



## Background:

The City has adopted a Code of Ethics, located in Title 1, Chapter 6 of the City Code. The Code of Ethics establishes expectations of ethical behavior for all City employees. This includes all employees and elected or appointed officials, whether paid or not.

Internal Audit conducts an annual ethics survey to gauge employee perceptions of the City's ethical environment. This report is informational and presents a summary of the survey responses. While this is not a formal audit, we will consider survey results for developing future audit plans.

The survey results represent employee perceptions and experiences. Please remember when reading this report that employee opinions may not be indicative of the wider culture within the City or each department. For this reason, readers should avoid drawing definitive conclusions based on this report alone. Management should use the results as a starting place to discuss the desired culture and values of the City and each department.

While management is responsible for all ethics-related programs and activities of the City, we have made recommendations based on the survey results. If implemented, the recommendations may enhance the ethical climate within the City.

Thank you to the survey participants for providing their opinions and experiences. If you have specific concerns that you would like to discuss confidentially, you can contact Internal Audit directly at 931-648-6106. You can also report concerns to the Fraud and Audit hotline on the [Internal Audit website](#) or at 931-648-6166.

## Survey Objectives, Scope, and Methodology:

The objective of the ethics survey is to gauge employee perceptions of the City's ethical environment.

We distributed the survey via email to 1,626 employees. Recipients included active full time, part time, and seasonal/temporary employees, as well as elected officials, as of March 7, 2022. Regional Planning Commission employees and volunteer members of boards/commissions were not included.

Employees responded on a voluntary basis, but participation was encouraged. Survey responses are anonymous to promote open and honest feedback. Participants had the opportunity to identify their department, but a "prefer not to answer" option was also available.

The ethics survey consisted of 17 questions, grouped into the following categories:



Training effectiveness questions assessed employee confidence in handling ethical issues. Department and City culture questions asked about employee perceptions of the ethical environment. Survey questions used one of the two response scales: (1) Strongly Disagree, Disagree, Neither Agree nor Disagree, Agree, Strongly Agree, or (2) Never, Rarely, Sometimes, Usually, and Always.

This year's survey included new questions as well as structural changes. Similar questions were grouped on the same page, which required the user to click "Next" to advance to the next page of questions.

Survey results for this year show a notable increase in the number of "no responses" for each question. This means that a participant did not select an answer for a particular question, but still submitted the survey. The reason for an increase in "no responses" is not definitive, but the changes noted above may partially explain this.

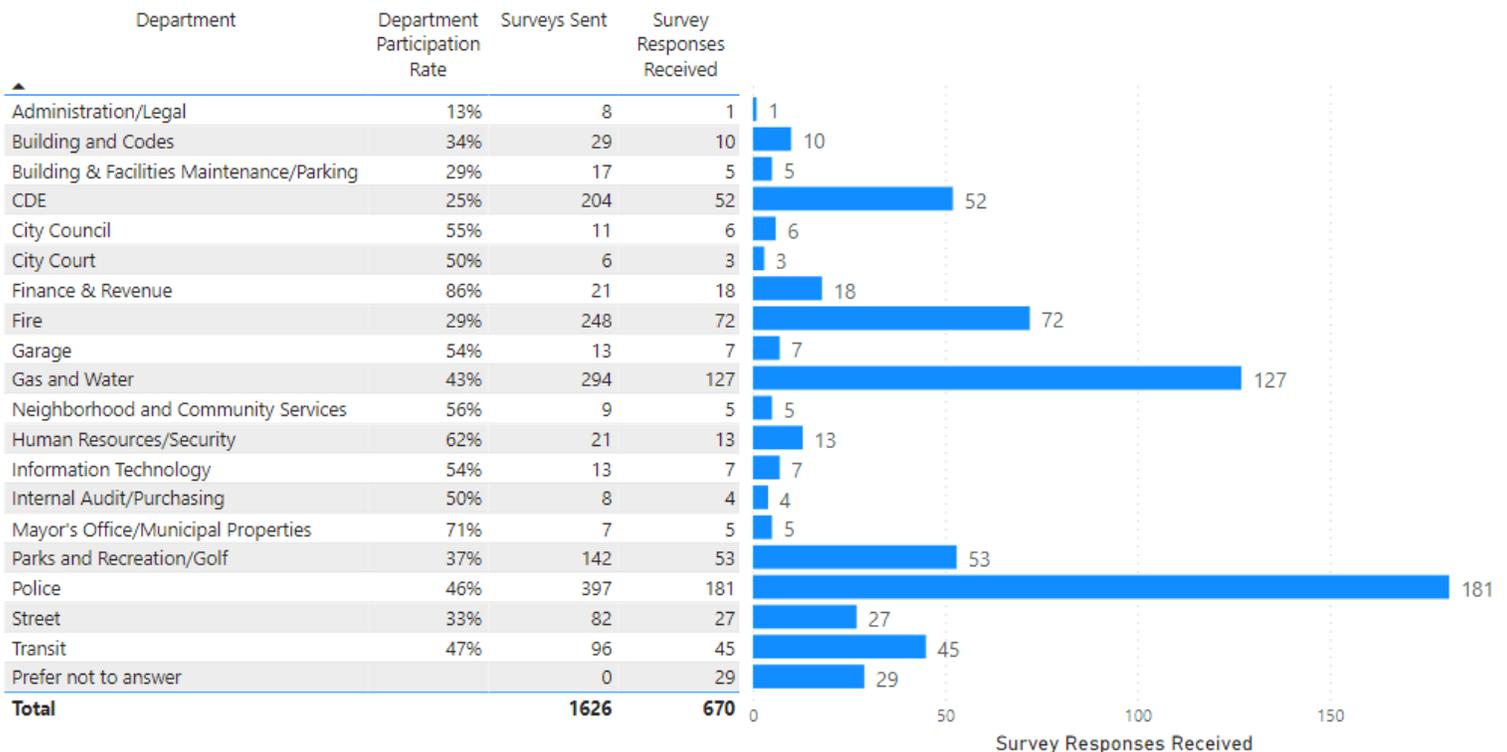
This report references various characteristics of a healthy ethical culture from the Association of Certified Fraud Examiners' article titled "Tone at the Top: How Management Can Prevent Fraud in the Workplace." We retrieved this article from the Association's website on April 27, 2020.

## Summary of Survey Results:

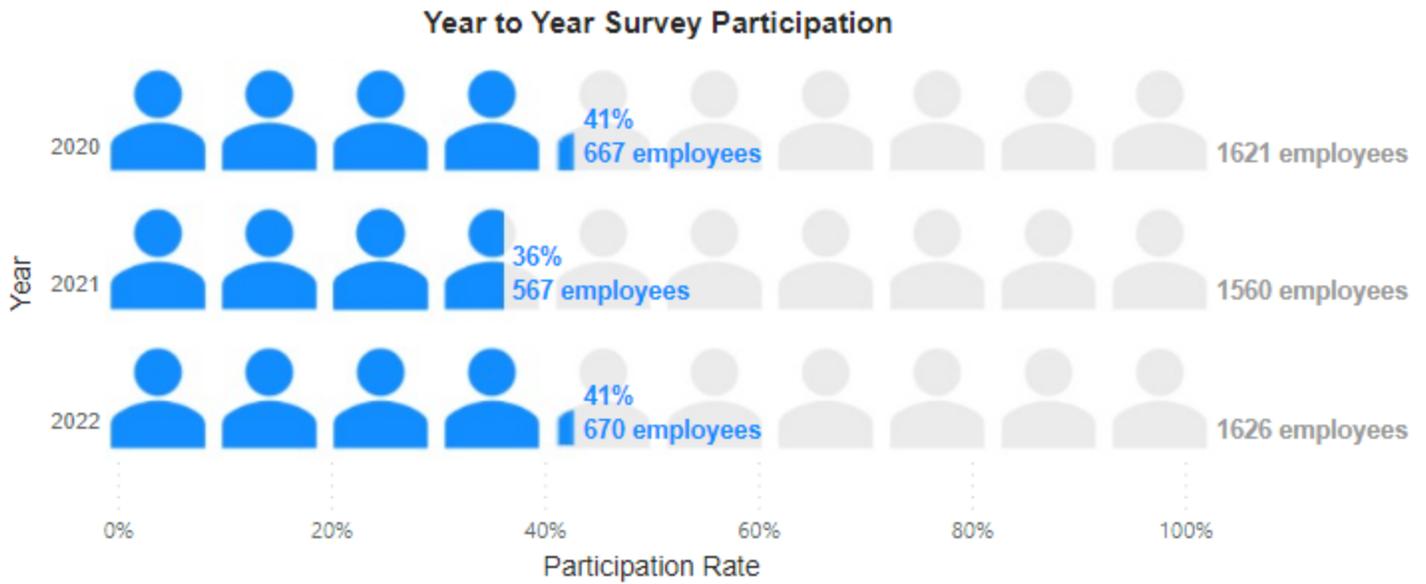
### Survey Participation

As noted above, survey participants could specify their department or choose "prefer not to answer." When comparing the department list below to the previous surveys, there are two notable changes. First, the Building and Facilities Maintenance department was created in July 2021. Second, the name of the Community Development department was changed to Neighborhood and Community Services. We combined some smaller departments to preserve the anonymity of the survey. Of the 1,626 employees who received the survey, 670 (41%) responded. The participation statistics by department are shown below.

**Survey Responses by Department**

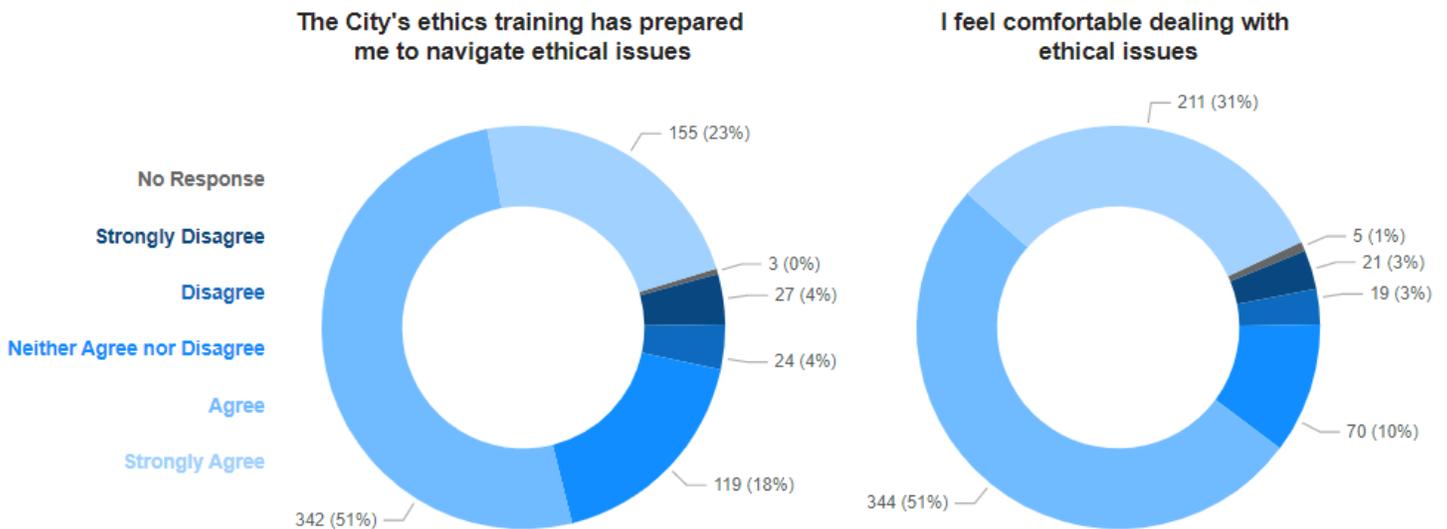


The response rate for 2022 (41%) increased from 2021 (36%), and was comparable to 2020 (41%).



### Training Effectiveness Results

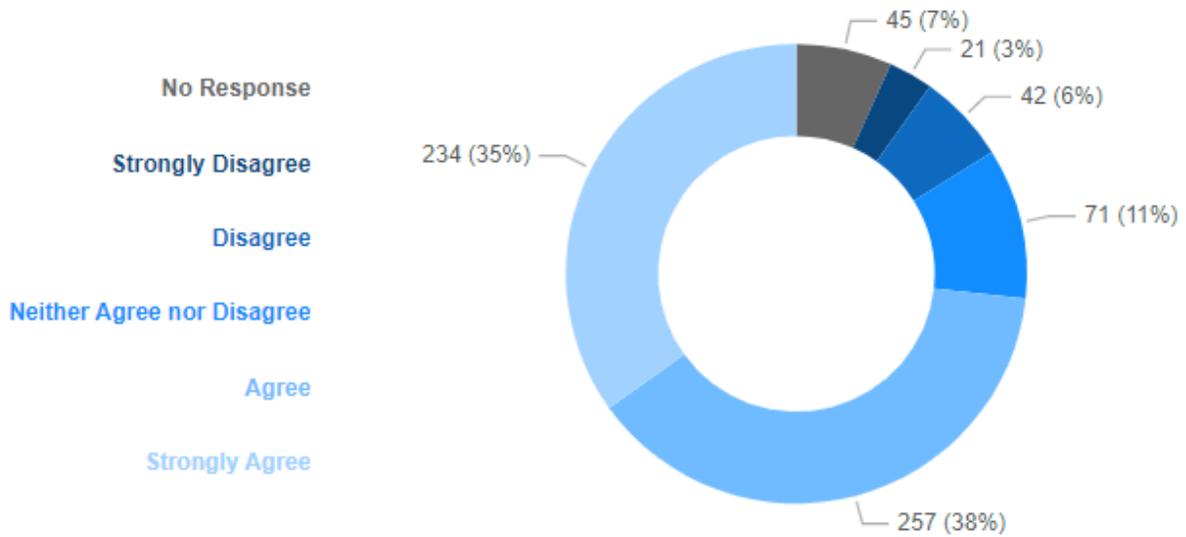
We designed training effectiveness questions to gather employees' thoughts about the usefulness of the City's ethics training and their comfort in handling ethical dilemmas. 74% of employees agreed or strongly agreed the City's ethics training has prepared them to navigate ethical issues. Additionally, 82% agreed or strongly agreed they feel comfortable doing so. Results suggest that most employees are confident in approaching unethical situations.



### Department Culture Results

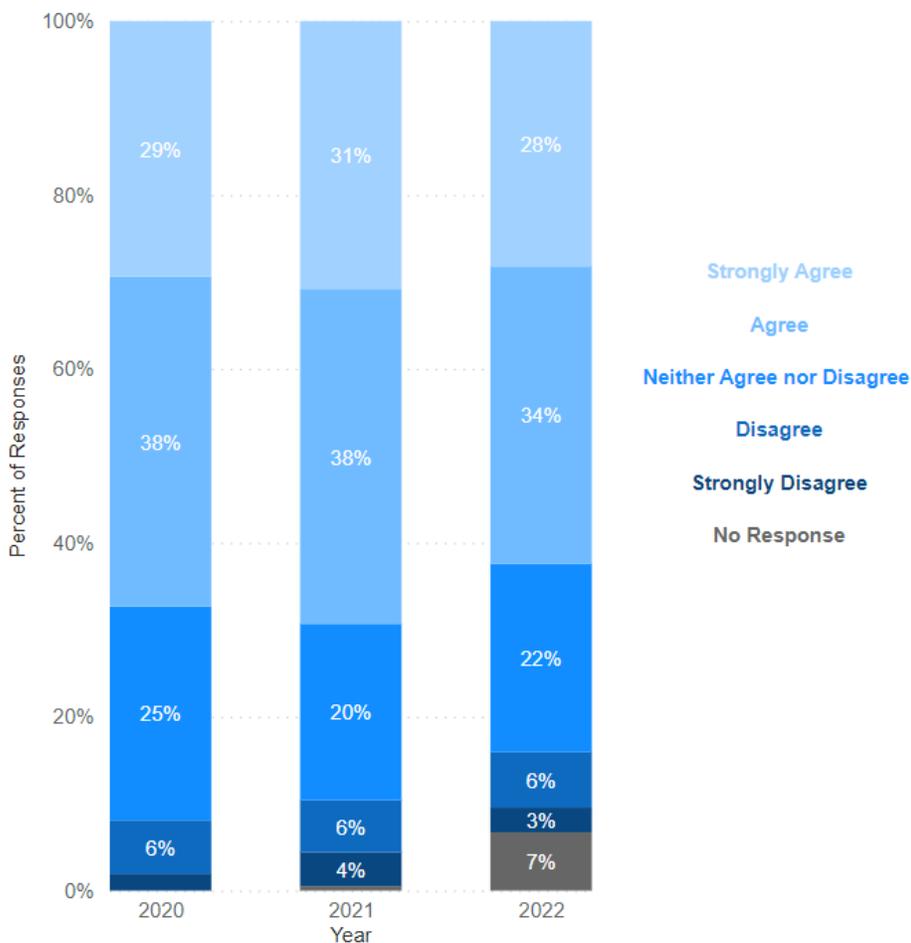
Department culture questions focused on characteristics that are likely to enhance the ethical culture of an organization. The Association of Certified Fraud Examiners discusses steps which help to set a healthy ethical tone. One step is communicating expectations to employees. The Code of Ethics communicates the City's goal of maintaining high standards of honesty, integrity, impartiality, and conduct. 73% of employees agreed or strongly agreed their department aligns with these standards. This suggests the City's ethical goals have been effectively carried through to department culture.

**The ethical culture of my department aligns with the City's goal for maintaining high standards of honesty, integrity, impartiality, and conduct**

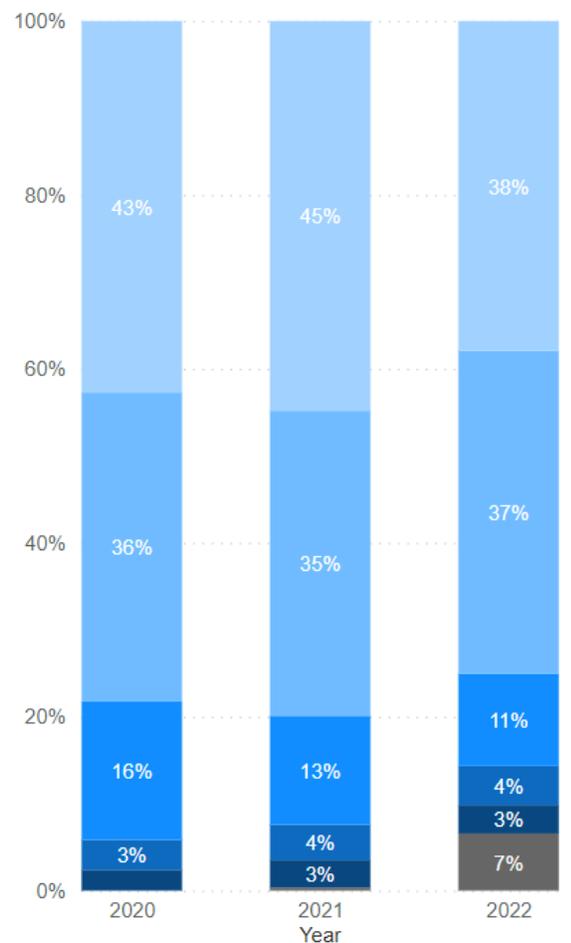


The Association of Certified Fraud Examiners also states employees feeling comfortable raising concerns and communicating problems or errors indicates a more ethical culture. Survey results continue to suggest participants feel more comfortable reporting problems or errors than raising ethical concerns. Results below compare responses from 2020, 2021, and 2022.

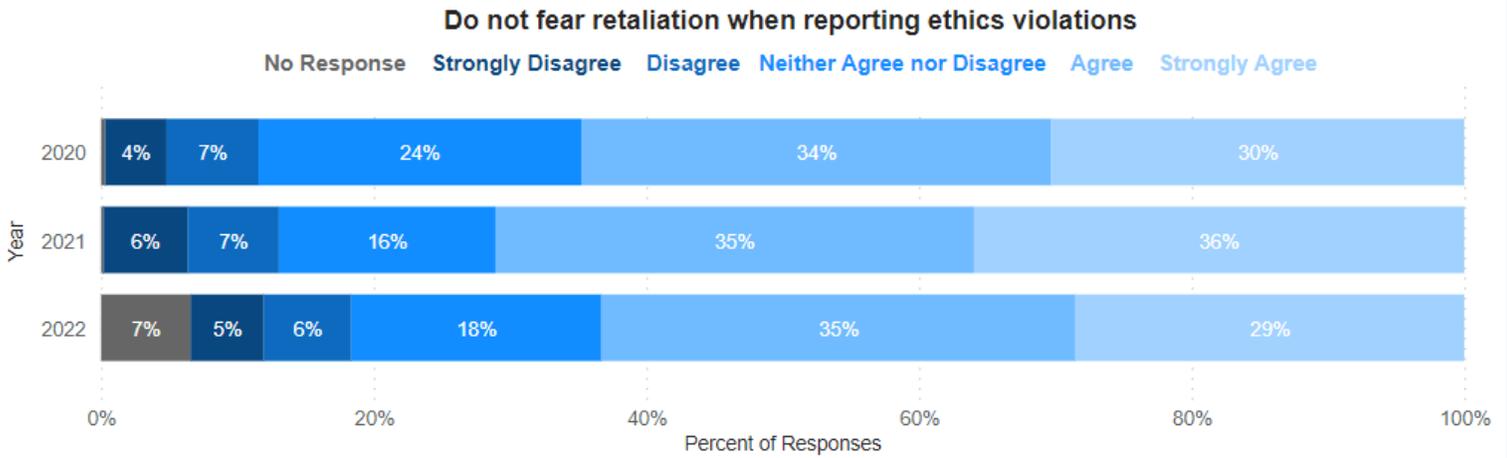
**Comfortable raising ethical concerns**



**Encouraged to report a problem or error**



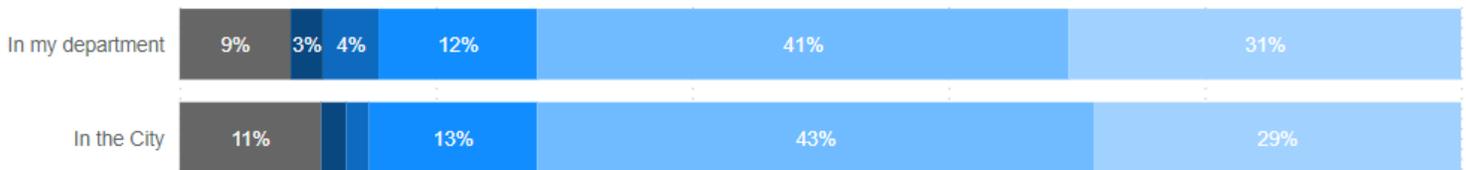
Employees are more likely to feel comfortable reporting suspected ethics violations when they do not fear retaliation according to the Association of Certified Fraud Examiners. The number of employees who strongly agreed they would *not* face retaliation for reporting a violation has decreased from the prior years. This could suggest some employees are either not aware of safeguards against retaliation or do not perceive them as effective.



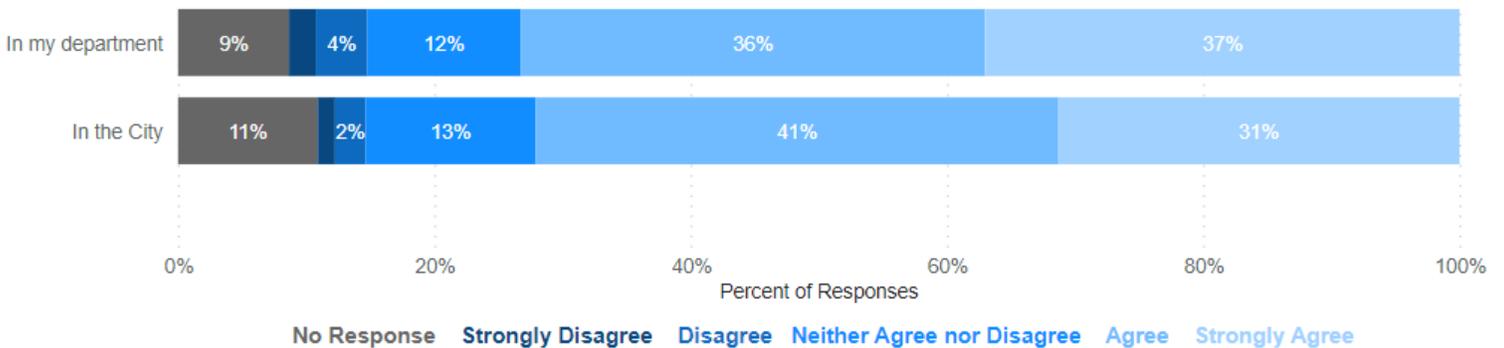
### Department and City Culture Results

Eight of the survey questions were designed to compare employee perceptions of their department with the City government as a whole. To accomplish this, we asked four questions about the employee’s department and then replicated the questions to ask specifically about the City. The charts below compare employee opinions of each ethical environment. For the most part, the distribution of responses is comparable between the department and City levels.

**Ethical expectations are clearly communicated**

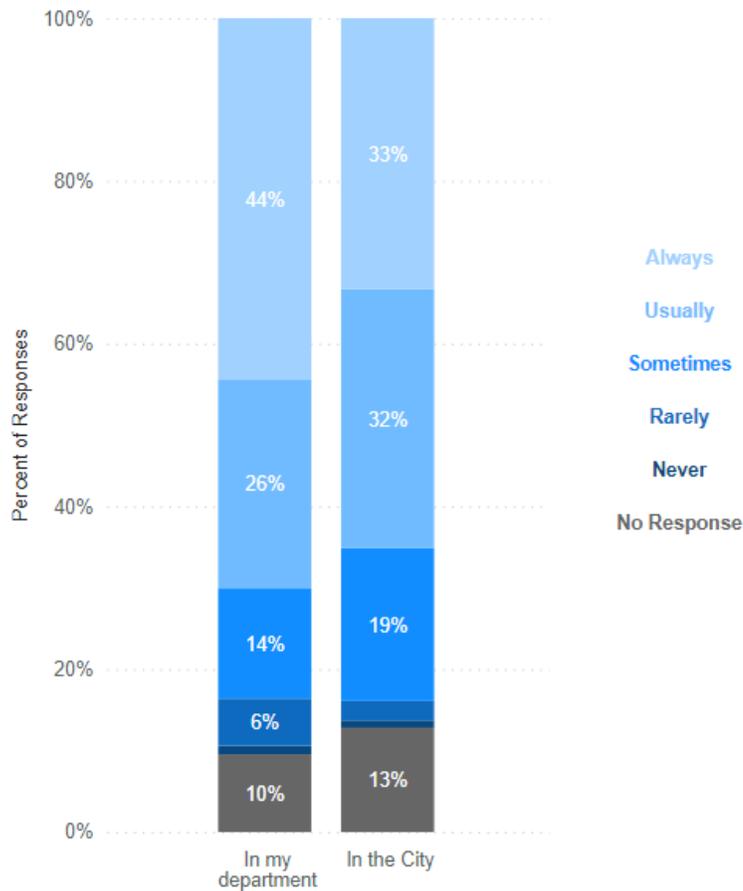


**Ethical behavior is valued**

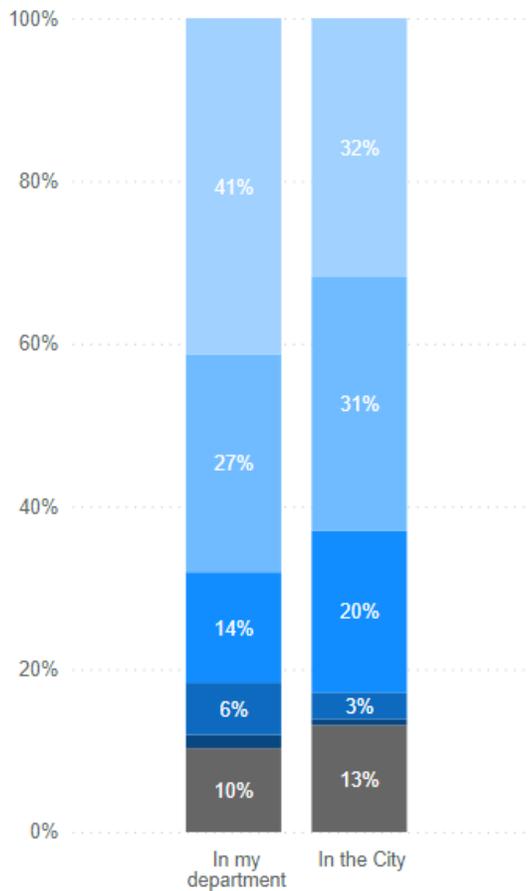


The Association of Certified Fraud Examiners notes another characteristic of an ethical culture is certain, swift, and transparent responses to problems and violations of ethical standards. If two employees are not treated consistently for similar unethical acts, then confidence in management’s commitment to ethical behavior could be negatively impacted. A slightly higher percentage of respondents felt that unethical behavior was usually or always addressed in their department compared to the City as a whole.

**Unethical behavior is addressed when it is identified**



**Any employee who acts unethically is appropriately disciplined**



**Recommendations:**

Based on the results, we made recommendations which may further improve ethical culture and/or employee understanding of ethics within City government. We also considered responses to open ended questions in making the recommendations below.

Management should consider the following related to the City’s annual ethics training:

- Including more general information about ethics in the existing annual ethics training.
- Incorporating periodic in person ethics training to encourage employee participation and discussion.
- Making CODI ethics training modules accessible for employees to reference outside of training windows.
- Updating ethics training to include interactive scenarios where participants can practice topics discussed.
- Providing CDE employees with the annual ethics training administered by Human Resources.
- Creating supervisor/management level training which addresses leadership specific ethical situations.
- Including information about the City’s Fraud and Audit Hotline in ethics training as a method for reporting unethical behavior.

Additionally, management should evaluate if adequate protections exist to prevent retaliation against employees. These protections should be sufficiently communicated to employees and management in ethics training.