To: Chair and Members
Audit and Administration Committee
Outstanding Business Item No. N/A and Issue: N/A
CM07019

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Re: Fair Wage Compliance Reviews (CM07019)

Council Direction:
Every year, Council approves the Internal Audit work plan which provides for the carrying out of fair wage compliance reviews on 1-2 City contracts. The results of any work plan projects are reported to the Audit and Administrative Committee.

Information:
Contractors awarded contracts with values greater than $100,000 are subject to the City’s Fair Wage Policy. This policy provides for all workers employed in the performance of work on the subject contract be paid at wage and benefit rates not less than those approved by City Council under the Fair Wage Policy and Fair Wage Schedule. In addition, the contractor must maintain and provide appropriate records relating to the contract for audit purposes, as requested.

Over the past two (2) years, Internal Audit has carried out fair wage policy compliance reviews on three (3) contractors for three (3) separate contracts. This report summarizes the results of these reviews.

All three (3) contractors were found to be non-compliant with the Fair Wage Policy for various reasons which include:

- Wages paid at rates not at least equal to those noted in the Fair Wage Schedule for the appropriate job categories of the employees working on the City contract.

- Contractor did not provide amounts of at least one and one half (1-1/2) times the wages as set out in the Fair Wage Schedule for excess hours worked as defined and required under the Employment Standards Act.

- Contractor did not provide benefits at the level noted in the Fair Wage Policy at the time employees were working on the City contract.
In each of these cases, Purchasing staff met with the contractors involved and made arrangements for the contractors to pay their employees the funds owing. Two (2) contractors have already provided documentation to support the payments and the remaining contractor has indicated that he will also be providing such details shortly.

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