



AUDITOR GENERAL COMPLAINT INVESTIGATION REPORT

Conflict of Interest - City Department (Governance Review) #2

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Executive Summary

Background

The Office of the Auditor General (OAG) received a complaint alleging that City employees may have had undisclosed relationships and outside business interests associated with a vendor participating in a municipal procurement process. The complaint raised concerns regarding potential conflicts of interest, preferential treatment, and the adequacy of disclosure and oversight.

Investigation Approach

The investigation consisted of an evidence-based review of procurement documentation, vendor submissions, Conflict of Interest Disclosure (CID) records, Human Resources files, evaluation committee materials, and relevant financial and operational records.

Analytical procedures were performed to assess procurement outcomes, work allocation, and payment patterns relative to comparable vendors. The review also considered applicable City policies, procedures, and Purchasing By-law requirements.

Scope

The role of the Auditor General is to evaluate governance, transparency, and control processes. This investigation does not provide a legal opinion or determine enforceability under law. Findings are based on whether City policies and practices were followed and whether they sufficiently safeguarded fairness and impartiality.

Summary of Procedures and Findings

Allegation #1 — Employment Conflict

Warranted (Undisclosed and Unmitigated Conflict). A City employee owned a vendor awarded a municipal contract. While such arrangements are permitted under City policy, required disclosures were incomplete, and a related employee did not submit a disclosure. As a result, the City cannot demonstrate that the conflict was formally assessed or mitigated.

Allegation #2 — Disclosure of Personal Relationships

Partially Warranted (Disclosure and Documentation Deficiency). No evidence was identified that personal or professional relationships improperly influenced procurement decisions. However, disclosures lacked sufficient specificity, and documentation of conflict assessment and mitigation was incomplete.

Allegation #3 — Preferential Treatment

Not Warranted (No Evidence of Preferential Treatment).

Procurement evaluation, work assignment, and payment processes were applied fairly. However, gaps were identified in the documentation of risk considerations related to staffing capacity, dual employment, and perception risks.

Allegation #4 — Additional Conflict of Interest Scenarios

Warranted (Undisclosed Conflict Scenarios). Multiple circumstances were identified that would reasonably trigger disclosure obligations under the City's Conflict of Interest Policy. Only one incomplete disclosure was identified, limiting the City's ability to demonstrate that conflicts were consistently assessed and managed.

Additional Governance Observation

Conflict of Interest Disclosures were often treated as one-time events, even where underlying conflicts were ongoing. The absence of periodic revalidation increases the risk that conflicts are not reassessed as circumstances evolve.

Recommendations

The investigation identified gaps in disclosure, oversight, and documentation. Key recommendations include:

- Strengthen training and awareness of conflict-of-interest requirements.
- Centralize CID oversight, including annual reaffirmation and cross-referencing.
- Integrate CIDs into procurement evaluation files.
- Improve documentation of recusals and mitigation actions.
- Clarify policy requirements for spousal and dual-employment situations.
- Implement periodic management review of active conflicts.
- Align escalation, disclosure, and documentation requirements.

Two additional Considerations for Improvement were identified to support ongoing governance and transparency. These do not require a formal management response at this time.

Assessment of Administration's Proposed Actions

The Administration has outlined actions to strengthen governance and address the identified matters. As these actions are in development, their effectiveness will be assessed following implementation through future follow-up work.

Complaint Disposition:

The complaint is **substantiated in part**. No evidence of improper influence on procurement outcomes was identified. However, multiple instances of incomplete disclosure and insufficient documentation were identified.

The findings are systemic in nature and relate to governance practices rather than individual misconduct. The absence of complete disclosure, documented assessment, and ongoing revalidation limits the City's ability to demonstrate that conflicts were consistently identified and managed in accordance with policy.

These conditions pose risks to governance, transparency, and public confidence and require corrective action to strengthen the City's conflict-of-interest framework.

Background Information

The Office of the Auditor General received a complaint regarding the City of Windsor's contracting of operational services. The complaint alleged that one or more City employees may have had undisclosed conflicts of interest involving a vendor awarded work through a City procurement process.

The concerns raised included potential undisclosed relationships or interests involving City employees and a vendor, and whether these circumstances may have affected procurement, contracting, or operational decisions, including the allocation or evaluation of work.

The investigation assessed the circumstances described in the complaint and evaluated whether the City's policies, disclosure requirements, and procurement controls were followed.

Scope & Limitations

Scope of Review

The investigation included:

- Review of procurement records, including prequalification and tender documentation, evaluation criteria, bid submissions, and award recommendations.
- Review of Conflict of Interest Disclosures (CIDs) submitted by employees and evaluators.
- Review of Human Resources records related to employment roles and potential overlaps with vendor activities.
- Review of operational work assignment records and financial payment records to vendors.
- Review of administrative correspondence and legal consultations related to conflict disclosure and vendor eligibility.

Limitations

The Auditor General does not provide legal opinions. The findings assess governance practices, policy compliance, and risk mitigation.

Evidence was limited to available City records, Human Resources files, procurement documentation, and correspondence provided during the investigation. Some Conflict of Interest Disclosure forms were either incomplete or unavailable.

Contextual Information

Conflict of Interest Policy

The City of Windsor's Conflict of Interest Policy requires employees to disclose potential conflicts that could affect their impartiality in carrying out their duties.

The policy identifies several categories of conflicts, including:

- Monetary conflicts – where employees or their spouses may financially benefit.
- Fiduciary or personal conflicts – close personal or professional relationships.
- Loyalty or time conflicts – dual employment or competing responsibilities.
- Public perception conflicts – circumstances where a reasonable person might believe a conflict exists.

Employees are required to disclose potential conflicts (real or perceived) to their Department Head or the Chief Administrative Officer using a Conflict of Interest Disclosure Form (CID).

Procurement Policy

The City's Procurement Policy establishes requirements intended to support fairness, transparency, and equal access to procurement opportunities.

Vendors are required to declare potential conflicts of interest in their submissions. City staff participating in procurement processes must disclose any circumstances that could affect their impartiality.

Investigation Procedures

The Office of the Auditor General conducted this investigation in accordance with its mandate to assess governance, controls, and administrative practices. The following procedures were undertaken:

- **Procurement Documentation Review**
Examined procurement records, including prequalification and tender documentation, vendor submissions, evaluation materials, and award recommendations, to assess alignment with established processes.
- **Conflict of Interest Disclosure (CID) Review**
Assessed Conflict of Interest Disclosure forms to determine whether potential conflicts were identified, disclosed, and managed in accordance with policy expectations.
- **Human Resources Verification**
Reviewed Human Resources records to confirm employee roles, tenure, and any overlap between municipal employment and external business activities.
- **Operational and Work Assignment Analysis**
Examined operational records to assess whether work assignments were distributed in a manner consistent with procurement intent and established practices.
- **Financial Analysis**
Analyzed City payment records to vendors to assess consistency between work performed, contractual arrangements, and compensation.
- **Relationship and Disclosure Assessment**
Cross-referenced available records to identify potential undisclosed personal, professional, or business relationships involving City employees and vendor representatives.
- **Administrative Documentation Review**
Reviewed correspondence and internal documentation related to conflict disclosures, recusal decisions, and vendor eligibility considerations.
- **Supplementary Information Review**
Considered publicly available information, where relevant, to corroborate external affiliations or business relationships.

These procedures were designed to assess whether procurement and conflict-of-interest controls operated in accordance with City policies, governance expectations, and principles of transparency and accountability.

Findings by Allegation

The following assessment of allegations is made strictly from a governance, control, and process perspective. The ratings (Warranted / Partially Warranted / Not Warranted), therefore, reflect whether the evidence considered verifies the allegation or not. In some instances, an allegation may be warranted or true, but not be an issue - i.e. be in accordance with City policies or regulations.

Allegation 1 – Employment Conflict

Framed Allegation

It was alleged that a City employee owned or operated a vendor that was awarded a City contract, creating an actual or perceived conflict of interest.

Evidence Reviewed

- Procurement records, including prequalification, tender submissions, evaluation materials, and award documentation
- Vendor bid submission disclosures
- Conflict of Interest Disclosure (CID) forms and related records
- Human Resources records
- Operational and work assignment records
- Relevant policies and procedures

Investigator’s Understanding and Assessment

A City employee owned a vendor that was awarded a municipal contract through a competitive procurement process.

The vendor disclosed certain relationships in its bid submission, including:

- the owner’s employment with the City
- a personal relationship with another City employee
- the involvement of a second City employee in the vendor’s operations

The vendor’s operations included participation by City employees in the delivery of contracted services.

A Conflict of Interest Disclosure form was submitted by the employee; however, it was incomplete and did not fully capture all relevant conflict types.

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No Conflict of Interest Disclosure form was identified for the second City employee involved in the vendor's operations.

Documentation of management review, approval, or mitigation measures was not identified.

While City policy permits employees to have outside business interests, such situations require full disclosure and documented assessment and mitigation.

In this case, incomplete disclosures and the absence of documented mitigation limit the City's ability to demonstrate that the conflict was appropriately identified, assessed, and managed.

Allegation:

Warranted, although the practice is permitted under City policy. A conflict of interest existed involving a City employee who owned or operated a vendor awarded a municipal contract.

While such arrangements are permitted under City policy, available records did not include complete disclosures for all individuals involved, and documentation of mitigation measures was not identified.

As a result, the City cannot demonstrate that the conflict was managed in accordance with policy, creating governance and reputational risk.

Allegation 2 – Disclosure of Personal Relationships

Framed Allegation

It was alleged that one or more City staff had personal or professional relationships with individuals affiliated with a vendor awarded City work, and that these relationships may have influenced procurement decisions or created a perceived conflict of interest that was not disclosed or mitigated.

Evidence Reviewed

- Conflict of Interest Disclosure (CID) forms and related records
- Human Resources records and organizational listings
- Procurement and evaluation committee documentation
- Work assignment and operational records
- Relevant policies and procedures

Investigator's Understanding and Assessment

A disclosure was submitted indicating the existence of ongoing personal relationships within the relevant service area; however, the disclosure did not identify specific individuals or the nature of those relationships.

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This limited the City's ability to assess potential risks and determine whether mitigation measures, such as role separation or enhanced oversight, were required in advance of the procurement process.

A second individual associated with the vendor did not submit a Conflict of Interest Disclosure, despite circumstances indicating that disclosure was required.

During the evaluation process, a potential conflict of interest was identified by a member of the evaluation team. The matter was escalated and addressed through recusal, consistent with the intent of the City's procurement by-law.

While this represents an appropriate operational response, formal documentation of the conflict assessment and mitigation, including completion of a Conflict of Interest Disclosure or equivalent record, was not identified in the procurement file.

The evaluation proceeded with a reduced number of scoring members; however, the impact of this change was not formally assessed or documented.

More broadly, while there was evidence of internal awareness and consultation, documentation supporting the identification, assessment, and management of relational, operational, and perception risks was incomplete.

Overall, while the procurement outcome does not appear to have been improperly influenced, limitations in disclosure specificity and documentation reduce transparency and the City's ability to demonstrate that conflicts were fully assessed and managed in accordance with policy.

Allegation:

Partially Warranted. The investigation found no evidence that personal or professional relationships improperly influenced procurement decisions.

However, disclosure and documentation deficiencies were identified. Disclosures lacked sufficient specificity to enable proactive mitigation, and not all required disclosures were completed. In addition, while operational mitigation occurred, formal documentation of conflict assessment and mitigation was not consistently completed or retained.

As a result, the City cannot fully demonstrate procedural compliance with its Conflict of Interest Policy and Purchasing By-law requirements, resulting in residual governance and transparency risk.

Allegation 3 – Preferential Treatment

Framed Allegation

It was alleged that a vendor with ties to City employees may have received disproportionately favourable treatment in the awarding of contracts or in the allocation of work, to the detriment of other qualified vendors.

Evidence Reviewed

- Procurement evaluation records, including scoring sheets and evaluation criteria
- Bid evaluation comments and supporting documentation
- Work distribution and rotational assignment logs
- Payment records for comparable vendors
- Relevant policies and procedures

Investigator's Understanding and Assessment

The procurement evaluation process was applied consistently:

- Vendor submissions were independently scored against established criteria
- Scoring documentation reflects consistent application of evaluation methodology across bidders
- The vendor met eligibility requirements and received scores aligned with other successful vendors
- No evidence of preferential scoring was identified

Work assignment practices were also applied consistently:

- Work was distributed using a rotational system
- Exceptions were documented and explained
- Available records do not indicate preferential allocation of work

Payment data further supports this conclusion:

- Comparative analysis of payments across vendors did not indicate disproportionate benefit

However, while preferential treatment was not identified, the evaluation and contract management processes did not fully document how certain operational and governance risks were assessed and addressed, including:

- Vendor capacity relative to service requirements
- Potential scheduling or availability constraints
- Considerations relevant to maintaining impartiality and public confidence

The absence of documented risk assessment and mitigation does not indicate unfair outcomes, but it limits the City's ability to demonstrate that foreseeable risks were proactively evaluated and managed.

Allegation:

Not Warranted. The allegation of preferential treatment is not substantiated. Procurement evaluation and work assignment processes were applied consistently, and available records do not indicate that the vendor received disproportionate benefit.

However, gaps in documenting risk assessment and mitigation represent a governance weakness. Addressing such matters proactively supports transparency, strengthens oversight, and reinforces public confidence.

This conclusion relates to procurement outcomes and does not negate the governance weaknesses identified elsewhere in this report regarding disclosure, documentation, and conflict risk assessment.

Allegation 4 – Additional Conflict of Interest Scenarios

The investigation identified additional potential conflicts of interest involving City employees and a vendor participating in a municipal procurement process. These circumstances relate to outside employment, personal relationships, and prior business associations that may not have been formally disclosed or assessed in accordance with City policy.

This allegation focuses on disclosure and governance controls rather than procurement outcomes.

Evidence Reviewed

- Procurement documentation and vendor submissions
- Conflict of Interest Disclosure (CID) forms and related records
- Human Resources records and employment history
- Annual Performance Appraisal records
- Relevant policies and procedures

Investigator’s Understanding and Assessment

The investigation identified multiple circumstances involving City employees and a vendor that would reasonably require disclosure under the City’s Conflict of Interest Policy, including:

- Outside business ownership and participation in a vendor organization
- Dual employment arrangements
- Personal and financial relationships associated with the vendor
- Prior business associations involving individuals connected to the procurement

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Employees acknowledged the Conflict of Interest Policy through annual processes; however, corresponding Conflict of Interest Disclosure forms were not consistently completed.

Only one Conflict of Interest Disclosure form was identified, and it was incomplete and did not clearly describe all relevant conflict circumstances.

While there was some level of administrative awareness and vendor disclosure, these do not replace the requirement for formal disclosure, assessment, and documentation in accordance with policy.

No evidence was identified that procurement outcomes were improperly influenced.

Overall, the absence of complete and specific disclosures limited the City's ability to identify, assess, and mitigate conflict risks in a consistent and transparent manner.

Allegation:

Warranted. Multiple circumstances were identified that would reasonably require disclosure under the City's Conflict of Interest Policy, including outside business ownership, dual employment, and personal and financial relationships involving a vendor participating in a municipal procurement process.

Only one incomplete Conflict of Interest Disclosure form was identified, despite several situations in which disclosure would typically be expected.

While no improper influence on procurement outcomes was identified, the absence of complete disclosure and documentation represents a breakdown in governance controls and limits the City's ability to demonstrate compliance with its Conflict of Interest Policy.

Additional Observation – Duration and Re-Validation of Conflicts

The investigation identified a gap in how conflict-of-interest disclosures are treated over time. In several instances, disclosures were treated as one-time events (e.g., completed at hiring or on a specific date), despite the underlying circumstances continuing over multiple years.

Current City policies and practices do not clearly distinguish between different types of conflicts, including:

- **Point-in-Time Conflicts** – arising for a specific event (e.g., participation in a procurement evaluation)
- **Defined-Period Conflicts** – expected to exist for a limited duration (e.g., temporary outside employment or project involvement)
- **Ongoing / Indeterminate Conflicts** – continuing circumstances such as business ownership, spousal employment, or financial interests

In practice, ongoing circumstances were not consistently supported by updated disclosure or revalidation documentation.

This observation emerged from the review of disclosure practices and highlights the importance of periodic reassessment where conflict circumstances continue over time.

This observation supports Recommendations #2 and #8, which propose classification of conflicts by type and duration, along with periodic reaffirmation and revalidation by employees and management.

Governance Impact Note – Relationship to Other Reports

The findings of this investigation are consistent with those identified in other recent Auditor General reports, including the *Conflict of Interest – Governance Review (City Department)* issued February 6, 2026.

This report is provided to support Council’s awareness of conflict-of-interest disclosure and documentation practices across the organization.

The findings reinforce the importance of clear and consistently applied disclosure, documentation, and reassessment practices to support ongoing oversight.

Recommendations

1. Clarity – Strengthen Employee Awareness and Training on Conflict of Interest Requirements

The City's Conflict of Interest Policy requires employees to submit disclosures where direct, indirect, or perceived interests may affect, or appear to affect, their duties.

In this investigation, several employees did not submit Conflict of Interest Disclosures in situations involving spousal interests, dual employment, and vendor participation, where disclosure would reasonably be expected under the policy.

This reflects a gap in the understanding and application of conflict-of-interest requirements in practice. The current approach relies on individual interpretation, and available training and guidance do not consistently support recognition of perceived or non-financial conflicts.

As a result, disclosures were not consistently completed in circumstances involving ongoing or non-obvious conflict scenarios.

Recommendation:

To strengthen the consistent application of the Conflict of Interest Policy, the City should enhance employee awareness and training on disclosure requirements, with emphasis on perceived conflicts and non-financial interests.

Training should include practical, role-relevant examples—such as outside business activities, spousal interests, and vendor relationships—to support a consistent understanding among employees and supervisors.

Refresher training should be provided at onboarding and periodically thereafter, with particular focus on roles involved in procurement, enforcement, and operational decision-making.

Administration Response:

Administration appreciates the recommendation to enhance training and guidance related to Conflict of Interest (COI) disclosures and recognizes the importance of continued employee awareness and understanding in this area.

Currently, the Human Resources Department integrates COI disclosure requests at multiple key stages. These include pre-onboarding through letters of employment, throughout the onboarding process, and as part of the performance appraisal process. As of March 2026, a recent step in the performance appraisal process has been to separate employees' acknowledgement of the Conflict of Interest Procedure from the current version, which also includes the Respectful Workplace Policy and Code of Ethics in the same statement. The updated performance appraisals now feature a two-part Yes/No question: (1) During the review period, did you have, or do you currently have, any actual, potential, or perceived conflicts of interest, or were there any circumstances that may constitute a breach of the organization's ethical or professional standards? (2) If yes, did you submit a Conflict of Interest Disclosure Form? The separated COI employee acknowledgement will include a statement declaring that the employee will complete a COI disclosure form should a conflict arise in the future, as well as a declaration of any known existing conflict of interest. If the employee indicates a conflict and no disclosure form has been completed, the direct manager will ensure that the employee completes and submits a COI for.

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Other examples within City departments where safeguards are in place due to the nature of business, include measures taken by the Real Estate Services Department requiring new employees with a real estate license to cancel or suspend their license while employed in the department. Another example of prohibition on influence and participation is the Land Disposal Policy section 5.1.2, which indicates any purchase/sale agreement presented to Council must indicate that the other party is not a city employee, or a family member of a city employee or a business where the employee is a shareholder/partner.

Another safeguard includes the Purchasing Bylaw training offered to City employees twice a year. This training emphasizes the importance of adhering to the Conflict of Interest provisions outlined in section 15, 16 and 16.1 of Purchasing Bylaw 93-2012 as well as the Employee and Volunteer Code of Ethics and Conflict of Interest Policy.

Furthermore, each department summarizes the disclosure forms for the calendar year, which are signed off by the Executive Director and forwarded to the CAO's office. The forms are summarized into an annual report shared with department heads. This report highlights trends, explains fluctuations in disclosure rates, and identifies areas requiring follow-up or further action. The summary is also reviewed by the Chief Administrative Officer (CAO) to ensure oversight and alignment with organizational standards.

Administration acknowledges the opportunity to build on these existing practices by further supporting employees through regular targeted training and guidance. Administration annually discusses this topic at management meetings to reinforce the importance of COI awareness and provide a forum for employee feedback and engagement. Another form of training delivery that Administration will investigate is the creation of an annual and mandatory e-learning 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: Q4 2026

2. Consistency – Strengthen Conflict of Interest Disclosure Compliance and Oversight

Conflict of Interest Disclosures were not consistently completed or retained. Of several scenarios reviewed during this investigation, only one disclosure was identified.

This reflects gaps in the consistency of disclosure practices and supporting oversight processes. Current practices do not include a centralized log of disclosures, a requirement for periodic reaffirmation, or a process to align employee disclosures with vendor submissions or contract documentation.

As a result, disclosures were not consistently documented in situations where they would reasonably be expected.

Recommendation:

To support consistent disclosure and oversight, the City should implement a centralized Conflict of Interest Disclosure process, with responsibility assigned to an appropriate corporate function (e.g., CAO's Office, Legal, or Human Resources).

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This process should include:

- maintenance of a centralized log of all Conflict of Interest Disclosures.
- periodic reaffirmation of disclosures by employees.
- processes to align and cross-reference employee disclosures with vendor submissions and procurement records.

As part of this framework, disclosures should be classified based on their timing nature—such as point-in-time, defined-period, or ongoing/indeterminate conflicts.

For defined-period and ongoing conflicts, disclosures should include an expected duration or review interval and be subject to periodic confirmation by both the employee and their supervisor to ensure continued accuracy and relevance.

Central oversight would support tracking and follow-up, while responsibility for the accuracy and completeness of disclosures would remain with employees and their management.

Administration Response:

Currently, as part of existing practices, City departments submit an annual hard copy summary of all Conflict of Interest disclosures received to the CAO's Office at the start of each calendar year, reflecting activity from the previous year. These hard copies are retained for ten years as per the retention policy. The CAO's Office conducts a comprehensive review of these submissions and prepares an annual summary for department heads' review and reaffirmation. This summary outlines notable trends, provides context for any increases or decreases in disclosure volume, and flags disclosures that may warrant follow-up or further action.

While this process supports oversight and departmental awareness, 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 Q4 2026 whereby Administration will recommend the City of Windsor Employee and Volunteer Code of Ethics and Conflict of Interest Policy and Purchasing Bylaw 93-2012 be amended to include the following: "no Employee may have any pecuniary interest directly or indirectly, as a contracting party, partner, shareholder, surety or otherwise in any contract for goods, services or construction or in any of the monies to be derived there from, unless approved by a specific resolution of Council. This will specifically mitigate all risks associated with this complaint and investigation.

Responsible Party: Commissioner of Corporate Services

Due Date: Q4 2026

3. Controls – Integrate Conflict of Interest Disclosures into Procurement Evaluation

Procurement files did not consistently document how identified conflicts of interest were addressed. In one instance, an evaluator was recused; however, the decision was documented via email and was not retained in the procurement evaluation file.

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This reflects a gap in how conflict-of-interest disclosures and related mitigation actions are incorporated into procurement documentation. Current practices do not require that disclosures or mitigation measures be formally included in evaluation records.

As a result, documentation of conflict identification and management was not consistently retained within procurement files.

Recommendation:

To support consistent documentation, the City should require that Conflict of Interest Disclosures and related mitigation actions be formally incorporated into procurement evaluation records.

This should include:

- retention of relevant disclosure forms within the procurement file
- documentation of the nature of the conflict and the mitigation applied
- confirmation or approval of mitigation measures, where applicable

A standardized template or memorandum format should be used to support consistent documentation across procurement processes.

Administration Response:

Currently, the Purchasing Department requires Non-Disclosure Agreements (NDAs) to be executed by potential evaluation committee members as part of the Requests for Proposals (RFPs) and Prequalification processes. With respect to this investigation, a City employee disclosed a conflict of interest prior to the commencement of the prequalification process and therefore never became a member of the evaluation committee. This negated the requirement of executing an NDA, as he was not included in the evaluation committee. Going forward, the Purchasing Department will ensure any staff member considered for an evaluation committee will be asked to execute an NDA, which will be saved in the solicitation file.

Another safeguard measure instituted into the Requests for Proposals (RFPs) and Prequalification process is the requirement for proponents to declare any conflict of interest. As indicated in this investigation and as part of the vendor's bid submission Appendix C, the owner/operator and a second employee were identified as current City employees. This appendix was included in the CAOP report to the CAO and published online for public information.

Responsible Party: Commissioner of Corporate Services

Due Date: Q4 2026

4. Communication – Improve Documentation and Transparency of Conflict Management Decisions

Conflict management decisions were not consistently documented. In some instances, actions such as recusals or mitigation measures were documented through informal correspondence rather than structured documentation.

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This reflects a gap in the consistency of documentation practices and available guidance. Current practices lack a standardized approach to recording conflict management decisions, such as recusals, oversight arrangements, or mitigation steps.

As a result, documentation of conflict management actions was not consistently retained in a structured or accessible manner.

Recommendation:

To support consistent documentation and transparency, the City should implement a standardized approach for recording conflict management decisions.

This should include:

- use of a standard template to document the nature of the conflict, the actions taken, and the rationale for those actions
- documentation of timing and approval of mitigation measures, where applicable
- retention of documentation within relevant procurement files or centralized administrative records (e.g., CAO or Legal files)

Administration Response:

As indicated in the City of Windsor Employee and Volunteer Code of Ethics and Conflict of Interest Policy Section 5.2.4.2.3 when an employee or volunteer believes they have a real or perceived conflict of interest, they shall submit a Conflict of Interest Disclosure form, like the one filed by the City employee regarding being an owner of the bidding vendor and City employment, to their Department Head. Each department submits an annual summary of all Conflict of Interest disclosures received to the CAO's Office for a comprehensive review that is included for distribution in an annual summary to Department Heads.

As noted previously, there are several safeguards currently in place and through this process, Administration, as part of continuous improvement, is recommending additional safeguards, as noted in Administration's response.

Responsible Party: Commissioner of Corporate Services

Due Date: Q4 2026

5. Culture / Capacity – Clarify Outside Employment and Vendor Participation Guidelines

Policy language does not clearly address disclosure expectations regarding outside employment, spousal interests, or dual employment with vendors.

In this investigation, situations were identified in which employees affiliated with a vendor participating in City procurement did not submit Conflict of Interest Disclosures when disclosure would reasonably be expected.

This reflects a gap in how policy guidance addresses outside employment and vendor-related relationships, particularly when affiliations are not direct or financial.

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As a result, disclosures were not consistently completed in circumstances involving vendor participation, indirect relationships, or perceived conflicts.

Recommendation:

To strengthen clarity and consistency, the City should update the Conflict of Interest Policy and Outside Employment Guidelines to more explicitly address disclosure expectations related to vendor participation and affiliated relationships.

This should include:

- clear direction requiring disclosure of all affiliations with vendors that contract, or may contract, with the City
- clarification that disclosure requirements apply regardless of departmental separation, working hours, or level of involvement
- inclusion of examples illustrating indirect, spousal, or perceived conflicts, including situations where an employee's role may reasonably be perceived as providing an advantage

Administration Response:

As part of Administration's commitment to good governance and continuous improvement, this, as well as all municipal policies, will undergo a comprehensive periodic review process to ensure they remain current, relevant, and aligned with organizational objectives. As previously stated, this report coincides with Administration's Review of this policy. Administration has been working on this review and is planning to bring a report to Council in 2026. Administration will recommend that the City of Windsor Employee and Volunteer Code of Ethics and Conflict of Interest Policy and Purchasing Bylaw 93-2012 be amended to include the following: "no Employee will have any pecuniary interest directly or indirectly, as a contracting party, partner, shareholder, surety or otherwise in any contract for goods, services or construction or in any of the monies to be derived there from, unless approved by a specific resolution of Council.

Responsible Party: Commissioner of Corporate Services

Due Date: Q4 2026

6. Sustainability – Periodic Management Review of Conflict Mitigation Effectiveness

Building on Recommendation #2, ongoing and defined-period conflicts require periodic reassessment to ensure that disclosure and mitigation measures remain up to date.

In this investigation, conflict circumstances were identified that extended over multiple years, with no evidence of formal revalidation or documented review.

This reflects a gap in how conflict mitigation is monitored over time, particularly where circumstances are ongoing or subject to change.

As a result, existing disclosures and mitigation measures were not consistently supported by periodic confirmation or updated documentation.

Recommendation:

To support ongoing oversight, the City should establish a process for periodic management review of

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active Conflict of Interest Disclosures, particularly those classified as defined-period or ongoing/indeterminate.

This process should include:

- periodic confirmation that the underlying conflict circumstances remain accurate
- review of mitigation measures to ensure they remain appropriate
- documentation of review outcomes within the Conflict of Interest Disclosure record

In addition, where supervisory responsibility changes, incoming managers should review active disclosures within their area to support continuity of oversight.

Central functions (e.g., Human Resources or Legal) should support tracking and follow-up, while responsibility for review and documentation remains with area management.

Administration Response:

Once the policy is updated and approved by City Council, the Commissioner of Corporate Services will explore options to implement annual validations. For example, this may include creating a secure SharePoint site for Managers, Executive Directors, Commissioners and the CAO to review and re-validate the COI's for their respective areas.

Responsible Party: Commissioner of Corporate Services

Due Date: Q4 2026

7. Align Conflict Escalation and Disclosure Documentation

The investigation identified a gap in the documentation of conflict escalation and related disclosure and mitigation requirements under sections 15 and 16.1 of Purchasing By-law 93-2012 and the City's Code of Ethics and Conflict of Interest Policy.

Section 16.1 establishes a process for escalation of actual or perceived conflicts of interest to the City Solicitor for direction. In contrast, section 15 requires disclosure and mitigation in accordance with the City's Conflict of Interest Policy.

In this investigation, escalation under section 16.1 occurred, and mitigation actions were implemented. However, documentation demonstrating disclosure, assessment, and mitigation in accordance with section 15 and the Conflict of Interest Policy was not consistently retained in a structured or auditable manner.

This reflects a misalignment between escalation practices and the documentation requirements that support disclosure and mitigation.

Recommendation:

To support consistency and alignment, the City should clarify and formalize documentation requirements for conflicts escalated under section 16.1 of Purchasing By-law 93-2012.

This should ensure that escalation, disclosure, assessment, and mitigation are documented in a manner that aligns with section 15 and the City's Code of Ethics and Conflict of Interest Policy.

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Documentation should include:

- the nature of the conflict identified.
- confirmation of escalation and direction received.
- mitigation actions implemented.
- any related impact on procurement processes.

Administration Response:

Purchasing By-law to be amended to clarify that compliance with s.16.1 is satisfaction of requirement in s.15.

Responsible Party: Commissioner of Corporate Services

Due Date: Q4 2026

Considerations for Improvement

The investigation identified gaps in governance and documentation related to the disclosure, assessment, and mitigation of employee-linked vendor relationships.

Administration has indicated its intent to recommend amendments to the Employee and Volunteer Code of Ethics and Conflict of Interest Policy and Purchasing By-law 93-2012 that would prohibit employee pecuniary interests in City contracts unless expressly approved by Council.

If adopted and implemented, these amendments would address the underlying circumstances identified in this investigation.

In this context, the following matters are presented as **considerations for improvement** to support ongoing governance, transparency, and oversight. These considerations are provided to inform future implementation and monitoring and do not require a formal management response at this time.

1. Procurement Evaluation Framework and Governance Costs (Conditional)

Employee- or spouse-linked vendors may require additional internal oversight compared to other suppliers. These activities can include monitoring dual-employment arrangements, reviewing Conflict of Interest Disclosures, documenting recusals, and implementing additional controls where required.

At present, these activities are managed within existing operations and are not reflected in procurement evaluation or vendor cost comparisons.

Where employee-linked vendor relationships are permitted through Council-approved exceptions, the City may wish to consider whether procurement evaluation frameworks appropriately reflect the level of governance oversight required to support such arrangements.

This may include consideration of how governance, documentation, and oversight requirements are incorporated into procurement processes, and whether the overall cost of service delivery reflects the costs of these additional activities.

2. Transparency and Governance of Employee-Linked Vendor Relationships (Conditional)

The investigation identified circumstances in which City employees or their spouses were affiliated with vendors providing services to the City. While escalation and operational mitigation steps were taken in certain instances, disclosure documentation and procurement file records were not consistently retained.

Where employee-linked vendor relationships are permitted through Council-approved exceptions, the City may wish to consider whether additional transparency and documentation measures are appropriate.

This may include:

- ensuring complete and consistent disclosure documentation

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- maintaining clear procurement file records
- supporting appropriate governance oversight of such arrangements

In addition, financial benefits derived by City employees through vendor relationships involving the City may not be reflected in public-sector compensation disclosures. Consideration may be given to how transparency and oversight can be supported in such circumstances.

No formal management response is required at this time, given the Administration's proposed policy amendments that address the underlying governance considerations.

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.