

<b>Corporate Human Resources Policy</b>		<b>Code of Conduct for Employees</b>
Work Environment		Content Updated: 2019-08-23
Policy No: HR-01-09		Approved: 2019-10-09
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**Schedule F: Interacting with the Office of the City Auditor**

<p><b>PURPOSE</b></p>	<p>In accordance with the Municipal Act and City of Hamilton By-Law 19-180, the City Auditor acts as an Accountability Officer of the City of Hamilton. The Auditor and the Office of the City Auditor (OCA) fulfils this duty by assisting City Council in holding itself and its administrators accountable for the quality of stewardship over public funds and for the achievement of value for money in City operations. The OCA's mandate is to report to Hamilton City Council via the Audit, Finance and Administration Committee objective information and recommendations resulting from independent audits of the government's programs, and in other areas outlined in the Audit Charter.</p> <p>Audits are vital to ensuring transparency in government and in building trust and confidence. The purpose of this schedule is to outline the roles, responsibilities and expectations of all staff when involved in an audit investigation or other work.</p>
<p><b>SCOPE</b></p>	<p>Schedule F of the Code of Conduct applies to all employees at the City of Hamilton, including but not limited to regular, temporary and contract employees, volunteers, students and interns.</p> <p>Schedule F is applicable to the following types of work undertaken by the OCA:</p> <ul style="list-style-type: none"> <li>• All types of audits (including compliance, value for money or a combination of the two)</li> <li>• Investigations (including Fraud, Waste and Whistleblower)</li> <li>• Other types of work at the City Auditor's discretion</li> </ul> <p>Schedule F is not applicable to the following types of work due to their collaborative nature:</p> <ul style="list-style-type: none"> <li>• Risk assessments</li> <li>• Consulting projects (including research)</li> </ul> <p>If for these types of work, issues in obtaining information are encountered, the work may either be cancelled or be switched to an audit or investigation, at the discretion of the City Auditor.</p>

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<p><b>GUIDING PRINCIPLES</b></p>	<p>The following principles guide interactions between City employees and the Office of the City Auditor (OCA), when conducting audits and investigations.</p> <p><b><u>Independence</u></b> The City Auditor and staff are independent of City administration and operations. This independence is a safeguard that enables the OCA to fulfil its auditing and reporting responsibilities objectively and fairly. City auditors must therefore be free from any external impairment to that independence.</p> <p><b><u>Respect</u></b> Under the <i>Municipal Act</i> the OCA has the mandate and the authority to set the parameters of an audit. All dealings with the OCA shall be respectful of that authority.</p> <p><b><u>Responsibility</u></b> All City staff involved in an audit have a responsibility to ensure a positive and constructive relationship and working environment. In particular, Leaders have a duty to ensure this relationship is maintained through the course of an audit.</p> <p><b><u>Co-operation</u></b> It is the responsibility of all City staff to provide the OCA with access to the people, information, systems and records necessary to the performance of its legislated audit responsibilities. Provision of information will occur in an atmosphere that respects and protects the confidentiality of staff members</p>
<p><b>DEFINITIONS</b></p> <p><b>Accountability Officer</b></p> <p><b>Audit Working Papers</b></p>	<p>Independent parties that ensure transparency and accountability and receive and investigate complaints. This can include the City Auditor, Integrity Commissioner, Lobbyist Registrar or Ombudsman</p> <p>Auditors’ files, notations, analysis and documentation, both electronic and paper, that support findings and conclusions in their report.</p>

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<b>Information</b>	All hard copy, electronic records and meta data.
<b>Sensitive and Confidential Information</b>	Information that is protected, including information excluded from MFIPPA and PFIPPA FOI requests.
<b>TERMS AND CONDITIONS</b>	
<b>Audit Standards</b>	<p>While conducting an audit, Auditors are obliged to follow audit standards. Auditors are required to maintain an attitude of professional scepticism in ensuring that all the information examined is supportable.</p> <p>Auditors are obliged to obtain sufficient and appropriate evidence regarding the information gathered, including electronic, written and verbal.</p>
<b>Confidentiality</b>	<p>Confidentiality is an integral part of the audit process and the OCA has a duty to protect the confidentiality of information received and cannot communicate information other than as part of the audit report and in prescribed situations. Accordingly, per section 223.22 (4) of the <i>Municipal Act</i>, audit working papers shall not be made available as they are confidential. Information collected by the auditors is not subject to public access under <i>the Municipal Freedom of Information and Protection of Privacy Act</i> (MFIPPA).</p>
<b>When Requested to Interact with the Office of the City Auditor</b>	<p>When involved in an audit investigation or other work, all City of Hamilton employees will:</p> <ul style="list-style-type: none"> <li>• Fully cooperate with the OCA</li> <li>• At the start of the audit, share all relevant information (including consultant's reports) and provide access to systems</li> <li>• Respond courteously, with fairness and honesty to inquiries and requests for information or assistance from the OCA and not limit or unreasonably delay the time</li> </ul>

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<p><b>Release of Sensitive Information</b></p>	<p>allowed to provide information and conduct interviews.</p> <ul style="list-style-type: none"> <li>• Respect that the OCA has the authority to select and determine what information is required for the audit, decide the pertinence of information, the selection or application of audit procedures and transactions or events to be examined.</li> <li>• Not restrict the audit or interfere with the auditors' ability to form independent, objective opinions and conclusions, or in matters of audit selection, scope and report content.</li> <li>• Provide clear and full disclosure of requested information and explanations, and the appropriate access to City resources and information sources.</li> <li>• Provide original supporting documentation when available and requested by the auditors, and shall in no way alter, change or delete information or records.</li> <li>• Leaders shall permit access to staff for the purposes of interviews, confidentially if so requested by the auditor.</li> <li>• Leaders will cooperate with any requests to assign a coordinator to work with the Office of the City Auditor to coordinate materials and ensure that the audit investigation or other work is handled efficiently. However, that should not constrict auditors from having direct access to information custodians or operational staff.</li> </ul> <p>All City records including confidential and sensitive information are subject to review by the OCA. Where approval is required by the General Manager for release of information, the approval process should not unreasonably delay the audit process.</p> <p>Any information including sensitive and confidential information, must be provided in full and not be redacted, altered or abridged.</p>
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<p><b>Issues Arising During the Course of an Audit</b></p>	<p>If, during the course of an audit, an employee commits or becomes aware of any infraction of the <i>Code of Conduct</i> they are obligated to contact the City Auditor to report the activity directly, or using the Fraud and Waste Hotline.</p> <p>If at any time, an employee is unclear if the infraction of the <i>Code of Conduct</i> jeopardizes the integrity of the audit, they will contact the Office of the City Auditor for consultation in the matter, or through the Fraud and Waste Hotline.</p> <p>The bringing forth of such information will be held in strict confidence by the City Auditor. Once the City Auditor has documented the information, it will be reviewed to determine how the infraction impacts the audit and develop next steps in dealing with the issue.</p>
<p><b>RELATED DOCUMENTS</b></p>	<p><i>OCA activity is guided by the following professional standards and/or legislative requirements:</i></p> <ul style="list-style-type: none"> <li>• <i>Municipal Act, Sections 223.19-223.23 (Auditor General), as applicable.</i></li> <li>• <i>City of Hamilton Whistleblower By-law (19-181).</i></li> <li>• <i>City Auditor Bylaw (19-180)</i></li> <li>• <i>International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors, for audit, assurance and general consulting work.</i></li> <li>• <i>Certified Fraud Examiners Code of Professional Standards issued by the Association of Certified Fraud Examiners for Fraud, Waste and Whistleblower assessments and investigations.</i></li> <li>• <i>Fraud and Waste Hotline</i></li> </ul>
<p><b>COMPLIANCE</b></p>	<p>Every employee is expected to be aware of and act in compliance with this policy and with the related Code of Conduct for Employees Policy. Any employee under investigation may be suspended with or without pay or be re-assigned to other duties pending completion of the investigation, depending on the particulars of the case and the best interests of the City. Where there is serious wrongdoing as defined in the Whistleblower By-law, then the By-Law prevails. Violations of this policy may result in appropriate disciplinary measures, up to and including dismissal.</p>