefore recommend that this issue be discussed at Council's Information Technology Sub-committee.

OAG: % complete

50%

Management Representation of Status of Implementation of Recommendation 7 as of Winter 2011

Management disagrees with the OAG's follow-up audit finding.

Staff have reviewed the recommendation and, from a legal perspective, can confirm that there are no legal impediments to instituting a two-year IT e-mail archiving period. Staff further confirms however, that there are no labour relations or other legal requirements for the proposed e-mail archiving period. Given the December 2010 Divisional Court decision which confirmed that personal employee e-mails are not accessible under the *Municipal Freedom of information and Protection of Privacy Act* (MFIPPA), there is also no requirement to archive e-mails for MFIPPA purposes. The Information and Privacy Commissioner of Ontario (whose decision was overturned by the Divisional Court) is seeking leave to appeal to the Court of Appeal in this case, and should any subsequent Court decision vary or change this conclusion, staff will undertake to advise the appropriate Committee immediately.

The Information Technology Services (ITS) department issued a Request for Information (RFI) in 2009 in order to gain an understanding of the potential costs of procuring a two-year email archive solution. Without knowing the specific business requirements, the responses ranged from \$250k to over \$1 million dollars. The ITS department recommends that the business requirements for a two-year email

archive be presented to the Audit Sub-Committee by the Office of the Auditor General for consideration and funding.

Management: % complete

50%

4 Summary of the Level of Completion

- The table below outlines our assessment of the level of completion of each recommendation as of December 2010.

CATEGORY	% COMPLETE	RECOMMENDATIONS	NUMBER OF RECOMMENDATIONS	PERCENTAGE OF TOTAL RECOMMENDATIONS
LITTLE OR NO ACTION	0 – 24	-	-	-
ACTION INITIATED	25 – 49	-	-	-
PARTIALLY COMPLETE	50 – 74	7	1	14%
SUBSTANTIALLY COMPLETE	75 – 99	1, 2, 3, 4, 6	5	72%
COMPLETE	100	5	1	14%
TOTAL			7	100%

- The table below outlines management's assessment of the level of completion of each recommendation as of Winter 2011 in response to the OAG's assessment. These assessments have not been audited.

CATEGORY	% COMPLETE	RECOMMENDATIONS	NUMBER OF RECOMMENDATIONS	PERCENTAGE OF TOTAL RECOMMENDATIONS
LITTLE OR NO ACTION	0 – 24	-	-	-
ACTION INITIATED	25 – 49	-	-	-
PARTIALLY COMPLETE	50 – 74	7	1	14%
SUBSTANTIALLY COMPLETE	75 – 99	1, 4, 6	3	43%
COMPLETE	100	2, 3, 5	3	43%
TOTAL			7	100%

5 CONCLUSION

The majority of the recommendations made in the original 2008 audit have at least been partially implemented, including one which has been fully completed.

Progress on some recommendations might appear to have been slow, however, a new Code of Conduct has a major impact, with the objective of a culture change. There were consultations at executive and management levels, with staff associations, and with the Corporate Services and Economic Development Committee (CSEDC). The Code was officially distributed in the third quarter of 2010. Some parts of the recommendations still need to be put in place and there remain some small gaps.

There is only one recommendation for which management had initiated implementation, and then decided to stop the implementation process, and for which there is a significant gap. The gap is for the ITS retention period of purging all calendar emails older than 90 days, and the change in the retention period to two years, which represents the statutory limitation period.

6 ACKNOWLEDGEMENT

We wish to express appreciation to the staff and management for their cooperation and assistance throughout the audit process.