



Background:

The Internal Audit Department is required to periodically evaluate the City's ethics-related programs and activities under the International Standards for the Professional Practice of Internal Auditing. As part of this evaluation, we conduct an annual ethics survey for all employees to gauge employee perception of the City's ethical environment. The survey is designed to evaluate awareness and knowledge of the City's adopted Code of Ethics. While the survey results will be considered for developing future audit plans, this is not a formal audit.

The City's Code of Ethics is located in Title 1, Chapter 6 of the City Code. It applies to all City employees, including all full time and part time elected or appointed officials and employees, whether compensated or not. The Code of Ethics requires all employees to annually review the chapter and acknowledge their understanding and agreement.

This report is informational and presents a summary of the survey responses. Ultimately, management is responsible for all ethics-related programs and activities of the City. However, we have made recommendations to management based on the survey results. If implemented, these may enhance the ethical climate within the City.

The survey results are subjective in nature, as they represent employee perceptions and experiences. Please remember that employee impressions may not be indicative of the wider culture within the City or each department. For this reason, we caution users of this report against drawing definitive cultural conclusions based on the results without further investigation or inquiry. Management should use the results as a starting place to discuss the desired culture and values of the City and each department.

We thank the employees who participated in the survey for providing their opinions and experiences regarding the ethical culture of the City.

Survey Objectives, Scope, and Methodology:

The objective of the ethics survey is to gauge the ethical environment and general understanding of ethics requirements within City government and its departments, as well as to compare those results to the FY 2020 ethics survey results.

Survey Monkey was used to conduct the survey, which was distributed via email to 1,560 employees. Recipients included full time employees, as well as elected officials, part time, and seasonal/temporary employees considered active as of March 1, 2021. The survey was not distributed to Regional Planning Commission members or any volunteer members of boards and commissions. Recipients responded on a voluntary basis, although participation was encouraged. Survey responses were anonymous to promote honest and open feedback from employees. Although participants could identify their department and personnel status, a "prefer not to answer" option was also available.

The ethics survey consisted of the following question categories:

Type of Questions	Number of Questions
Employee Classification	2
Code of Ethics Knowledge	6
City/Department Culture	10
Open-ended	1
Total	19

The knowledge based questions (Code of Ethics Knowledge) evaluated the participants' understanding of various parts of the Code of Ethics. The culture based questions (City/Department Culture) were designed to assess the ethical environment within the City and individual departments. For the knowledge and culture based questions, one of two response scales was used: (1) Yes and No, or (2) Strongly Disagree, Disagree, Neither Agree nor Disagree, Agree, or Strongly Agree. For purposes of our summary and analysis, we categorized responses as follows:

Positive Responses	Neutral Responses	Negative Responses
<ul style="list-style-type: none"> ● Yes ● Agree ● Strongly Agree 	<ul style="list-style-type: none"> ● Neither Agree Nor Disagree 	<ul style="list-style-type: none"> ● No ● Disagree ● Strongly Disagree

Positive responses indicate general characteristics of a more ethical climate, while negative responses indicate general characteristics of a less ethical climate.

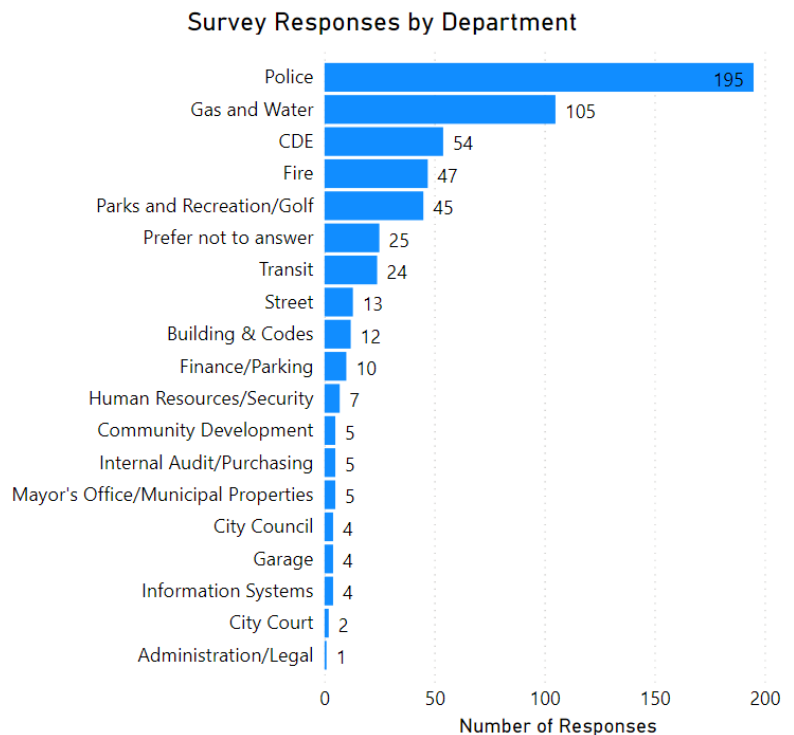
In an effort to gauge changes in the perceived ethical environment of the City over the past year, we performed a comparative analysis of FY 2020 and FY 2021 survey results. We used the same questions in the FY 2020 and FY 2021 surveys, with one notable exception. In the FY 2020 Ethics Survey, one question asked about ethical behavior of management within departments and the City as a whole. In reviewing feedback from the prior year's survey and best practices for survey structure, we separated the question to differentiate between management of departments and City leaders for FY 2021 survey respondents. Due to the change in question, we do not consider the responses comparable to FY 2020. Comparative or prior year visuals are presented in green where notable changes occurred; however, comparisons are not presented for each survey question.

Summary of Survey Results:

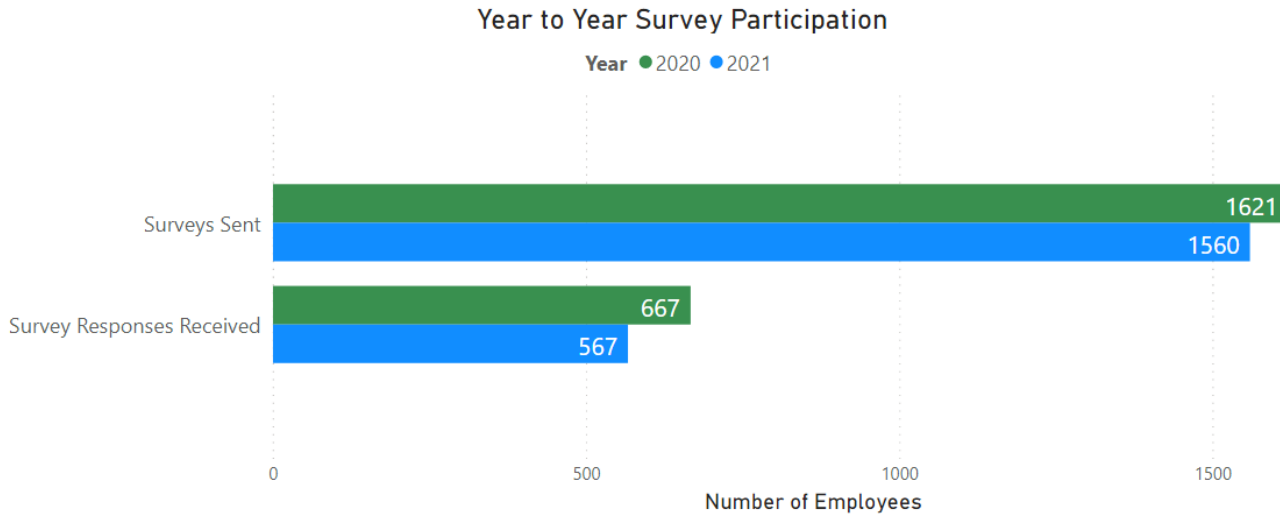
Survey Participation

The survey was completed by 567 (36%) of 1,560 survey recipients. Some smaller departments were combined to preserve the anonymity of the survey. As noted above, survey participants could specify their department or indicate they prefer not to answer. The participation statistics by department are shown below.

Department	Total Surveys Sent	Total Survey Responses Received	Participation Rate
Administration/Legal	7	1	14%
Building & Codes	29	12	41%
CDE	185	54	29%
City Council	12	4	33%
City Court	6	2	33%
Community Development	7	5	71%
Finance/Parking	22	10	45%
Fire	252	47	19%
Garage	14	4	29%
Gas and Water	269	105	39%
Human Resources/Security	20	7	35%
Information Systems	13	4	31%
Internal Audit/Purchasing	7	5	71%
Mayor's Office/Municipal Properties	7	5	71%
Parks and Recreation/Golf	155	45	29%
Police	383	195	51%
Prefer not to answer		25	
Street	84	13	15%
Transit	88	24	27%
Total	1560	567	



The response rate for FY 2021 was slightly lower than FY 2020, with overall response rates of 36% and 41% respectively.



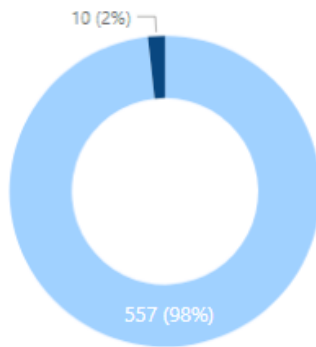
City-Wide Results

FY 2021 Knowledge Based Question Results

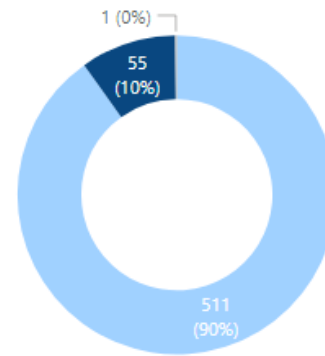
City-wide results for knowledge based questions contained positive responses comprising anywhere between 89% and 98% of total responses and negative responses comprising between 2% and 10% of responses.

When asked about their knowledge of the City’s Code of Ethics, 98% of survey participants indicated they were aware the City had adopted a Code of Ethics. However, only 90% of participants knew where to find the Code of Ethics.

I know the City has adopted a Code of Ethics



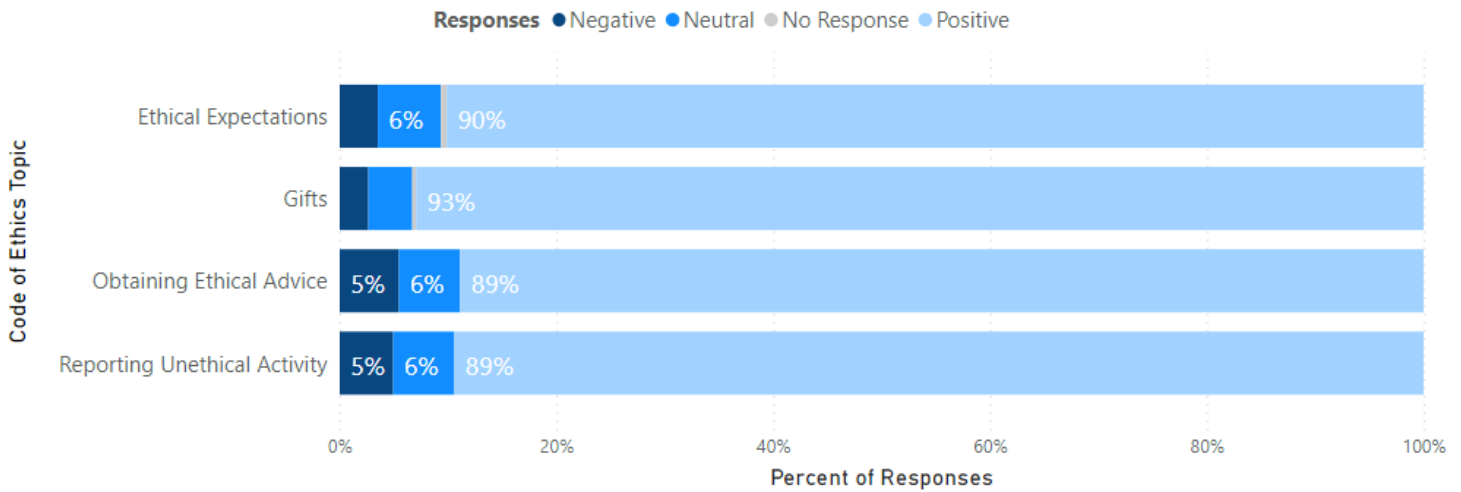
I know where to find the Code of Ethics



Responses
 ● Positive
 ● Negative
 ● No Response

Survey questions also addressed employees’ understanding of different elements within the Code of Ethics, including the City’s ethical expectations, policy on gifts, avenues for obtaining ethical advice, and methods for reporting unethical behavior. Results for these questions are shown in the chart below.

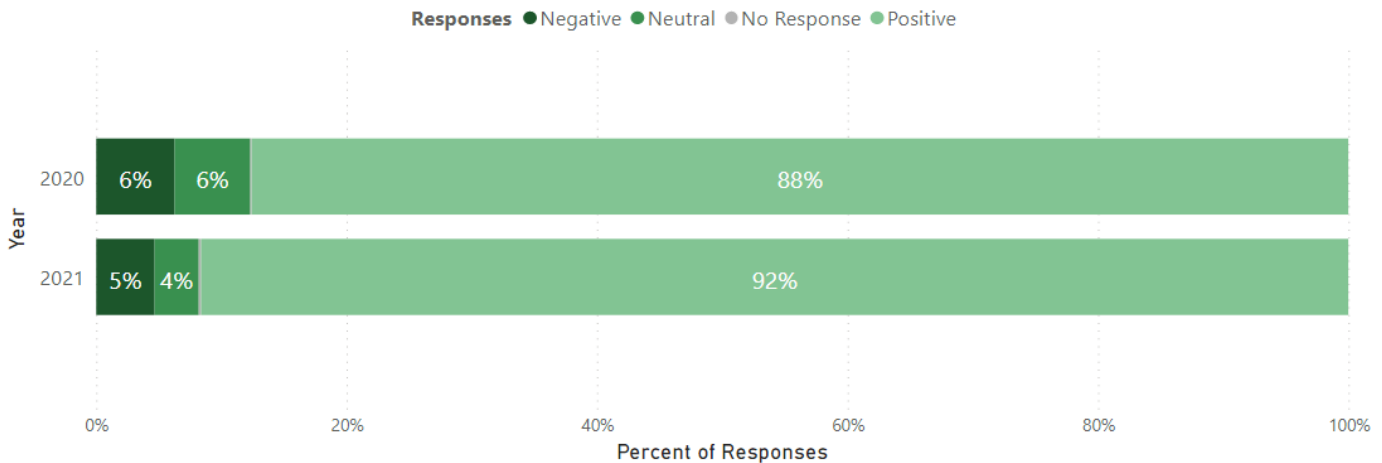
Employee Understanding of Code of Ethics



Comparison of FY 2020 and FY 2021 Knowledge Based Question Results

Positive response percentages for each knowledge based question increased from FY 2020 survey results to FY 2021. This may be a result of improvements made by Human Resources to annual ethics training based on the FY 2020 Ethics Survey Informational Report recommendations. The year to year comparison below shows the total responses to knowledge based questions.

Year to Year Knowledge Based Question Results

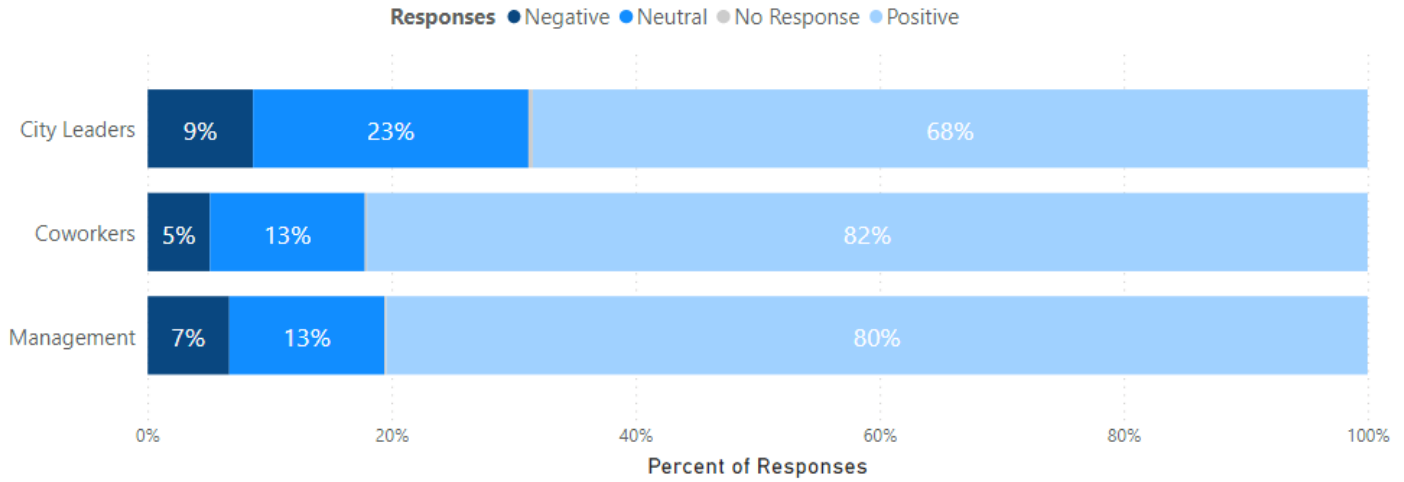


FY 2021 Culture Based Question Results

City-wide results for culture based questions varied widely with positive responses comprising anywhere between 68% and 87% of total responses and negative responses comprising between 3% and 13% of total responses.

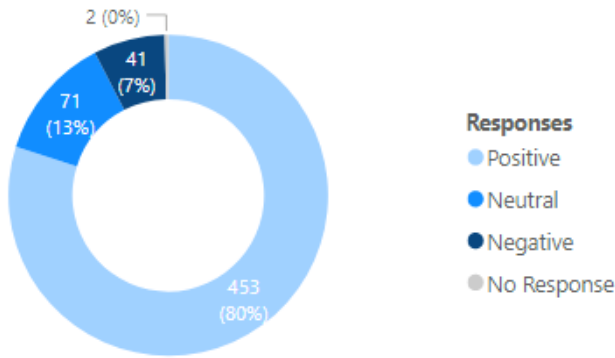
As in the prior year, culture based questions focus on various characteristics that are likely to enhance the ethical culture of an organization. One of these characteristics is “tone at the top.” This refers to the ethical atmosphere that is created by the organization’s leadership. This atmosphere can be positively impacted by management that demonstrates ethical behavior; however, it is damaged when management demonstrates unethical behavior. Survey results indicated that 80% of respondents believed their department’s management sets a positive example of ethical behavior, while 68% agreed that City leaders demonstrated ethical behavior. When asked specifically about other employees in their department, 82% of survey participants indicated that their coworkers display ethical behavior.

Demonstrating Ethical Behavior

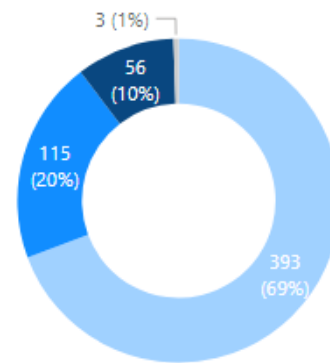


Per the Association of Certified Fraud Examiners (ACFE), employees who feel comfortable raising concerns and communicating bad news, like problems or errors, are another indicator of a more ethical culture. Survey results below were similar to the FY 2020 survey results, which continues to suggest that participants feel more comfortable reporting problems or errors than raising ethical concerns.

Encouraged to report problems or errors

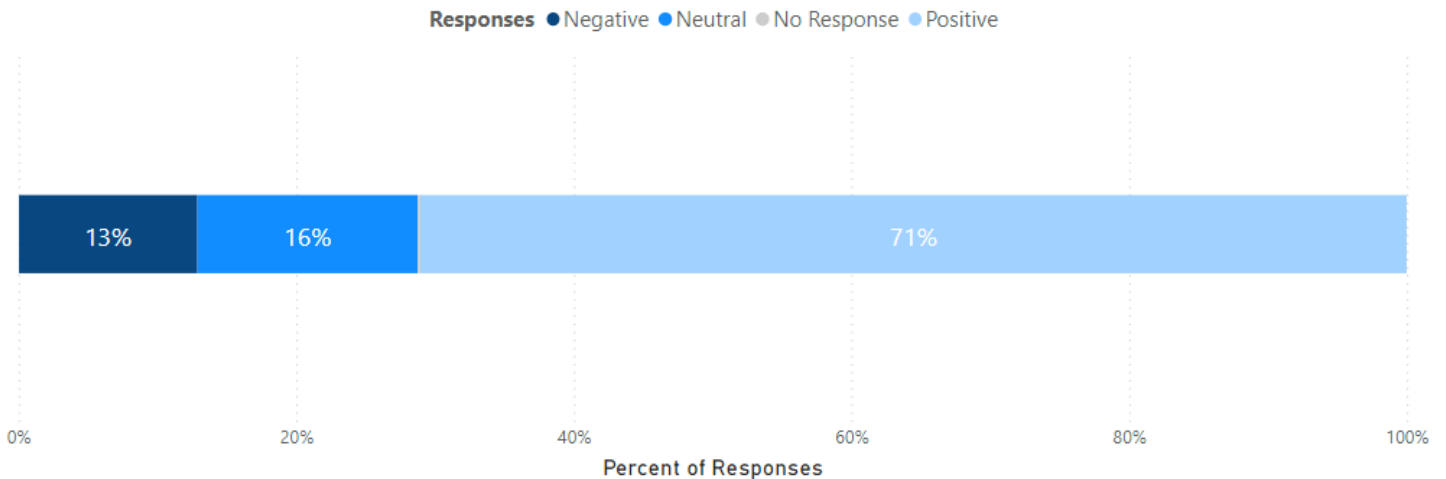


Comfortable raising ethical concerns

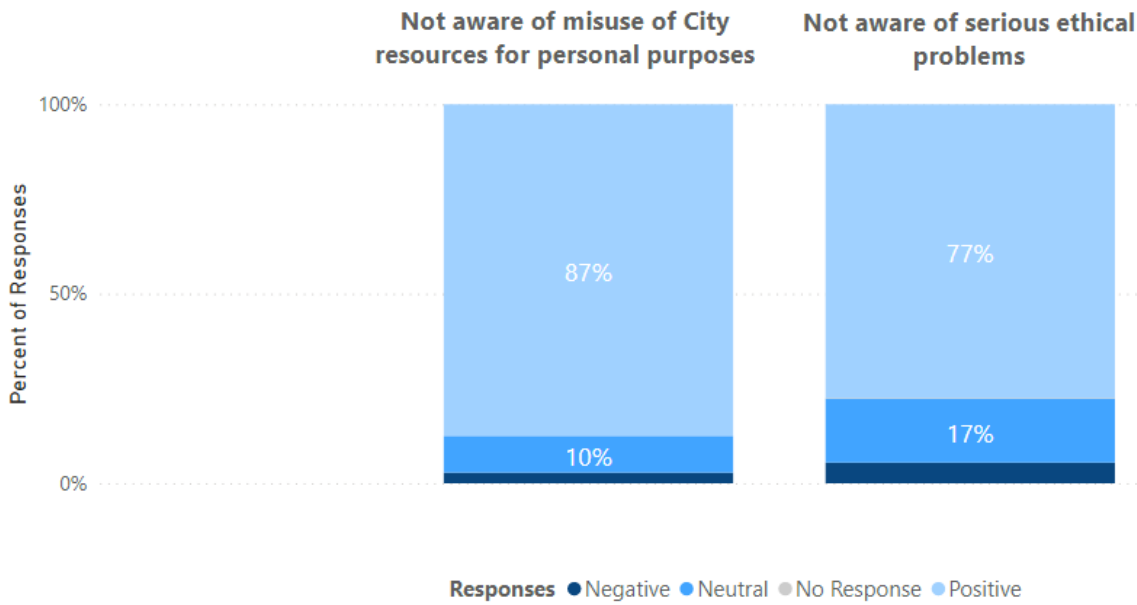


Employees are more likely to feel comfortable in raising ethical concerns if they believe they will not experience retaliation as a result. 71% of survey participants communicated they do not fear being retaliated against if reporting an ethics concern, while 13% believed they would experience retaliation.

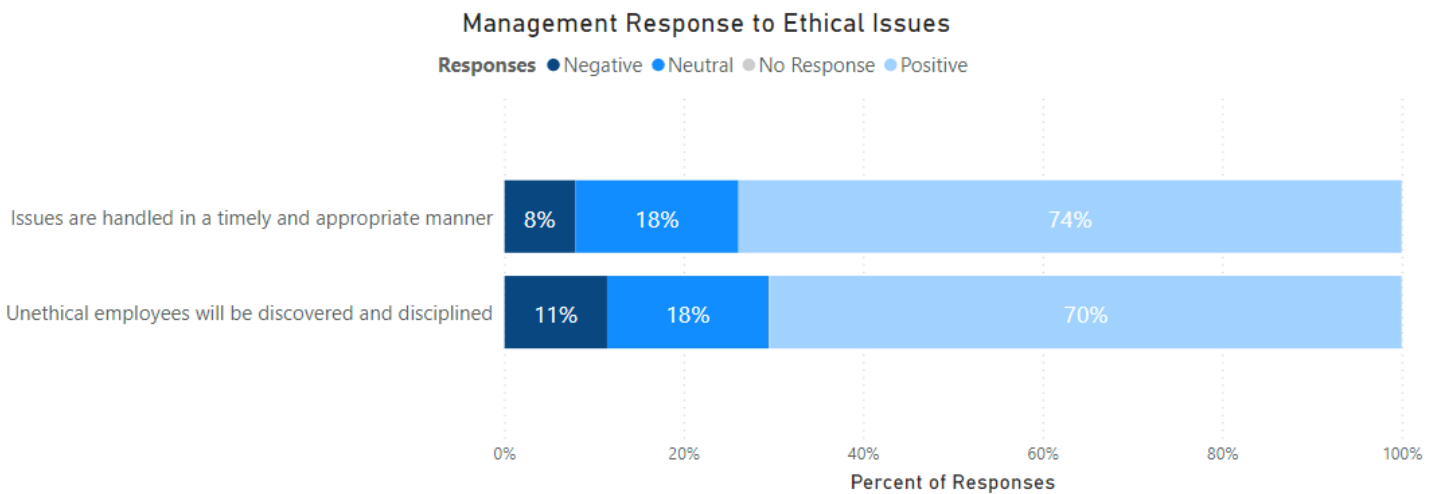
Do not fear retaliation when reporting ethics violations



The survey also assessed whether respondents were aware of any potential ethical issues or misuse of City resources for personal purposes. The comparison in response distribution for these questions could suggest that survey participants may have had ethical concerns other than the misuse of City resources.



Another characteristic identified by the ACFE of an ethical culture is certain, swift, and transparent responses to problems and violations of ethical standards. Survey participants were asked if they believe that unethical behavior will be discovered and handled appropriately by management. These questions help gauge how employees perceive management actions in these situations. As shown below, 74% of respondents replied that issues are handled in a timely and appropriate manner, while 70% indicated that unethical employees will be discovered and disciplined.

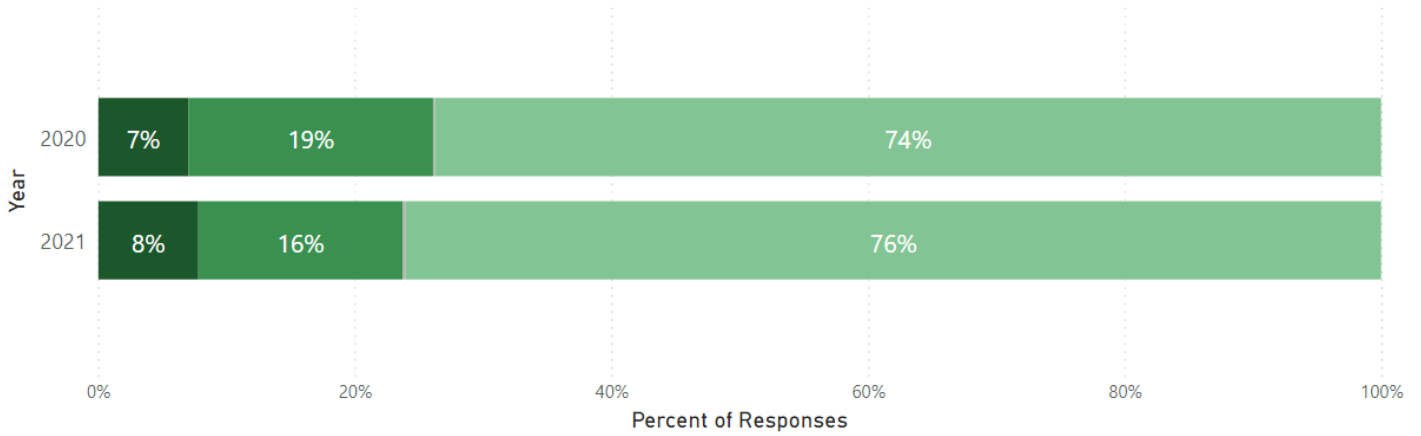


Comparison of FY 2020 and FY 2021 Culture Based Question Results

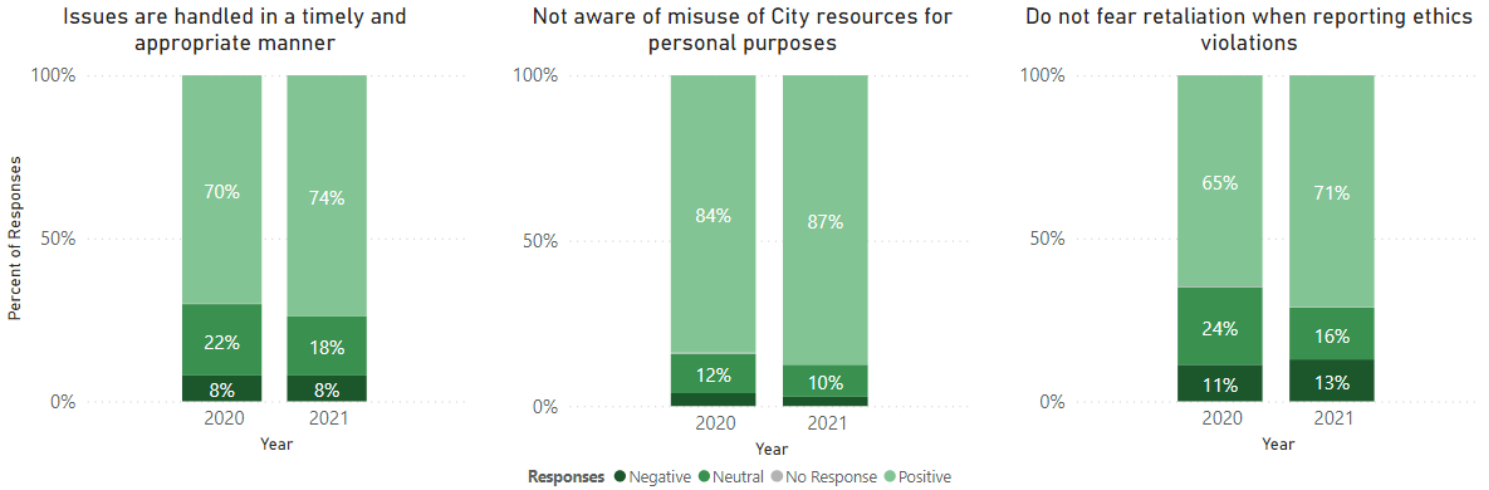
In total, the survey responses for culture based questions were similar to the prior year. Specific results for most questions also remained fairly consistent; however, there were some questions in which responses changed more significantly. Comparisons of those questions are presented below.

Year to Year Culture Based Question Results

Responses ● Negative ● Neutral ● No Response ● Positive



For the survey results shown below, positive responses increased between 3% and 6% from FY 2020 to FY 2021. In two of the three questions presented, negative responses either remained steady or decreased.

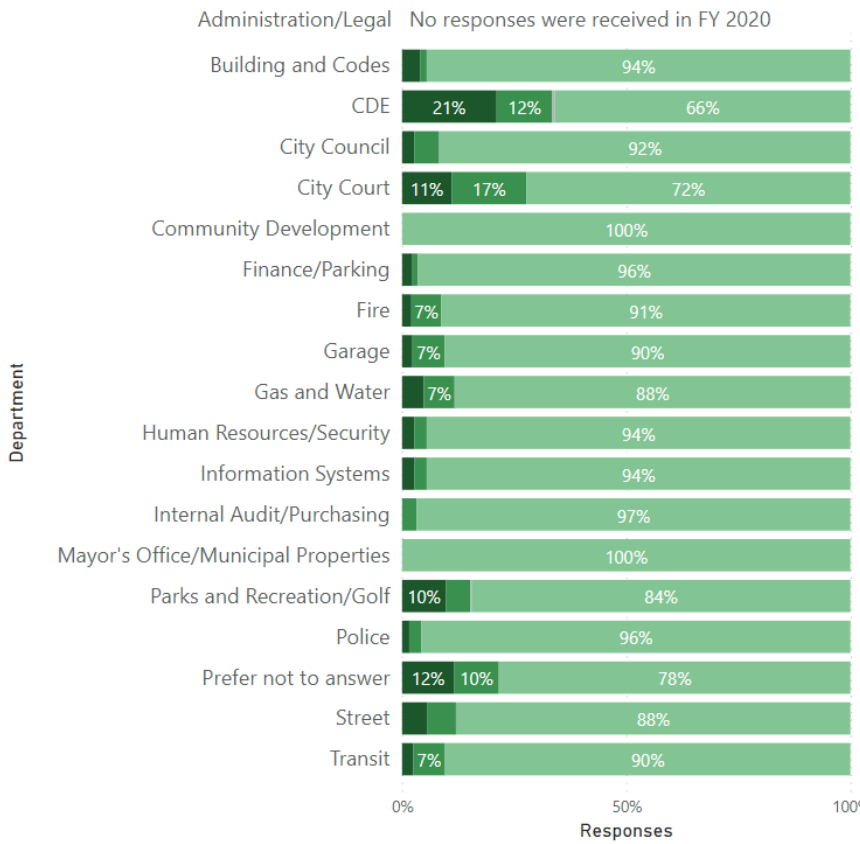


Department Level Results

The department level results are presented as the overall percentage of positive, neutral, or negative responses for the knowledge based questions and the culture based questions. In analyzing these results, it is essential that the participation rates and number of responses in each department be considered concurrently with the information below. A higher percentage of positive responses to the knowledge based questions may indicate a higher level of awareness and understanding of the Code of Ethics, while a higher percentage of positive responses for culture based questions may indicate a more ethical departmental culture. However, there may be some instances where employees answered culture questions based on their experience of the City's overall culture rather than that of their department's culture. As noted above, we caution users of this report from drawing definitive conclusions regarding each department's ethical culture without further analysis.

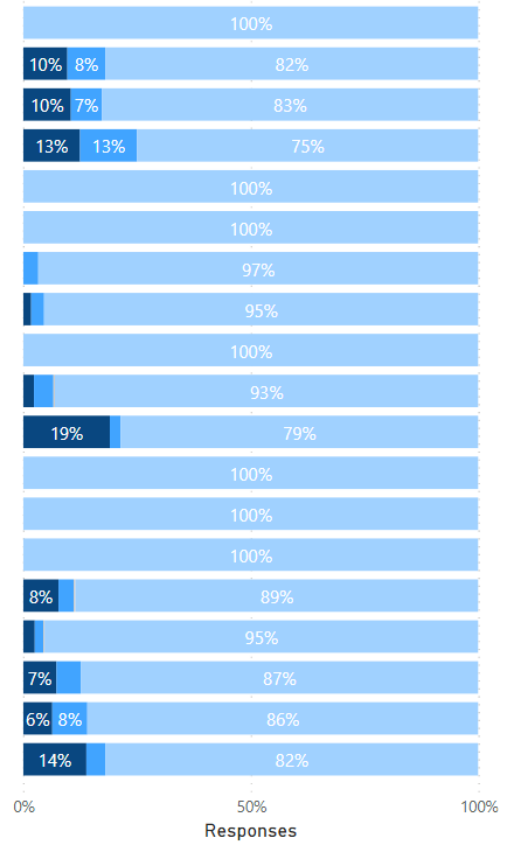
2020 Knowledge Based Question Results

Responses ● Negative ● Neutral ● No Response ● Positive



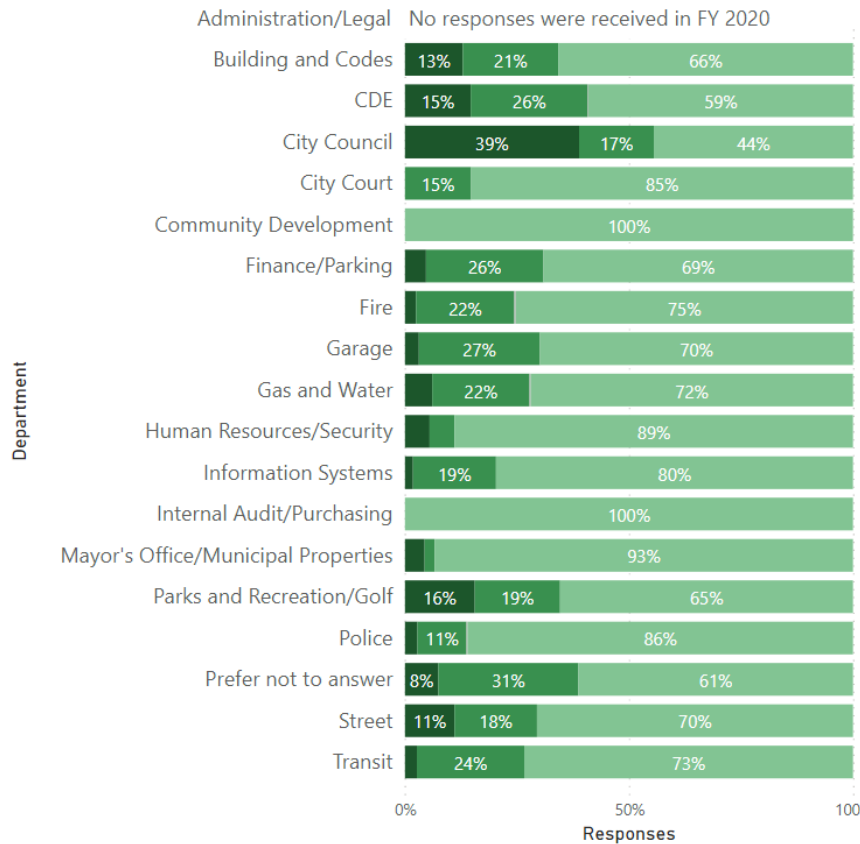
2021 Knowledge Based Question Results

Responses ● Negative ● Neutral ● No Response ● Positive



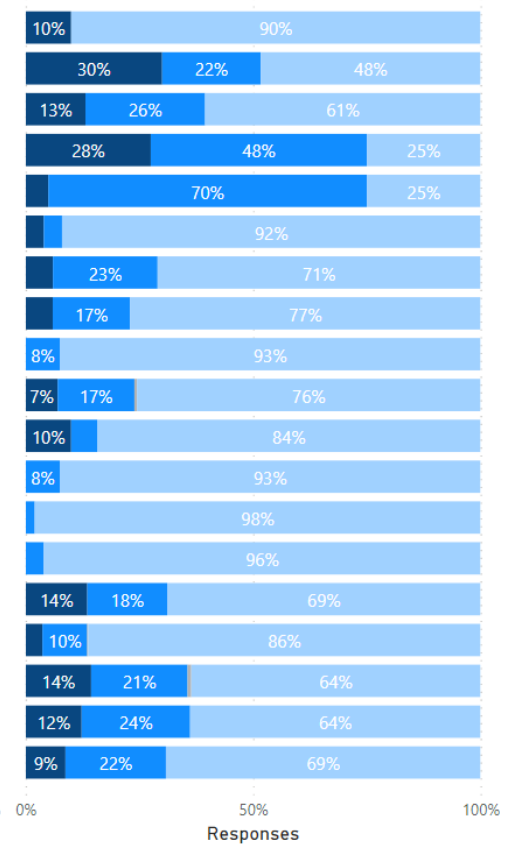
2020 Culture Based Question Results

Responses ● Negative ● Neutral ● No Response ● Positive



2021 Culture Based Question Results

Responses ● Negative ● Neutral ● No Response ● Positive



Recommendations:

Overall, the results of the survey remained positive with regard to the ethical culture of the City. Similarly to the FY 2020 results, the majority of responses for each question indicated general characteristics of a positive ethical culture in the City. Neutral responses for most questions decreased from FY 2020 survey results to FY 2021. Based on our analysis of the survey results, we have the following recommendations which may further improve the employee understanding of the City's Code of Ethics and/or the ethical culture within City government.

The improvements made to the annual ethics training, as recommended in the FY 2020 Ethics Survey Informational Report, appear to have had a positive impact on Code of Ethics knowledge for City employees. Maintaining a consistent and up to date ethics training program will continue to be important in fostering a positive ethical culture within the City. Management should consider additional improvements to ethics training, such as incorporating scenarios where training participants are asked to apply ethical principles.

With regard to the overall ethical culture within the City government, there are steps management could take which may enhance the desired high standards of honesty, integrity, impartiality, and employee conduct which are stated in the Code of Ethics.

- Management should evaluate whether there are adequate protections against retaliation of employees for raising ethical issues, as well as whether these are sufficiently communicated to employees and management. Including more specific information about this in annual ethics training may be helpful.
- Consider whether a supervisor or management level training on handling ethical concerns would be useful to ensure that the City leadership at all levels acts consistently and appropriately on ethical concerns brought to their attention. When employees see that issues are properly addressed, they may be more likely to feel that their concerns would be taken seriously. Ultimately, this may improve the rate at which employees report ethical violations of which they may be aware.