



Office of the Municipal Auditor General,
The Corporation of the City of Windsor

AUDITOR GENERAL COMPLAINT INVESTIGATION REPORT

Conflict of Interest - City Department (Governance Review)

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Executive Summary

Background

The Office of the Auditor General (OAG) received a complaint alleging that a former City of Windsor employee may have had undisclosed private business interests in a company directly related to their area of employment over many years of employment; and that this activity could have created conflicts of interest, improper use of City time, or a pattern of conduct over an extended period.

Investigation Approach

The investigators conducted an evidence-based review of relevant City records related to the alleged department, Human Resources files, Conflict of Interest Disclosure (CID) records, ownership and business registry information, and publicly available material related to the alleged individual's private related business. Analytical procedures were also performed to assess the plausibility of overlap between City employment and privately advertised business activity. The investigation was limited to available records, as the individual was no longer employed by the City at the time of this review.

Scope Limitation

Because the employee was not employed by the City when the investigation began, the review focused on governance, policy, and process adequacy, rather than employee conduct or disciplinary matters. The Office of the Auditor General for the Corporation of the City of Windsor relied on authoritative Provincial records and publicly advertised business information to assess contextual risk. These sources were used to inform conclusions, not to establish findings for specific the items investigated.

**Summary of
Procedures and
Findings**

Allegation #1 — Conflict of Interest

Partially Warranted (Perceived Conflict). No evidence of an actual (real) conflict of interest for the specific instances alleged by the complainant were identified, however retrospective website claims by the business and absence of CID disclosure create a reasonable perceived conflict and highlight policy/oversight gaps.

Allegation #2 — Use of City Time for Private Work

Not Warranted, but Plausibility and Perception Risks Confirmed. No direct evidence that the employee performed private work on City time was detected. However, analytics establish that overlap was *plausible*, and lack of disclosure meant monitoring controls were never activated.

Allegation #3 — Lack of Disclosure / Breach of Policy

Warranted (Failure to Meet Disclosure Expectations). Although no breach is proven for the the specific instances identified by the complainant, the complete absence of CIDs over a long standing period of service — combined with substantial related business activity within the City’s jurisdiction — represents a failure to meet the policy’s disclosure expectations and undermines public trust.

Allegation #4 — Pattern of Behaviour Over Time

Not Warranted (Evidence), but Significant Pattern-Perception Risk. No evidence was identified of a longstanding misuse of City time. However, the sustained scale of related business activity during City employment, including activity within the City’s jurisdiction, and the nature of that activity gave rise to understandable long-term perception concerns from a governance perspective.

- Recommendations:** Three governance observations arose from the review:
1. **Policy Clarity and Role-Specific Expectations.** The Conflict of Interest Policy does not clearly articulate the disclosure expectations for employees who hold private business interests in related sectors, increasing the risk of inconsistent interpretation.
 2. **Historical Reliance on Verbal Direction.** Prior supervisory guidance on limiting private business activity within the City's jurisdiction was informal and undocumented, reducing its enforceability and visibility.
 3. **Operationalization and Awareness of Disclosure Requirements.** The City relies on self-disclosure without structured discussions, examples, or supervisory prompts. As a result, employees and supervisors did not consistently recognize situations where the policy threshold for perceived conflict was met.

These observations do not indicate substantiated employee misconduct. Rather, they highlight policy and process gaps that, if not addressed, could erode public confidence in the impartiality of City actions.

The recommendations in this report focus on clarifying policy wording, strengthening role-specific examples, and improving operational practices—such as training and documented supervisory discussions—to ensure future transparency and consistency.

Assessment of Administration's Proposed Actions

Administration has provided action plans to address the recommendations which are expected to address the findings.

Complaint Disposition

Based on the evidence reviewed, the conflict-of-interest allegation is warranted with respect to disclosure expectations and governance processes, not individual misconduct.

No evidence was found of actual (real) conflict of interest, improper City activity outcomes by the alleged individual, or personal interest in the specific instances identified by the complainant. However, the absence of documented conflict disclosures, combined with publicly marketed private business activity during City employment, created a sustained perceived-conflict risk that was not adequately identified or managed under existing policies and supervisory practices. The findings and recommendations are systemic in nature and focus on policy clarity, disclosure processes, and oversight controls rather than individual accountability.

Background Information

The Office of the Auditor General received a complaint regarding the City of Windsor's conflict of interest concerns related to City employee (now former). The allegations was the individual was working for another employer during City working hours, with a lack of disclosure thereof and a pattern of this behaviour over a long standing period. The complaint alleged that a City employee may have had undisclosed financial, personal, and ownership interests in a company providing services in a directly related area while also a City employee in the related area.

The concerns raised were:

1. Conflict of Interest

- It was alleged that a former City employee engaged in related private business activity during their period of City employment, within the same municipality and functional area.
- The alleged individual had personal ownership interests that created a direct conflict of interest in their daily work responsibilities.

2. Use of City Time for Private Work

- An allegation that the individual performed private business work during working hours, possibly while on duty as a city employee.
- Alleged use of city resources to conduct, and during personal, business activity.

3. Lack of Disclosure / Breach of Policy

- Possible failure to disclose private interests that may overlap with City duties.
- Contradiction to city policy regarding secondary employment or outside business interests during working hours.

4. Pattern of Behaviour Over Time

- Allegation that the individual has engaged in this pattern (building while employed by the city) over a long standing period," suggesting a history rather than an isolated case.
- Recent increased visibility due to increased private business activity and advertising

These matters are significant because public trust depends on the City maintaining impartiality in procurement, contracting, and enforcement activities. Even where no favouritism is found, undisclosed conflicts or incomplete mitigation can create a perception of bias, undermining fairness and transparency.

Scope & Limitations

Scope of Review

The investigation included:

- Review of City records, audit logs, inspection notes, and supporting documentation.
- Examination of any Conflict of Interest Disclosures (CIDs) submitted by the employee against whom the allegation was made.
- Analysis of Human Resources records confirming employment dates, positions held, and available performance records/appraisals.
- Review of publicly available business website information for the company owned by the alleged employee.
- Consideration of Provincial Registries related to ownership and records regarding the alleged individual privately owned business.
- In addition to document and file reviews, the investigation included analytical assessments intended to evaluate the plausibility and scale of overlap between the employee's private business activity and their City employment over time. These analyses were used to inform the contextual risk assessment and were not used to determine findings for specific instances in the allegation.

Limitations

The alleged individual is no longer a City employee and as such:

- no disciplinary measures were possible,
- no performance management or coaching processes were available, and
- the range of potential corrective actions was limited to governance, policy, and process improvements—not employee-specific remedies.

Given these constraints, the investigation was necessarily focused on the adequacy of City policies, systems, controls, and conflict-management processes, rather than on determining or assigning individual culpability. This reflects the principles of proportionality and mandate-appropriate oversight, particularly when employee-focused outcomes are no longer actionable.

The investigation did not independently verify publicly available information sources, including Provincial Registries/Filings, or representations made on the alleged employee's business website. Such information was treated as accurate based on the statutory authority of the issuing bodies and the reasonable expectation that entities publicly advertising business activity do so truthfully. This approach is consistent with standard audit practice, as Provincial records are authoritative statutory sources, and corporate websites are reasonably expected to present truthful representations of business activity. These sources were used to assess contextual risk, not to determine findings for specific properties.

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The evidence available for review was limited to City-retained departmental records, HR files, procurement documents, business registry information, and correspondence from complainants. Because relevant activities span approximately a long standing periods, and because legacy records may not have been retained or may require significant effort or cost to recover, there remains a risk that additional historical records—if they once existed—may no longer be accessible. Accordingly, the findings reflect the evidence reasonably available at the time of review.

Contextual Information

Effectively managing both real and perceived conflicts of interest is essential to maintaining public trust in the City's decisions and actions.

Professional Associations – Code of Conduct

Various City personnel hold professional designations or are members of professional bodies which have membership-specific codes of conduct related to addressing conflicts of interest and related ethical standards. These bodies also have enforcement and complaint mechanisms.

City of Windsor Conflict of Interest Policy

The City's Conflict of Interest Policy requires employees to disclose real or perceived conflicts, including outside employment activities that could affect impartiality. The City's Conflict of Interest Policy does not restrict other business relationships nor additional employment opportunities.

Each municipality enforces its own code. Breaches can lead to disciplinary action, including investigations and sanctions under municipal employment policies. The City of Windsor has a practice of immediate dismissal if a conflict of interest is evidenced.

Conflict of Interest Policy

The City of Windsor's Conflict of Interest Policy requires employees to disclose:

- **Monetary conflicts** – where employees or spouses may financially benefit.
- **Fiduciary or personal conflicts** – close personal or professional relationships.
- **Loyalty or time conflicts** – dual employment, divided attention, or workload strain.
- **Public perception conflicts** – situations where a reasonable person might believe a conflict exists, even absent misconduct.

The policy also requires that disclosures (real or perceived) of conflicts of interest are submitted and documented through the use of a Conflict of Interest Disclosure Form (CID). The CID forms lead the individual to provide more fulsome information regarding a potential conflict for consideration.

Why This Matters

Conflicts of interest are not inherently misconduct. The key risk arises when conflicts are not disclosed or mitigated. In municipal procurement, transparency and proactive disclosure are essential to:

- Prevent bias or the perception of favouritism.
- Ensure vendors compete on equal terms.
- Protect the integrity of City enforcement and procurement processes.

This case, therefore, centres not on whether work was distributed fairly (which evidence confirmed), but whether the disclosure, documentation, and mitigation processes were adequate to protect public trust.

In addition to the City's internal policies, it is important to consider broader transparency expectations in Ontario, including the principles underpinning the *Public Sector Salary Disclosure Act* (the "Sunshine List").

Transparency

Transparency is a foundational principle in public-sector oversight. For City processes involving building inspections, permitting, and enforcement, transparency ensures that:

- Staff activities can be independently verified;
- Potential conflicts are disclosed, documented, and managed;
- Work is conducted impartially and free from personal interest;
- Decisions affecting residents, businesses, and developers are grounded in fairness.

The Auditor General's role includes ensuring that mechanisms exist to surface, assess, and address transparency risks. This investigation was conducted with the objective of strengthening those mechanisms and providing clarity on the adequacy of the City's policies and processes for conflict identification, duty assignment, and the use of City time and resources.

Investigation Procedures

The investigation undertook the following procedures:

- 1. Review of City Records with the Alleged Department-** Examined relevant system records, including specifics related to the two alleged instances provided by the complainants.
- 2. Conflict of Interest Disclosure (CID) Testing** - Identified situations that could constitute real or perceived conflicts under City policy. Reviewed any CID forms submitted by the employee and assessed whether disclosures were made, complete, and policy-compliant. Considered whether disclosures were required but absent based on the employee's private business interests.
- 3. Human Resources Verification** - Reviewed HR records to confirm the employee's positions, duties, employment dates, retirement timing, and performance evaluation history. Verified periods of overlap between City employment and private business activity.
- 4. Inspection Assignment Process Testing** - Interviewed departmental personnel and reviewed scheduling procedures to understand how City work efforts were assigned and whether any practices might increase conflict-of-interest risks. Confirmed assignment continuity and assessed opportunities for reassigning files where conflicts may arise.
- 5. Testing for Evidence of Specific Actual Conflicts in Work Efforts** - Reviewed various City systems and records for the two alleged instances identified in the complaint. Compared information from City records against the alleged individuals known business interests to test for evidence of direct or indirect conflicts of interest.
- 6. Review of Provincial Records** - Reviewed Provincial records to understand business interests and determine if there were Provincial records or City records indicating conflicts of interest for two specific instances per the allegation.
- 7. Review of Outside Business Activity** - Reviewed publicly available website information, corporate filings, and promotional materials for the private business owned by the alleged individual to establish the business model/portfolio, timeline of operations, and possible intersections with City employment.
- 8. Segregation of Duties and Control Environment Assessment** - Mapped departmental workflows to confirm separation between key activities. Evaluated existing mechanisms for disclosure, supervisor review, monitoring, and assignment reassignment when conflicts arise.
- 9. Performed analytical procedures to assess the plausibility of overlap between City working hours and private business activity.** These analyses included:
 - estimating private business activity over the alleged individuals long standing period of employment,
 - reviewing the employee's private business activities to understand their nature and location,
 - assessing whether such private business activities might have an impact, overlap or conflict with the alleged individual's City responsibilities.
 - estimating typical time requirements for the related private business activities,
 - comparing estimated time requirements against available non-City working hours to evaluate whether all private business activity could reasonably occur outside City time.

These analyses provided contextual insight to assess risk and were not used to determine findings for individual properties.

10. Supplementary Evidence Review - Reviewed emails, complainant correspondence, and observations submitted to the Office of the Auditor General. Considered public-facing information (e.g., business websites, company profiles) relevant to understanding timelines, relationships, and potential conflict-of-interest indicators.

Findings by Allegation

The following assessment is made strictly from a governance, controls, and process perspective. The ratings (Warranted / Partially Warranted / Not Warranted) indicate whether the evidence available supports or contradicts the allegation. Some allegations may be true in part, yet not constitute a breach of City policy, depending on timing, disclosure, and available controls.

ALLEGATION #1 – Conflict of Interest

It was alleged that a City employee was involved in private business activities within the City of Windsor where the business activities were specifically related to the area of City employment. The allegation included general period encompassing allegations and specific instances for consideration.

Evidence Reviewed

- Relevant departmental records
- Relevant Provincial records
- Relevant published website content
- Conflict of interest policies, process and alleged employee filings
- Analytics using the data and information collected

Investigator's Understanding and Assessment

- No actual (real) instances of conflict of interest were detected.
- Evidence that may lead a 3rd party to perceive a conflict of interest was identified.
- If the private business's current business activity credentials are true, then a CID should have been filed to address perceived conflict-of-interest risks.
- No CID records were noted on file for the alleged individual.
- Performance appraisal documentation shows the alleged individual and their supervisor acknowledged the Conflict of Interest Policy, but no documented discussions or disclosures were recorded.
- Current information about historical private business credentials increases the probability that a Conflict of Interest should have been disclosed.

This perception concerns public trust, irrespective of whether any improper behaviour occurred during the individual's employment with the City.

Allegation: Partially Warranted (Perceived Conflict).

For the specific instances identified by the complainant, no evidence was found that the employee was personally involved in a manner that gave rise to actual conflict of interest. However, publicly available information could reasonably lead a 3rd party to perceive a conflict of interest.

ALLEGATION #2 – Use of City Time for Private Work

Allegation

It was alleged that the employee performed private business activities during City working hours and may have used City resources while conducting private business activities.

Evidence Reviewed

- Selected performance appraisals
- Relevant City departmental records
- HR and attendance records
- Analytical review of private business activity efforts

Investigator’s Understanding and Assessment

There is no direct evidence that the employee used City time or resources for private business. Because the employee did not disclose their outside business interest, the monitoring controls that depend on disclosure—such as supervisory scrutiny or conflict-based assignment adjustments—were not triggered. As a result, the allegation could not be conclusively disproven.

Given the sustained location and scale of private business activity, a reasonable member of the public could perceive that overlap was possible.

These factors create a governance and perception risk, though not a substantiated finding for the properties reviewed.

Allegation Rating

Not Warranted, but Plausibility and Perception Risks Confirmed. No evidence supports that the employee misused City time or resources for the properties examined. However, analytics indicate that overlap was plausible, and monitoring weaknesses contribute to public perception concerns.

ALLEGATION #3 – Lack of Disclosure / Breach of Policy

Allegation

It was alleged that the employee failed to disclose private business interests or outside employment that may overlap with City inspection duties, contrary to City policy.

Evidence Reviewed

Conflict of Interest Disclosures (CIDs)

- No CID forms were filed by the employee relating to their private business interests and other employment.
- Performance appraisals acknowledge the Conflict of Interest Policy, but no discussions of disclosure were documented.
- Relevant published website content related to the private business interests
- Analytics using the data and information collected
- Policy context
 - Windsor's Conflict of Interest Policy requires the disclosure of actual and perceived conflicts, including monetary, loyalty/time, personal/fiduciary, and public-perception conflicts.
 - The policy does not require employees to disclose *all* outside employment. However, disclosure is required where the outside activity creates or appears to create a conflict under any of the categories above.
 - In this case, the employee's private development business met several of those categories, particularly monetary, loyalty/time, and perceived conflict.
 - The alleged employee was historically given a verbal directive not to conduct business activities within the City of Windsor's jurisdiction, indicating internal recognition that such activity creates heightened conflict-risk requiring disclosure.

Investigator's Understanding and Assessment

- For the alleged instances, no conflict of interest in overall activities was noted.
- Publicly available information would lead a reasonable person to perceive a conflict of interest.
- Under the City's Conflict of Interest Policy, perceived conflicts require disclosure. A perceived conflict clearly existed in this case, given the employee's operation of a business related to their area of employment within Windsor, information in City records and private business material publications.

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- This demonstrates a significant disclosure and oversight gap which undermines confidence in the conflict-management process and the transparency expected of regulatory staff, even if a breach cannot be established for the specific instances alleged.
- No evidence indicates that the employee intentionally withheld disclosure; rather, the absence of a disclosure appears to reflect gaps in the City's expectations, monitoring, and supervisory verification processes.
- It is important to note that this allegation concerns disclosure expectations throughout the employee's tenure, not solely the alleged instances.

Allegation Rating

Warranted. While no evidence confirms a policy violation for the specific instances alleged, the employee's extensive private business activity within the City of Windsor's jurisdiction, combined with the retrospective website claims and complete absence of conflict disclosures, represents a failure to meet disclosure expectations under the Conflict of Interest Policy. This is given the monetary, loyalty/time, and perceived conflict factors inherent in the employee's private business activity. The circumstances reasonably required disclosure to manage both perceived and potential conflicts, and the lack of disclosure undermines public trust.

ALLEGATION #4 – Pattern of Behaviour Over Time

Allegation

It was alleged that the employee engaged in a long-term pattern of conducting private business activity during City employment, potentially during working hours, over a long-standing period.

Evidence Reviewed

- Employment area and tenure
- Private business Provincial records regarding the nature, date of creation and ownership of the venture.
- City performance appraisal records related to the alleged individual
- Relevant departmental City records
- Analytical review of private business activity efforts

Investigator's Understanding and Assessment

No evidence confirms that the employee performed private business activity during City hours for the specific instances reviewed. However:

- the sustained scale and location of private business activity,

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- the inherent daytime demands of City job responsibilities and other employment activities, and
- the absence of the CID invoked monitoring controls

make the allegation plausible in concept, even though it is not substantiated for the specific instances.

This creates a significant perception risk, exacerbated by limited historical oversight mechanisms.

Allegation Rating

Not Warranted (Evidence), but Significant Pattern-Perception Risk. The allegation of a long-standing pattern of using City time for personal business activity is not supported by evidence. However, analytics confirm that the pattern was plausible, and the weakness magnifies the perception risks associated with long-term dual employment.

Recommendations

1. Policy Clarity and Guidance

The City's Conflict of Interest Policy establishes broad categories of conflict, including monetary, loyalty/time, and perceived conflicts, and employees are expected to disclose any situation that may impair or appear to impair impartiality. In practice, however, the policy does not provide sufficient clarity for employees working in regulatory functions or for those who operate businesses in the same or adjacent sectors to their municipal duties. The policy contains no role-specific examples, no guidance tailored to building inspection (in this case) or comparable roles, and no explicit direction regarding private-sector activity in regulated fields.

As a result, neither the alleged employee nor colleagues viewed the individual's private business activities as a situation that required a Conflict-of-Interest Disclosure (CID). Over a long-standing period of City employment, no CIDs were submitted even though the individual operated an active related business that was within the City's jurisdiction and adjacent to it.

This occurred because the policy's broad language requires employees and supervisors to rely heavily on personal judgment rather than clear policy triggers. Without explicit guidance or examples relevant to their roles, regulatory staff could reasonably conclude that private business activity did not constitute an actual or perceived conflict. The policy wording, training and annual communication were not enough to ensure that CIDs were filed when relevant.

The result was a lack of documented disclosures for situations that created a perceived conflict-of-interest risk and reduced the City's ability to assess, document, or mitigate such risks. Public confidence in impartial enforcement can be undermined even where no actual conflict is established if the policy does not support consistent recognition and disclosure of reasonably perceived conflicts.

Recommendation:

To strengthen the City's conflict-of-interest framework, the policy should be updated to provide clearer expectations for employees working in regulatory roles and for those operating private businesses in the same or adjacent sectors to their municipal duties. This should include explicit examples illustrating how the policy applies to various positions - especially those interacting with the public, as well as clearer direction on when outside employment or business interests require disclosure.

In addition, the Conflict of Interest Policy should be revised so that all forms of outside employment and business ownership—including sole proprietorships, partnerships, incorporated small businesses, and other self-employment—are required to be disclosed and assessed for potential actual or perceived conflicts. This ensures that employees and supervisors have a shared understanding of when conflict risks may arise and supports a more consistent, proactive approach to conflict identification and mitigation.

Structured guidance or supplementary materials, such as scenario-based examples or role-specific interpretations, should accompany the updated policy to support consistent understanding and application across staff and supervisors.

Administration Response

The City appreciates this recommendation and agrees that greater clarity within the Conflict of Interest Policy will help ensure more consistent identification and disclosure of potential conflicts across all regulatory roles. Administration remains committed to continuous improvement and good governance. Therefore, and as required by the Policy, a comprehensive review and update to the Policy will be undertaken by the end of Q2 2026 whereby Administration will recommend incorporating clearer expectations for employees working in regulated fields, including the addition of explicit examples, definitions, and practical guidance. In addition, the review will consider expanding disclosure requirements to include all forms of outside employment and business ownership.

As part of this review, Administration will also explore the development of department specific supplementary guidance to ensure that examples and scenarios are tailored to the operational context of each service area.

To further support learning and awareness, the City will investigate the creation of an annual and mandatory ELearning module like the current Safety Talks, that is included in each employee’s training records. Currently, there is an ELearning course available to employees titled “Code of Ethics, Fraud, and Concerned Employee Policies. Going forward employees can be asked to review the course on a periodic basis.

Responsible Party:	Commissioner of Corporate Services	Due Date:	End of Q4 2026
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2. Historical Reliance on Verbal Direction

Historically, Administration indicated that while there was some peripheral awareness of the alleged individual’s private business activity, the individual had been verbally advised not to perform private-related business within the City of Windsor jurisdiction. This expectation, while understood informally, was never incorporated into policy, procedures, or written guidance. As a result, employees received inconsistent messaging regarding acceptable outside work, and the verbal directive was not supported by documentation, training, or supervisory reinforcement.

This condition arose because the practice of relying on verbal direction replaced formal written policy or operational guidelines. Verbal expectations are inherently variable, difficult to track over time, and are more likely to be applied inconsistently across staff and supervisors.

The lack of written guidance contributed to an inconsistent understanding of whether private construction activity inside or outside the municipality constituted a conflict-of-interest requiring disclosure. This undermined the ability of employees and supervisors to align their actions with organizational expectations and contributed to uncertainty regarding conflict identification.

Recommendation:

Expectations regarding outside business activity for personnel should be formalized in written policy or procedure rather than communicated verbally. Documenting the expectation and incorporating it into relevant operational materials would ensure consistent understanding across staff and supervisors and support clear interpretation as staff change over time. Updates should also ensure that any restrictions or expectations relating to outside employment are clearly aligned with the broader conflict-of-interest framework.

Administration Response			
Administration acknowledges that prior reliance on verbal direction contributed to inconsistent understanding regarding conflict of interest expectations. We agree that formalizing these expectations in a written policy and operational procedures is necessary to ensure clarity, consistency, and alignment with the broader conflict of interest framework.			
Administration will continue documenting the requirements, incorporating them into applicable policies and training materials, and ensuring they are communicated consistently across staff and supervisors. This work will also support improved compliance, accountability, and continuity as staffing changes occur over time.			
Responsible Party:	Commissioner of Corporate Services and Commissioner Economic Development	Due Date:	End of Q4 2026

3. Awareness and Operationalization of Disclosure Requirements

Although the policy requires disclosure of perceived conflicts, this expectation was not consistently understood or operationalized within the department. Neither the employee nor peers recognized that operating the related private business within the same municipality could create a perceived conflict under the policy.

This situation arose because the City relies primarily on employee self-disclosure to identify conflicts of interest. Although employees are reminded of the policy during annual performance appraisals, this process does not include structured discussion, inquiry, or review of outside business activities, nor does it require supervisors to assess whether employees' circumstances present actual or perceived conflicts. As a result, both employees and supervisors interpreted the disclosure obligation passively, and opportunities to surface potential conflicts through routine management practices did not occur.

The effect was that disclosure obligations were applied inconsistently, and situations that created reasonably foreseeable perception-of-conflict risks were not surfaced or documented. The employee's private development activity within Windsor—regardless of actual involvement in specific alleged instances—created a perception-of-conflict scenario that could affect public confidence. Without clear policy guidance or a fully operational disclosure process, the City was not positioned to identify or mitigate these risks.

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Recommendation:

To improve the operationalization of the Conflict of Interest Policy, the City should strengthen training and supervisory processes so that conflict-of-interest expectations are consistently discussed, reinforced, and documented. Training should include practical, role-specific examples that help employees identify actual and perceived conflicts, and supervisors should be equipped to recognize when outside business activities may require disclosure or mitigation.

The annual performance review process should also be enhanced to include a brief, structured check-in regarding potential conflicts of interest, rather than relying solely on a general reminder of the policy. This will support more consistent recognition, documentation, and management of conflict-of-interest risks across the Division.

Administration Response

The City acknowledges the need to enhance both awareness and consistent application of conflict of interest disclosure requirements. We agree that strengthening training, supervisory practices, and performance review processes will support more effective identification and management of actual or perceived conflicts.

In addition to the comments provided in Recommendation #1 above, the City will review the annual performance review process to determine whether a more structured discussion on potential conflicts of interest should be included. This will help ensure expectations are consistently reinforced and properly documented. For example, rather than relying on a single checkbox confirming that an employee is aware of the Conflict of Interest Policy, it is recommended that a second checkbox be added for employees to formally attest that they do not have any conflict of interest situations requiring discussion.

Responsible Party:	Commissioner of Corporate Services	Due Date:	End of Q2 2026
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Additional Confidential Information for Council

In accordance with the *Municipal Act, 2001*, section 239(2)(b) (personal matters about an identifiable individual, including municipal or local board employees), and the *Municipal Freedom of Information and Protection of Privacy Act*, section 14 (personal privacy), supplementary information related to this investigation has been provided to the Mayor and Members of Council through a separate confidential Personnel & Confidential memorandum.

That memorandum contains additional information regarding the specific allegations, scope of the investigation, findings, and contextual details pertaining to an identifiable individual. This information informed the Auditor General's assessment but is not reproduced in this public report due to the risk that disclosure could reasonably permit identification of the individual involved, even in the absence of naming.

The public report is intended to present the governance findings, conclusions, and recommendations arising from the investigation, while the confidential memorandum supports Council's understanding of the underlying context in a manner consistent with applicable legislative requirements.