



**Request for City Council Committee Action
From the City Attorney's Office**

Date: December 03, 2010
To: Ways & Means/Budget Committee
Subject: Confidential Reporting Line SAS70 Agreement
Court File No.:

Recommendation: That the City Council authorize proper City Officials to enter into a SAS70 Report Confidentiality Agreement with The Network. Inc.

Previous Directives: July 21, 2006 – Approved a resolution establishing a committee to evaluate the best mechanism for employee reporting of ethics and fraud issues.

January 12, 2007 – Authorization to select a vendor for a fraud and ethics reporting line using a competitive procurement process and staff direction to report back to Ways and Means./Budget Committee upon implementation of the reporting line.

May 16, 2008, February 20, 2009, July 31, 2009 and February 12, 2010 – Ethics Officer reports on the Ethics Report Line received.

Prepared by: Susan Trammell Phone: (612) 673-3230

Approved by: _____
Susan L. Segal
City Attorney

Presenter in Committee: Susan L. Segal, City Attorney

Financial Impact (Check those that apply)

No financial impact

Background/Supporting Information

The City's contract with The Network, Inc. for confidential reporting line services is up for renewal. The City's Ethics Report Line team ("the Team"), consisting of Internal Auditor Magdy Mossaad, Lead Respect in the Workplace Investigator Steve Kennedy, and Ethics Officer Susan Trammell are currently investigating potential Network upgrades to the confidential reporting line services and anticipate renewing the agreement with the Network. In order to perform due diligence, the Team is seeking the Network's most recent SAS 70 Report related to the reporting line services. Our Internal Auditor will be reviewing the SAS 70 Report which is used to report on controls placed in operation (SAS 70 Type I) and tests of operating effectiveness (SAS 70 Type II). The Network considers the data contained in the SAS70 Report proprietary information and such data constitutes "trade secret information" as that term is defined by the Minnesota Government Data Practices Act, Chapter 13, Section 13.37(b). Although it is anticipated that a Minneapolis Standard Service Agreement will be used for the eventual service contract, the Network is requiring a confidentiality agreement prior to the release of the SAS70 Report.

PM#10-00306/SLT