CITY OF
TALLAHASSEE
OFFICE OF THE CITY AUDITOR

Sam M. McCall, CPA, CGFM, CIA, CGAP
City Auditor

HIGHLIGHTS

Highlights of City Auditor Report #0912, a report to the City Commission and City management

AUDIT OF THE CITY'S ETHICS PROGRAM

City Executive Management should be commended for establishing a proactive ethics program.

WHY THIS AUDIT WAS CONDUCTED

This audit was conducted to assess and evaluate the design, implementation, and effectiveness of the City's ethics program and activities and provide recommendations for improving the governance process of promoting appropriate ethics and values. Our audit was performed during 2008 and included a review of state laws, other governments' ethics programs and best practices for ethics programs, and components and activities in the City's ethics program, and a survey of randomly selected City employees.

WHAT WE RECOMMENDED

We provided the following recommendations during the audit to the management to address each of the identified issues:

1) Treasurer-Clerk's Office, City Attorney's Office, and Human Resources work together to formalize the City's financial disclosure process and develop procedures to provide assurance that all applicable individuals meeting the reporting criteria are made aware of Florida's financial disclosure laws and rules and their individual reporting responsibilities.

2) Human Resources Division to encourage and remind managers and supervisors to periodically:

   - Review with employees how they can get assistance regarding ethical concerns.

   - Discuss ethical and unethical behaviors and issues at staff meetings.

   - Encourage and support reporting of unethical behaviors and discourage retaliation of those that do report violations.

Management has started developing and implementing processes toward completing each of the action plan steps.

To view the full report, go to:
http://talgov.com/auditing/auditingreports.cfm
For more information, contact us by e-mail at
auditors@talgov.com or by telephone at (850) 891-8397.

WHAT WE CONCLUDED

Our assessment of the design and implementation of the City's ethics program indicated that the program includes many of the components recommended for a strong ethics and compliance program, including a code of ethics, oversight of and compliance for ethical behavior, training, reporting of violations, employees' annual review of the code of ethics and critical policies, and transparency and accountability regarding the use of public funds.

We also conducted a survey of randomly selected full-time City employees to obtain their perceptions regarding the ethical environment and workplace behaviors in the City. Surveys were sent to 1,492 employees and responses were received from 643 employees, although not all employees answered every question. Some survey results indicated that:

- 94% of respondents were familiar with the City's Code of Ethics.

- 86% of respondents knew how to report unethical behavior.

- 83% of respondents had participated as a City employee in a training course that included ethics awareness.

- 80% of respondents knew where to get help regarding ethical concerns at the City.

The survey results showed an area where City management could most enhance its ethics program would be by improving communications with employees. For example, managers and supervisors could periodically review where to get assistance regarding ethical concerns, discuss ethical and unethical behavior and issues during staff meetings, and encourage and support reporting of unethical behaviors.

We also noted that there was an opportunity for improvement by formalizing the City's financial disclosure processes. This formal process will ensure that the persons meeting the state's reporting criteria are properly identified and notified so that all applicable individuals, employees of the City or individuals serving on City Boards, comply with the State's Ethics laws and rules.

_____**Office of the City Auditor**

Audit of the City's Ethics Program

AUDIT REPORT #0912

April 9, 2009

CITY OF
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Audit of the City's Ethics Program

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Executive Summary

Our audit to assess and evaluate the design, implementation, and effectiveness of the City's ethics program included a survey of randomly selected full-time City employees to obtain their perceptions regarding the ethical environment and workplace behaviors in the City.

We concluded that the City's ethics program as designed and implemented included many of the recommended components of a strong ethics and compliance program. Additionally, based on the survey results, we determined that the program was working effectively to encourage ethical behavior.

The purpose of this audit of the City's ethics program was to 1) assess and evaluate the design, implementation, and effectiveness of the City's ethics program and activities; and 2) provide recommendations for improving the governance process of promoting appropriate ethics and values.

Our audit was performed during 2008 and included a review of state laws, other governments' ethics programs and best practices for ethics programs, and components and activities in the City's ethics program. A survey of randomly selected full-time City employees was conducted to assess their perceptions regarding the ethical environment and workplace behaviors in the City.

Our assessment of the design and implementation of the City's ethics program indicated that the program includes many of the components recommended for a strong ethics and compliance program, including a code of ethics, oversight of and compliance for ethical behavior, training, reporting of violations, employees' annual review of the code of ethics and critical policies, and transparency and accountability regarding the use of public funds.

We assessed the effectiveness of the City's ethics program through an analysis of City employee responses to an ethics survey. Overall, the responses to the survey indicated that the City's ethics program has been effective in encouraging ethical behavior. Surveys were sent to 1,492 employees and responses were received from 643 employees, although not all employees answered every question. Survey results indicated that:

- 94% of respondents were familiar with the City's Code of Ethics.

1

- 86% of respondents knew how to report unethical behavior.

- 83% of respondents had participated as a City employee in a training course that included ethics awareness.

- 80% of respondents knew where to get help regarding ethical concerns at the City.

The survey results showed an area where City management could most enhance its ethics program would be by improving communications with employees. For example, managers and supervisors could periodically:

- Review with employees how they can get assistance regarding ethical concerns.

- Discuss ethical and unethical behaviors and issues at staff meetings.

- Encourage and support reporting of unethical behaviors and discourage retaliation of those that do report violations.

City employees responding to the ethics survey reported being aware of fewer occurrences of employee misconduct than other local government employees responding to a similar national survey had observed.

We compared the most frequently observed types of employee misconduct reported by local government employees that responded to the 2007 Ethics Resource Center national survey to the type of misconduct reported being aware of in the City survey. Fewer City survey respondents were aware of misconduct at work than the national survey respondents observed. For example, the most common types of misconduct, and illegal or unethical behavior City respondents were aware of compared to national survey respondents observed included:

- 10% City respondents reported being aware of employees misreporting hours worked on timesheets; 18% of national respondents reported observing employees misreporting hours worked on timesheets.

- 9% City respondents reported being aware of management lying to employees; 22% national respondents reported observing management lying to employees.

- 8% City respondents reported being aware of abusive or intimidating behavior; 26% national respondents reported observing abusive or intimidating behavior.

- 8% City respondents reported being aware of employees abusing the Internet; 23% national respondents reported observing employees abusing the Internet.

We provided a recommendation to formalize the City's financial disclosure processes to strengthen assurance that applicable individuals are aware of Florida's financial disclosure laws and rules and their individual reporting responsibilities.

During the audit, we noted that there was an opportunity for improvement by formalizing the City's financial disclosure processes. This formal process will ensure that the persons meeting the state's reporting criteria are properly identified and notified so that all applicable individuals, employees of the City or individuals serving on City Boards, comply with the State's Ethics laws and rules.

We would like to commend Executive Management for establishing a proactive ethics program and acknowledge the full and complete cooperation and support of management and staff from Human Resources, Equity & Workforce Development, and the Treasurer-Clerk's Office during the audit and development of this audit report. Additionally, we would like to thank all of the employees that participated in the ethics survey.

Scope, Objectives, and Methodology

The 2008 Work Plan for the Office of the City Auditor included an Audit of the City's ethics program. To meet the requirements of the International Standards for the Professional Practice of Internal Auditing, the objectives of this audit were to: 1) assess and evaluate the design, implementation, and effectiveness of the City's ethics program and activities; and 2) provide recommendations for improving the governance process in its accomplishment of promoting appropriate ethics and values.

We reviewed documentation and surveyed City employees to obtain their perceptions regarding the City's ethical environment.

To address the stated audit objectives, we reviewed applicable state laws and components of the City's ethics program, including ethics statements, relevant policies and procedures, codes of ethics for employees' professional certifications and licensure programs (i.e., lawyers, accountants, engineers, police officers, firefighters, and public administrators), training course materials, and industry literature related to ethics programs and best practices for local governments. We also conducted a survey of randomly selected full-time City employees to obtain their perceptions regarding the ethical environment and workplace behaviors in the City. A copy of the survey is provided in Appendix B.

The Office of the City Auditor plays an active role in the City's ethics program by sponsoring and managing the City's fraud hotline and providing fraud training to City employees. A fraud hotline is one way that ethics violations, fraud, abuse, and questionable accounting practices can be reported anonymously. Having such a reporting process in place is one of seven recommended components of an ethics program. Other recommended components include a code of ethics, compliance and oversight processes, training, annual review of the code of ethics, and transparency and accountability. The fraud training course is only one of seven training courses that address ethics directly or incorporated ethics within the training objectives and materials.

Performance of these two non-audit services does not impair our independence as an audit organization. However, to assess or evaluate the design, implementation, or effectiveness of how well we have performed these services would impair our independence, as we would be assessing our own work. Accordingly, we did not include an assessment of these two activities in this audit. We will provide a description of these two activities in the report but we will not conduct an assessment or make recommendations. We do not believe performance of these two activities to be material to the audit objectives of assessing management's responsibilities for providing the City's ethics program.

Except as noted above, we conducted this audit in accordance with the International Standards for the Professional Practice of Internal Auditing and Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Ethics Programs for Local Government

In 2007, the Ethics Resource Center conducted their fourth survey of federal, state, and local government employees to obtain an understanding of how employees view organizational ethics and compliance at work. Overall results of their "2007 National Government Ethics Survey®" showed that for local government employees:

- Sixty-three percent reported they observed at least one type of misconduct during the previous 12 months.

- Seven of 10 employees that observed misconduct reported it to management, mostly to supervisors.

- Two out of 10 employees who reported misconduct experienced retaliation.

- Only 14% of the employees felt their governments had well-implemented ethics programs and only 9% felt their government had a strong ethical environment.

The study found that misconduct dropped by 60% when an organization had a well-implemented ethics and compliance program and a strong ethical environment was in place.

In Florida, local governments are not required by federal or state laws to have an ethics program, however there are state laws addressing ethical conduct for public officers and employees. Article II, Section 8, Florida Constitution, contains standards of ethical conduct and financial disclosures applicable to public officers and employees. The Section further requires the state to adopt a code of ethics. The code of ethics adopted by the Florida legislature is provided in Florida Statutes Chapter 112, Part III, Code of Ethics for Public Officers and Employees. This Code addresses ethical behaviors of state and local public officials, including (but not limited to) conflicts of interest, recruitment and retention of employees, access to government officials, and the roles of the State's Commission on Ethics. All ethics complaints involving public officials are to be reported to, and addressed by, the Commission on Ethics.

While there are no legal requirements for local governments to have ethics programs, having such a program is considered a best practice for local governments. As indicated above, the survey conducted by the Ethics Resource Center found that when well-implemented ethics and compliance programs and a strong ethical environment were in place, misconduct was reduced. Recommended components of ethics programs include:

1. Code of Ethics. A formally approved and widely distributed clear and concise values-based statement that reflects the agency's values and priorities in public service, leadership, and decision-making. This would be contrary to a rules-based statement focusing on prohibited behaviors.

2. Compliance and Oversight. Processes should be in place to allow investigation of and provide enforcement over unethical behavior. As supervisors will be the ones to most likely receive reports of potential misconduct, they should be prepared to act on any report of misconduct in accordance with the organization's established policies and procedures.

3. Training. Periodic training on ethics and other topics incorporating ethical topics should be provided for public officials and employees.

4. Reporting Violations. Processes should be in place to allow employees to anonymously report concerns about fraud, abuse, or questionable accounting practices.

5. Review of the Code of Ethics. Supervisors should provide an annual review of the Code for employees as a reminder of the code and its importance in the organization.

6. Transparency and Accountability. Access to information and explanations for the information. This would include financial information for organizations and persons responsible for financial activities within the organizations.

The importance of ethics programs can best be seen when incorporated into everyday activities, as summarized in the "2007 National Government Ethics Survey®."

> *What seems to matter most is the extent to which ethics is woven into the fabric of everyday work life and decision-making in government. A commitment to*

ethics that engages all government employees at all levels and incorporates ethical considerations into operational decisions is critical to reducing misconduct and protecting public trust in government.

The City's ethics program

To meet the audit objective of assessing and evaluating the design, implementation, and effectiveness of the City's ethics program and activities, we reviewed ethics-related policies and procedures, functions, and activities. The City's ethics program consists of a code of ethics, policies and procedures promoting ethical and prohibiting unethical behaviors, ethics and ethics-related training courses, a fraud hotline for reporting suspected unethical actions, an annual review of the code of ethics and critical policies, transparency and accountability activities, and other promotional activities. These are discussed further below.

Code of Ethics

The City's Code of Ethics is a values-based statement:

The City's ethics program includes a values-based Code of Ethics. The Code focuses on positive behaviors and applies to all public representatives of the City, including employees, officials, representatives, agents, consultants, contractors, and vendors.

As public representatives, we are responsible for applying common sense and sound judgment in all of our decisions and actions. To establish the highest level of public trust, we shall maintain exemplary standards for personal integrity, truthfulness, and fairness in carrying out our public duties. We should avoid any appearance of improprieties or a conflict of interest in our roles as public servants and in our personal lives. We expect our representatives, agents, consultants, contractors, and vendors to be guided by these principles as well.

The Code includes the City's organizational core values:

- **Customer Service is Our Business:**

  We are committed to make our products or perform services in ways that we meet or exceed each customer's expectations.

- **Demonstrate Leadership & Personal Responsibility:**

  We strive to always give forethought to our conduct.

- **Promote & Support Employee Excellence:**

  We seek to understand our individual imperfections and are ready to excuse "honest" mistakes. We believe in constant improvement in seeking to be all we are created to be, as individuals, as a group, as an organization.

- **Practice Teamwork:**

  We strive to work together, in such a way that complements one another's abilities with a common vision and related goals.

Compliance and Oversight – City Policies And Procedures Addressing Ethical Behaviors

The City's ethics program includes compliance and oversight activities designed to promote positive behavior and prohibit and address negative behaviors.

Ethical behavior is addressed through numerous personnel and administrative policies and procedures promoting positive behaviors and prohibiting negative behaviors. These policies provide guidance to employees as to what is appropriate, inappropriate, and unacceptable behavior in the workplace. Additionally, the policies inform employees of actions that may be taken by supervisors when misconduct has been identified.

Examples of Human Resource Personnel Policies include:

702, Employment, addresses the processes related to recruiting, selecting, advancing, and retaining employees on the basis of their ability, knowledge, and skills. This policy is based on the City's Fair Employment Practices Plan and applicable state and federal laws.

705, Alcohol and Drugs, prohibits behaviors related to alcohol and/or drug use by employees on duty, on City property, or while operating City vehicles or equipment.

706, Working Conditions, is a detailed policy intended to apply uniform regulations governing employee working conditions. Provisions are included that address:

- Uniform regulations regarding work hours, safety conditions, requirements of employees, supervisors, and managers. This policy also authorizes department directors to establish certain work rules and regulations appropriate for department responsibilities and duties.

- Prohibition of nepotism, conflicts of interest (specifically addresses Florida Statutes Section 112), acceptance of gratuities and gifts; abusive or intimidating behavior; physical or emotional violence, and disclosure of employment information for protected employees.

- The expectations of an employee's appearance and conduct "such that they contribute to a positive public image of the City and its employees."

- Limiting of political activities (specifically addresses Florida Statutes Section 104.31), use of City property and resources for non-City business purposes and outside employment.

- Requirements of employees to maintain licenses and certifications necessary for their positions.

- The appropriate and prohibited use of electronic resources and information systems by employees.

- Criminal history screening of applicants for City positions.

Ethical behavior is also addressed through Administrative Policies and Procedures that provide guidelines promoting positive behaviors and prohibiting negative behaviors.

Examples of Administrative Policies and Procedures include:

1201, Anti-Harassment, is provided to prevent any form of harassment within the City and applies to all employees, officials, volunteers, vendors, independent contractors and recipients and participants of City services.

206, Public Records Request Procedures, relates to the Florida Statutes Chapter 119 Public Records law (also called the "Sunshine Law") in that local government's records are open and available to the public.

615, Timesheet Requirements for Payroll Processing, provides guidelines related to how work and leave time are to be accounted for in order to support compensation paid to employees.

603, Purchase Card Procedures, defines the appropriate uses of the City's purchasing card.

630, Internal Control Guidelines, is a comprehensive policy that requires internal control structures to be implemented in all applicable City operations to ensure compliance with laws, regulations, and policies; protect City resources; and ensure that data is obtained, maintained, and fairly disclosed in reports.

691, Procurement of Consulting Services, provides guidelines and procedures regarding the appropriate procurement and use of consulting services.

602, Travel and Training, provides guidance to employees regarding what travel expenses are appropriate, reimbursable and allowable.

606, City Credit Cards, defines the appropriate uses of the City's credit cards.

Ethics and Ethics-Related Training Courses

The City's ethics program includes training on ethics and ethics-related topics.

Since October 2005, over 180 courses have been held for City employees.

To meet the developmental and performance improvement needs of its workforce, the City provides training to its employees mainly through two divisions: Human Resources and Equity & Workforce Development. These two divisions have provided the majority of training that either addressed ethics directly or incorporated ethics within the training objectives and materials. Between October 2005 and December 2008 the City provided the following training courses to employees addressing ethics in the workplace:

- Ethics - 22 Courses

- Character First for Employees – 67 Courses

- Character First for Supervisors – 41 Courses

- Leadership Skills for Supervisors – 8 Courses

- Introduction to Policies and Procedures – 14 Courses

- Performance Measurement for New Supervisors – 8 Courses

Additionally, the City Auditor provided over 27 fraud awareness courses between September 2003 and December 2005 and to three individual departments subsequent to 2005. During each new employee orientation held by the City, the City Auditor briefly discusses fraud and provides information about how to report suspected fraud through the City's fraud hotline.
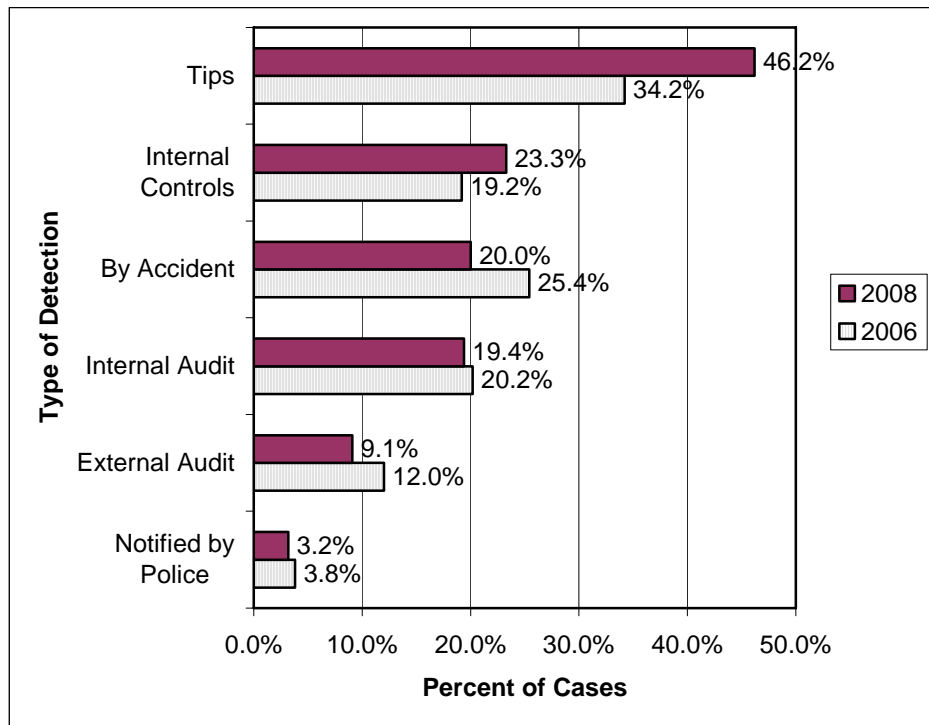
Reporting Violations

Employees are encouraged to report misconduct in the workplace to their supervisors. Some employees may not be willing to openly report misconduct in fear of retaliation. Many organizations

The City's ethics program includes processes that allow employees to report misconduct and suspected fraud directly to supervisors or anonymously through a City sponsored fraud hotline.

provide an anonymous method, such as a fraud hotline, in order to receive reports of misconduct.

Fraud hotlines are one way for individuals to report suspected behaviors anonymously. Statistics have shown that the majority of frauds are detected through a tip or complaint from an employee, customer, vendor, or other source. Figure 2 shows that from 2006 to 2008, those responding to a survey conducted by the Association of Certified Fraud Examiners reported that tips from employees, customers, and vendors were the most common method of detecting fraud.

The most common means of detecting fraud in organizations is by responding to tips.

Figure 2
Most Common Means of Detecting Fraud

Source: Association of Certified Fraud Examiners, "2008 Report to the Nation on Occupational Fraud & Abuse"

The Office of the City Auditor implemented a confidential fraud hotline in the Spring of 2007 for employees, contractors, citizens, and others to report suspected fraud, waste, or abuse involving City money, property, or other resources. Callers may remain anonymous if they wish. All information received will be treated

in a confidential manner, including the name of the reporting person if so desired by that person, to the extent permitted by Florida Statutes, Section 112.3188. This Statute specifies the extent that the City Auditor can protect the identity of individuals who disclose information alleging violations of fraud, gross mismanagement, malfeasance, misfeasance, gross waste of public funds, or gross neglect of duty.

Figure 3 shows the portion of the City Auditor's brochure that describes and promotes the City's fraud hotline. The brochure is available on both the City's internal web site for employees and on the City's external web site (www.talgov.com) for the public.

Figure 3
The Office of the City Auditor's Brochure
Addressing the Fraud Hotline
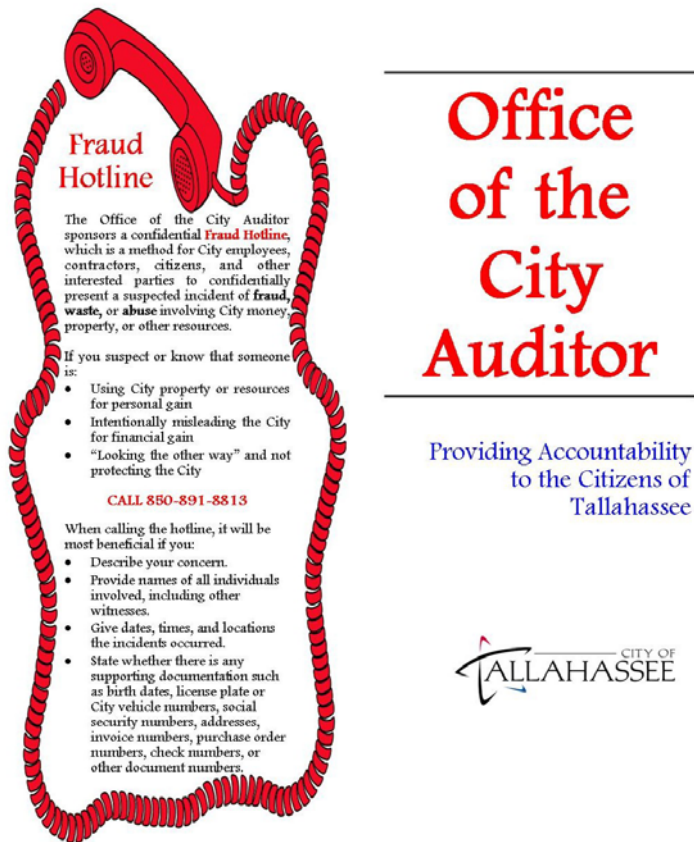
Source: The Office of the City Auditor

There was a news release to the media in April 2007 and an article in the City's employee newsletter in May 2007 announcing the implementation of the hotline.

When a call is received on the fraud hotline, the City Auditor reviews the reported allegation and determines whether his office or another City department is the most appropriate to investigate. For example, discrimination issues are handled by Equity & Workforce Development, worker's compensation fraud issues are handled by Risk Management, and employee relation issues are handled by Human Resources. During fiscal year 2008, the City's fraud hotline received 20 calls, 17 were referred to other departments, and three were reviewed and resolved by the City Auditor and his staff.

As noted in the scope, objectives, and methodology section, the Office of the City Auditor plays an active role in the City's ethics program by sponsoring and managing the City's fraud hotline. Performance of this non-audit service does not impair our independence as an audit organization. However, to assess or evaluate the design, implementation, or effectiveness of how well we have performed these services would impair our independence, as we would be assessing our own work. Accordingly, we did not include an assessment of the fraud hotline in this audit.

<u>Annual Review of the Code of Ethics and Other Critical Policies</u>

The City's ethics program includes an annual review of the City's Code of Ethics and other critical policies addressing desired and prohibited behavior.

Annually, usually at the end of the calendar year, Human Resources sends out a reminder to all department directors and supervisors to conduct a mandatory review of critical policies with all employees. The reminder emphasizes the importance of why the review is conducted by stating:

The review is intended to periodically focus attention on policies and procedures that are very important to employees and to the way we operate as an ethical and professional organization. A violation of one of these policies can have significant impact on an employee, so it is important that employees remain aware of each policy requirement.

Supervisors and directors are instructed to provide each employee with a copy of the current critical policy requirements document. Topics and policies addressed in this document include:

- Code of Ethics statement;
- Anti-Harassment;
- Alcohol and drugs;
- Working conditions;
    - Breaks and lunch periods
    - Conflict of interest
    - Employment disclosure
    - Use of City property and funds
    - Electronic resources
    - Reporting of theft or other suspected criminal activity
    - Violence prevention and intervention
- Leaves of absence; and
- Operation of motor vehicle and mobile equipment.

The reminder to employees is not totally inclusive of all City policies that employees are required to comply with, but instead focuses on critical behavior policies.

Transparency and Accountability

Transparency and accountability is obtained when citizens have access to and explanations for information, specifically

information regarding the use of public funds. Without transparency and accountability, the wasting of resources, either through mismanagement or corruption can occur without detection in a timely manner and citizens may lose trust in their public officials and institutions. Access to information can help encourage ethical behavior and bring to light unethical and corrupt actions.

The City's ethics program includes making all records accessible through Florida Statutes, Chapter 119 and assisting public officials, employees, and citizen board members with reminders regarding their financial disclosure reporting requirements established by the Florida Commission on Ethics in Florida Statutes, Chapter 112.

In Florida, two key laws that promote transparency and accountability of public officials and employees are Florida Statutes, Chapter 119, Public Records, and Chapter 112, Part III, Code of Ethics for Public Officers and Employees.

Florida Statutes, Chapter 119, requires that all state, county, and municipal records be open for personal inspection and copying by any person, and access to the records is the duty of each agency. All information and records are to be open and available to the public unless there is a specific exemption stated in the Statutes. The City makes many public documents available on the City's official web site. Examples include annual City budgets and financial reports, commission meeting calendar (all commission meetings where there are two or more commissioners present are publicly noticed and open to the public), organization chart of City services and public officials, and commission policies. Additionally, the public can request specific City information through the Treasurer-Clerk's Office.

Public officials and employees meeting defined criteria are required to publicly disclose their financial interests annually to remind them of their obligations and help citizens monitor the considerations of those who spend their tax dollars.

Florida Statutes, Chapter 112, Part III, Code of Ethics for Public Officers and Employees, requires public officials and employees, as well as candidates that run for public office, to publicly disclose their financial interests. The purpose of this disclosure is to remind officials of their obligation to put the public interest above personal considerations and help citizens monitor those who spend their tax dollars. The financial disclosure requirements are monitored and enforced by the Florida Commission on Ethics. Individuals, not the City, are responsible for their own financial disclosure reporting to the Supervisor of Elections in the county where they reside and are responsible for paying their own fines, should they not report completely and/or timely. Violations of the law may result in fines up to $5,000 and prohibitions against lobbying up to two years.

Local public officials and City employees in the following positions or meeting the following criteria are required to submit annual financial disclosure reports to the Supervisor of Elections.

- Any person elected to a political office;
- An appointed member of boards that are political subdivisions, governing bodies, expressway and transportation authorities, code enforcement boards, have planning or zoning powers, and pension boards;
- Mayor and chief administrative officer;
- City attorney;
- Chief building inspector;
- Water resources coordinator;
- Pollution control director;
- Environmental control director;
- Administrator who can grant or deny a land development permit;
- Police chief;
- Fire chief;
- Treasurer–Clerk; and

- Purchasing agents with authority to make any purchase exceeding $15,000.

The Treasurer-Clerk's Office maintains a listing of all individuals who have been verified by the City Attorney as meeting the criteria for financial disclosure reporting (i.e., appointed officials, applicable City employees, and appointed members of boards that are political subdivisions, governing bodies, expressway and transportation authorities, code enforcement boards having planning or zoning powers, and pension boards). Should the City Attorney become aware of the creation of a new board, his office will assess members' roles and will notify the Treasurer-Clerk's Office to add them to the listing when they meet the financial reporting criteria. Treasurer-Clerk staff sends out reminders to individuals on their list when annual financial disclosure reporting is due and monitors the reporting process.

Per the Treasurer-Clerk's Office, as of December 2008, 37 City officials and employees have been verified by the City Attorney as individuals personally responsible for annually filing financial disclosure reports. In addition, citizens participating on the following boards of various City-related groups are required to annually file financial disclosure reports:

- Board of Adjustment and Appeals

- Construction Industry Review Committee,

- Downtown Improvement Authority,

- Environmental Code Enforcement Board,

- Planning Commission/Local Planning Agency, and

- Sinking Fund Commission.

The City should develop and establish a formal process to ensure that the persons meeting the Commission on Ethics requirements to submit annual financial disclosures are properly identified and communicated with so they are aware of their responsibilities and report accordingly.

The Treasurer-Clerk staff will only make changes to the listings of individuals required to submit annual financial disclosure reports when they are made aware of applicable changes in positions and/or appointments. However, currently, there is no formal process established to periodically review the listing for completeness and appropriateness, or for departments to notify the Treasurer-Clerk of changes in positions, (i.e., persons hired or terminated, or responsibilities changing) so that the list can be updated accordingly. One approach would be for the City Attorney's Office to identify those positions that meet the criteria to file financial disclosure reports annually and provide this listing of positions to the Human Resources Division. As persons are hired into one of these positions, Human Resources makes them aware of their reporting requirements and forwards the names to the Treasurer-Clerk's Office. Human Resources would also notify the Treasurer-Clerk's Office of any personnel changes related to these identified positions (i.e., terminations or responsibilities). The Treasurer-Clerk's Office notifies the identified persons of their annual reporting requirements and monitors compliance.

If the persons hired in these key positions are not aware that they are required to submit annual financial disclosures and consequently do not file the appropriate reports, it is possible that they could be fined up to $5,000. We recommend that staff from the Treasurer-Clerk's Office, City Attorney's Office, and Human Resources work together to formalize the City's financial disclosure process and develop procedures to provide assurance that all applicable individuals meeting the reporting criteria are made aware of Florida's financial disclosure laws and rules and their individual reporting responsibilities.

Other Promotional Activities

The City's ethics program also includes other promotional measures to remind employees of positive ethical behaviors.

The City has taken additional measures to help promote employees' ethical behavior in the workplace. Examples include distributing ethics pocket cards to City employees, displaying posters, and pictures promoting ethical behavior throughout the workplace, and monthly email reminders to employees of ethical behaviors. Figure 4 shows the ethics pocket card distributed to City employees.

Figure 4
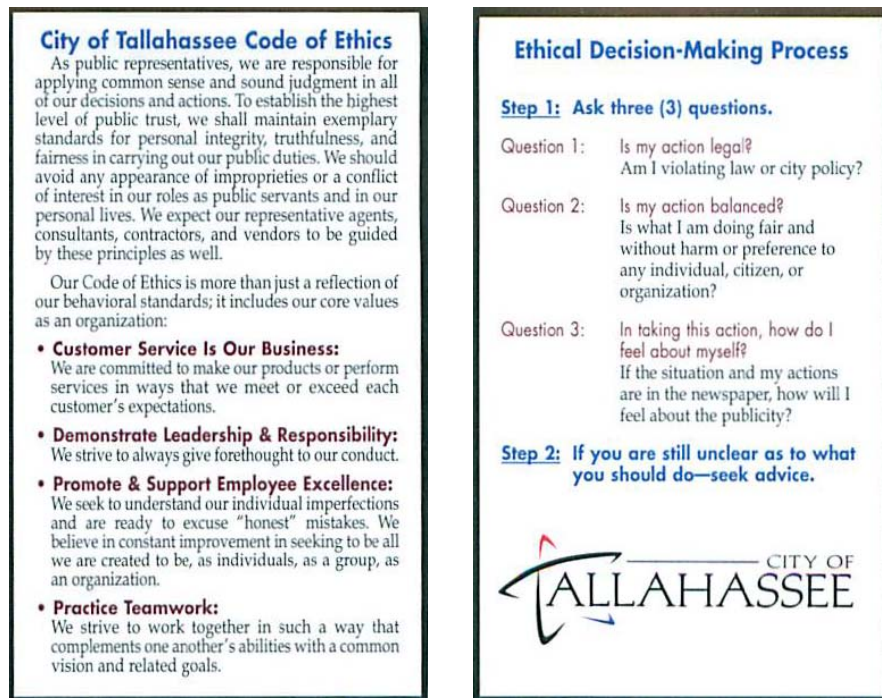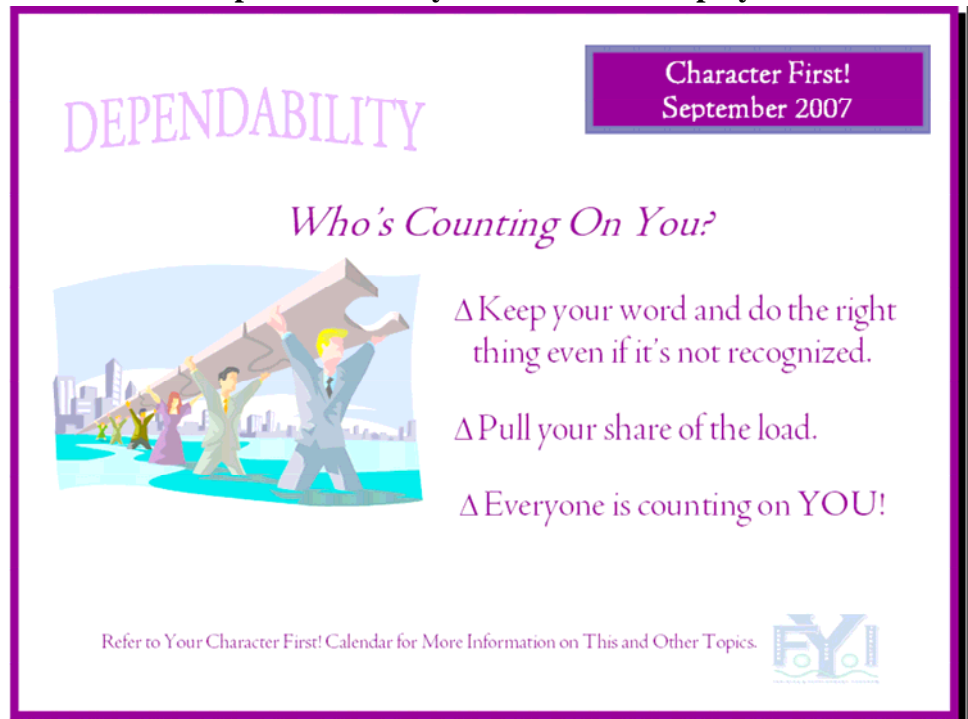**Ethics Pocket Card for Employees**

Figure 5 shows one department work area displaying the City's Code of Ethics, organizational values and other policies and legal requirements to promote ethical and appropriate behavior.

Figure 5
Sample Poster Displayed in City Hall Offices

Organizational values

Legal requirements (i.e., equal opportunity, discrimination)

City Code of Ethics
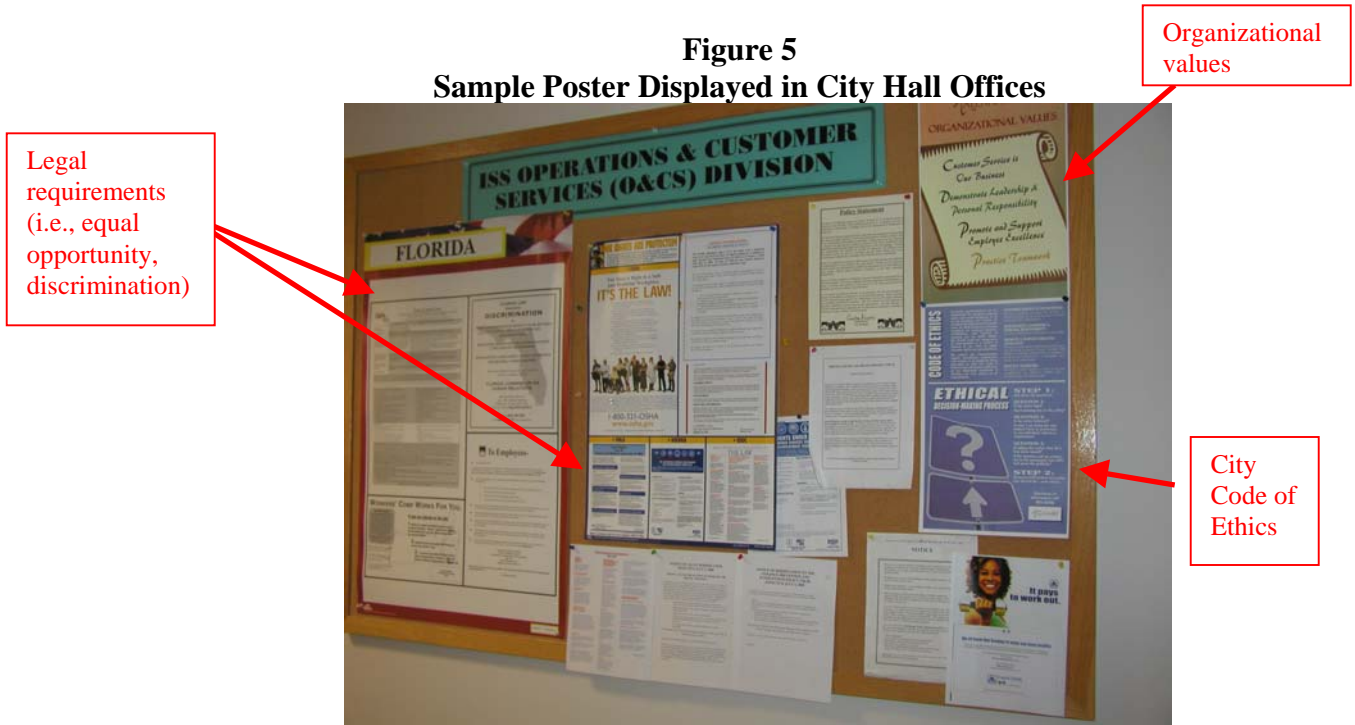
The Equity & Workforce Development Division sends out email reminders at the first of the each month highlighting ethical behaviors and key words discussed in the Character First training course that all City employees are required to attend. Figure 6 provides two examples of the reminders.

Figure 6
Examples of Monthly Reminders to Employees

DEPENDABILITY

Character First!
September 2007

Who's Counting On You?

Δ Keep your word and do the right thing even if it's not recognized.

Δ Pull your share of the load.

Δ Everyone is counting on YOU!

Refer to Your Character First! Calendar for More Information on This and Other Topics.

Source: Equity & Workforce Development monthly ethics reminders

Employees' Perception of Ethics in the City

In August 2008, our office conducted a survey of randomly selected full-time employees to assess their perceptions regarding workplace behaviors in the City. Surveys (See Appendix B for the copy of the cover memo and survey) were distributed to 1,492 employees, 52% of the total 2,852 full-time employees in the City as of July 22, 2008. Executive management such as City Commissioners, Appointed Officials, and City Auditor staff were excluded from the population. Our random sample included employees from each of the seven service areas and offices in the City. Surveys were delivered to employees with their paychecks.

Full-time City employees were surveyed to gain an understanding of their awareness of the City's ethics activities and their perceptions of employees' workplace behavior.

The overall response rate for the survey was 43% (643 of 1,492). Respondents were asked to identify the service area/office they were assigned to so we could analyze the responses by service area/office. Those that did not identify their service area/office were identified as such. Table 4 shows for each of the seven service areas/offices, the number of employees, the number and

percent of surveys distributed, and the number and percent of employees responded.

Table 4
Employees Surveyed by Service Area

Service Area/Office	Number of Employees in Population	Number of Surveys Distributed	Percent of Population Surveyed	Number of Responses Received	Response Rate (percent)
City Attorney	21	9	43%	6	67%
City Commission / City Manager's Office	54	22	41%	9	41%
City Treasurer-Clerk	57	28	49%	16	57%
Management and Administrative Services	177	101	57%	52	51%
Safety & Neighborhood Services	1,088	577	53%	181	31%
Transportation & Development Services	647	329	51%	97	29%
Utility Services (including Environmental Policy & Energy Resources)	808	426	53%	197	46%
Blank – No Service Area identified				85	
Totals	**2,852**	**1,492**	**52%**	**643**	**43%**

We also asked respondents to indicate whether they were or were not in a supervisory position in order to analyze the responses Citywide by supervisors and non-supervisors. As shown in Table 5, 31% of the respondents were supervisors, 68% were not supervisors, and 1% did not answer the question.

Table 5
Counts of Supervisors and Non-Supervisors
Responding to the Survey

	Counts	Percent
Supervisors	199	31%
Non-Supervisors	436	68%
Did not answer	8	1%
Totals	**643**	**100%**

Respondents Ability to Identify Unethical Behavior

Respondents were asked whether they were aware of components of the ethics program and if they had attended training that

Overall, City employees responding to the survey were familiar with the City's Code of Ethics, knew how to report unethical behavior, had participated in ethics training, and knew where to get help regarding ethical concerns.

addressed the City's ethics. While all respondents did not reply to all questions, the responses from 643 employees indicated that:

- 94% of respondents (595 of 632) were familiar with the City's Code of Ethics;

- 86% of respondents (551 of 638) knew how to report unethical behavior at the City;

- 83% of respondents (528 of 637) had participated as a City employee in a training course that included ethics awareness; and

- 80% of respondents (504 of 632) knew where to get help regarding ethical concerns.

When examining differences of responses citywide between supervisors and non-supervisors, we noted the following:

- 16% less non-supervisors (78%) have participated in a training course that included ethics awareness, compared to 94% of supervisors.

- 13% less non-supervisors (75%) knew where to get help regarding ethical concerns, compared to 88% of supervisors.

When examining differences of responses between supervisors and non-supervisors among the service areas, there was a major difference (greater than 10%) between supervisor and non-supervisors participating in training courses that included ethics awareness training, in the following service areas:

- Executive Management areas (including Offices of the City Commission, City Manager, City Attorney, and City Treasurer-Clerk); 85% non-supervisors compared to 100% of supervisors.

- Transportation and Development service area; 80% non-supervisors compared to 93% of supervisors.

- Safety and Neighborhood service area; 65% non-supervisors compared to 91% of supervisors.

- Utility Services service area; 87% non-supervisors compared to 100% of supervisors.

We also noted a difference greater than 10% between non-supervisors and supervisors regarding knowing where to get help regarding ethical concerns, in the following service areas:

- Executive Management areas (including Offices of the City Commission, City Manager, City Attorney, and City Treasurer-Clerk); 85% non-supervisors compared to 100% of supervisors.

- Transportation and Development service area; 71% non-supervisors compared to 88% of supervisors.

- Utility Services service area; 73% non-supervisors compared to 88% of supervisors.

- Management and Administration; 72% non-supervisors compared to 95% of supervisors.

We also noted a difference greater than 10% between non-supervisors and supervisors regarding knowing how to report unethical behavior in the following service areas:

- Management and Administration; 78% non-supervisors compared to 95% of supervisors.

We concluded that the employees responding were overall aware of the City's Code of Ethics, had participated in training that included ethics awareness and knew where to get help regarding ethical concerns. The results do indicate that the there is opportunity for improvement by making sure that all employees,

especially non-supervisors, attend ethics-related training and are provided information regarding how to report unethical behavior and obtain assistance regarding ethical concerns.

Respondents Recognition of Unethical Behaviors

Respondents were asked to rate their level of disagreement or agreement with five unethical employee behaviors described in the survey using the scale shown in Figure 7.
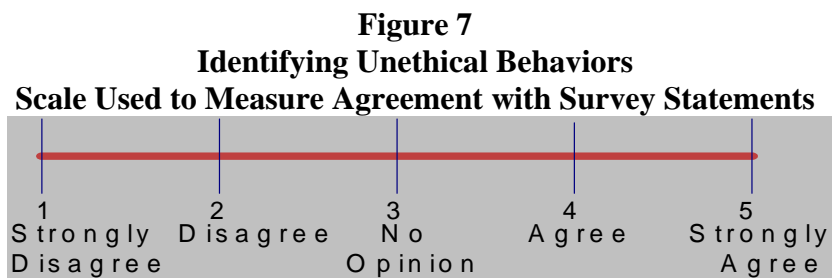
In general, City employees responding to the survey agreed that the proposed unethical behaviors were indeed unethical.

Figure 7
Identifying Unethical Behaviors
Scale Used to Measure Agreement with Survey Statements

The respondents "Strongly Agreed" that the following behaviors were **unethical**:

- It is "OK" to borrow City equipment for personal use (e.g., lawn mower, canoe, tools), as long as you return it in working order and it wasn't needed for City work while you were using it.

- It is "OK" to accept gifts from a vendor in exchange for procuring items for the City (e.g., football tickets, golf clubs, polo shirts).

- It is "OK" to borrow $20 from the petty cash drawer and pay it back when convenient.

- It is "OK" to claim a meal on a travel expense form for a meal provided free to you by a vendor.

The respondents "Agreed" that the following unethical behavior was unethical:

- It is "OK" to call in sick and attend a school function with your child or perform charity work at your church.

The average scores indicated that respondents agreed and strongly agreed that the described behaviors were unethical. Additionally, there were no major differences between supervisors and non-supervisors or between the service areas in their responses to these unethical behaviors. We concluded that the employees responding could identify unethical behaviors.

Respondents Perceptions Regarding Ethics-Related Behaviors

Using the same scale in Figure 7, we asked respondents to rate their level of agreement or disagreement with statements related to how their ethical behavior relates to the City's reputation, and the ethical behaviors of their department, supervisors, and leaders.

In general, City employees responding to the survey agreed departmental employees and supervisors exhibited ethical behaviors.

Citywide, respondents "Agreed" with the following statements:

- My behavior at work has a direct influence on the City's reputation for integrity.

- Our department provides high quality services.

- My supervisor insists that we follow laws and City policies.

- It is "OK" to deliver bad news to my supervisor about work related matters.

- My supervisor sets a good example by following the laws and policies that apply to his/her job.

- My supervisor considers ethical behavior when my annual performance evaluation is being conducted.

- My supervisor takes appropriate action when made aware of misconduct and unethical behaviors.

- My supervisor displays an attitude of accountability and personal responsibility.

- My supervisor supports employees who bring misconduct to his/her attention.

- If I have a complaint in my department, it will be handled fairly.

- Employees in my department can report any unethical behavior they see without fear of retaliation.

- My supervisor periodically discusses ethical and unethical issues at staff meetings.

- The City has a strong ethical environment.

- City leaders set a good example by following the laws and policies that apply to their jobs.

- City leaders take appropriate action when made aware of misconduct and unethical behaviors.

- My Assistant City Manager takes appropriate action when made aware of misconduct and unethical behaviors.

Citywide, respondents "Disagreed" with the following statements:

In general, City employees responding to the survey indicated they did not cut corners or compromise their personal values to do their job

- I feel pressured to cut corners to do my job such that service, safety, or quality is negatively impacted.

- I feel that I compromise my personal values when performing my job duties.

- Misconduct normally occurs in my workplace environment.

Citywide, respondents had "No Opinion" with the following statement:

In general, City employees responding to the survey did not know (had no opinion) whether City leaders supported employees who bring misconduct to the attention of supervisors and managers.

- City leaders support employees who bring misconduct to the attention of supervisors and managers.

Overall, the respondents indicated that their behavior has a direct influence on the City's reputation for integrity, they did not feel pressured to cut corners to do their job such that safety, service, or quality was negatively impacted, and they did not compromise their personal values when performing their job duties. However, when asked if City leaders support employees who bring

misconduct to the attention of supervisors and managers, respondents' average scores indicated they did not have an opinion.

There were no major differences between supervisors and non-supervisors or between the service areas in their responses to ethical behaviors of the respondent, the respondent's department, the City environment, and City leadership.

We concluded that respondents have a positive perception of how their ethical behavior relates to the City's reputation, and the ethical behaviors of their department, supervisors, and leaders. We believe that there is an opportunity for City leaders to increase their communications with employees regarding how unethical behaviors and misconduct will be and are addressed when brought to their attention.

Respondents Awareness of Misconduct, Illegal, or Unethical Behavior by City Employees

Survey respondents were asked if they were personally aware of any misconduct, illegal, or unethical behavior by City employees occurring during the prior 12 months (between July 2007 – July 2008). Table 6 shows that 34% of all respondents (219 of 414) were personally aware of a City employee's misconduct during the last 12 months.

Table 6
Respondents Personally Aware of Misconduct, Illegal, or Unethical Behavior
**by City Employees During the Period July 2007 – July 2008**

Service Area	# Employees Aware of Unethical Behavior	% Employees Aware of Unethical Behavior	# Employees Not Aware of Unethical Behavior	% Employees Not Aware of Unethical Behavior	Total Number of Responses
Safety & Neighborhood	65	37%	113	63%	178
Utility and Environmental Policy & Energy Resources	63	32%	131	68%	194
Transportation & Development	25	26%	72	74%	97
Management and Administration	21	40%	31	60%	52
Treasurer-Clerk	5	31%	11	69%	16
Offices of the City Attorney, City Manager, City Commission	5	36%	9	64%	14
Blank service areas	35	43%	47	57%	82
All Service Areas	**219**	**34%**	**414**	**65%**	**633**

Source: Office of the City Auditor ethics survey, July 2008.

Fewer City employees responding to the City ethics survey indicated they were aware of misconduct at work than those local government employees responding to a similar national survey.

For comparison purposes, we looked at the most frequently observed misconduct at work by local government employees on the Ethics Resource Center's "2007 National Government Ethics Survey®" and those behaviors City employees responding to our ethics survey were aware of. Figure 8 shows that 34% of the City employees (219 of 643) responding to the survey indicated they were aware of misconduct at work while 63% of local government employees responding to the national survey reported that they observed misconduct at work. While the wording on the two surveys was different, (i.e., the national survey asked respondents to report the unethical behaviors they had **observed**, and the City survey asked respondents to report the unethical behaviors they **were aware of**), we believe the comparison is still worth reporting. We would have expected more respondents to be aware of misconduct rather than personally observed misconduct, so were surprised that only 34% of City respondents were aware of misconduct vs. the 63% of the national respondents observing misconduct.

Figure 8
Percent of City Employees Reporting Being Aware of
Unethical Behaviors and
Percent of National Local Government Employees Reporting
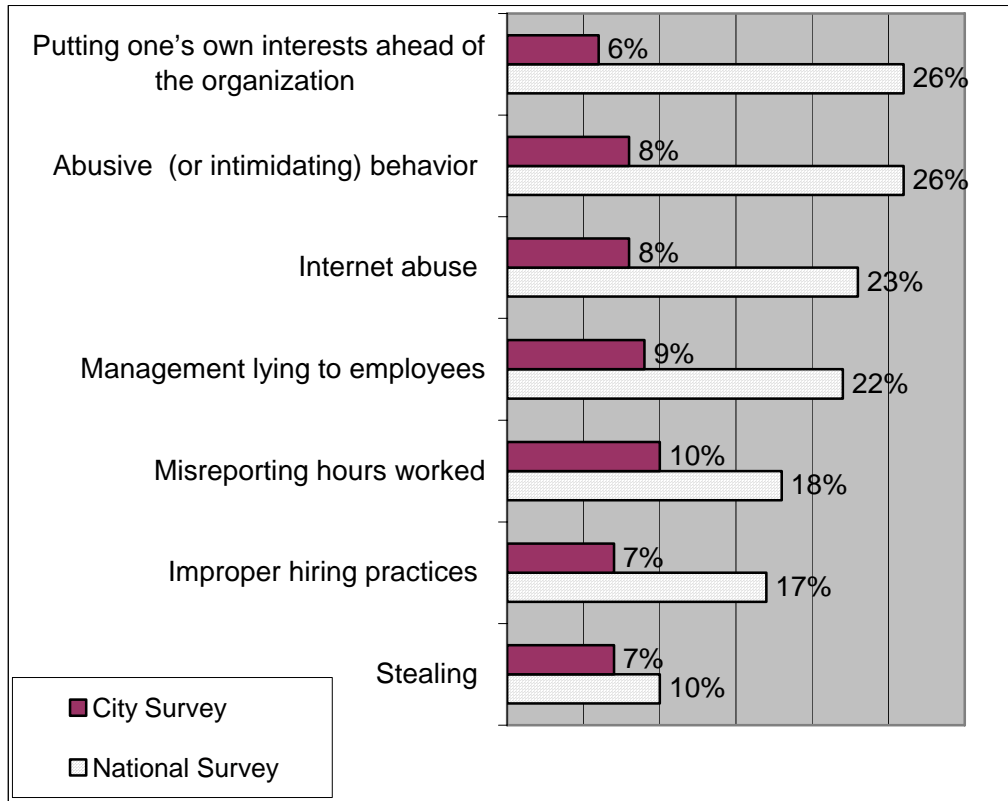**Observing Misconduct at Work During the Prior 12 Months**
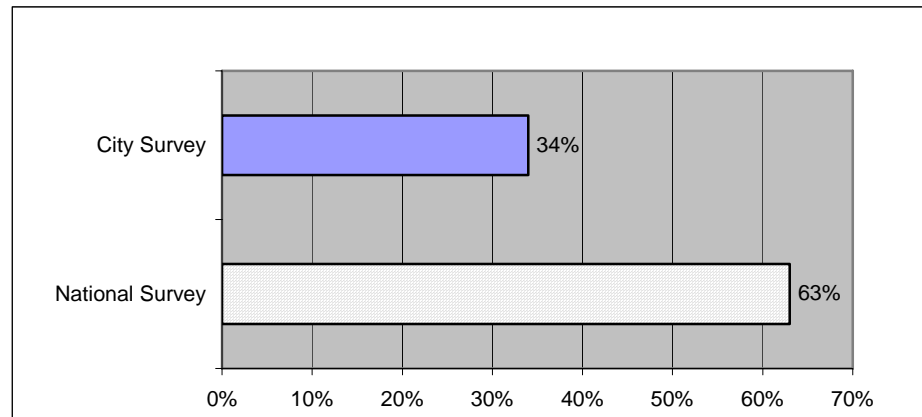
Source: 2007 National Government Ethics Survey and the Office of the City Auditor ethics survey.

Figure 9 below compares the national responses to the City responses and shows that the City respondents were aware of a significantly lower number of instances of misconduct at work than instances of misconduct observed at work by local government respondents.

Figure 9
Comparison of the Unethical Behaviors City's Ethics Survey
Respondents were Aware of and Unethical Behaviors National Ethics
Survey Local Government Respondents Observed at Work

City employees responding to the ethics survey reported fewer occurrences of employee misconduct than other local government employees responding to a similar national survey.

Behavior	City Survey	National Survey
Putting one's own interests ahead of the organization	6%	26%
Abusive (or intimidating) behavior	8%	26%
Internet abuse	8%	23%
Management lying to employees	9%	22%
Misreporting hours worked	10%	18%
Improper hiring practices	7%	17%
Stealing	7%	10%

Of those 219 respondents that were aware of misconduct, illegal, or unethical behavior by City employees, the five most commonly reported behaviors the respondents were aware of both inside and outside of their department were:

- Wasting, mismanaging, or abusing City resources (50%)

- Stealing money, supplies, equipment, or services (38%)

- Perception that management was being untruthful to employees (37%)

- Misreporting hours worked on timesheets (36%)

- Use of City equipment for personal or non-City purposes (36%)

33

There were no major differences between supervisors and non-supervisors regarding the most common unethical behaviors reported.

We also analyzed the most common unethical behaviors that respondents were aware of within their own department and each service area reported a different unethical behavior. Table 7 shows the number of respondents by service area that reported being aware of misconduct, illegal, or unethical behavior. The table also shows top ranked types of misconduct, illegal, or unethical behaviors that City respondents reported being aware of by service area (and percentages reported).

Table 7
Most Commonly Reported Unethical Behaviors by Service Area

	Transportation & Development	Safety & Neighborhood	Utility Services (1)	Management & Administration	Executive Services (2)
Respondents aware of commonly reported unethical behaviors	25	65	63	21	10
Total survey respondents in service area	97	181	197	52	31
Percentage of respondents aware of unethical behaviors	26%	36%	32%	40%	32%
Behaviors Most Commonly Reported within Respondent's Department	**Ranking and Percent**				
Wasting, mismanaging or abusing City resources	**1 (48%)**				
Using City equipment for personal or non-City use	**2 (36%)**				
Misreporting of hours worked on timesheets			**2 (27%)**		**1 (30%)**
Excessive use of the Internet for personal purposes during work time		**1 (12%)**			
Perception that management was being untruthful to employees			**1 (35%)**		
Exhibiting abusive or intimidating behaviors				**1 (33%)**	
Illegally discriminating against others				**2 (29%)**	
Stealing money, supplies, equipment or services		**1 (12%)**			**2 (20%)**

Source: Office of the City Auditor ethics survey
Notes   (1) Utility Services also includes employees from Environmental Policy and Energy Resources.
          (2) Executive Services includes employees from the Offices of the City Commission, City Manager, City Attorney, and City Treasurer-Clerk.

Approximately one-third of the survey respondents were personally aware of misconduct, illegal or unethical behavior between July 2007 and July 2008.

Based on the survey results, City employees reported being aware of a lower level of unethical behaviors occurring in the workplace than other local government employees reported observing through the Ethics Resource Center's "2007 National Government Ethics Survey®." There were differences among the respondents by service area as to the most commonly reported unethical behaviors respondents were aware of in their department.

Summary of Survey Responses

The results of the ethics survey provided a way to measure the effectiveness of the City's ethics program. The survey results indicated that the City's ethics program was working effectively to encourage ethical behavior.

Overall, the results of the ethics survey of employees indicated that the City's ethics program has been effective. A high number of respondents are aware of the Code of Ethics, could recognize unethical behaviors, had attended ethics related training, knew how to report unethical behaviors, and where to obtain assistance regarding ethical concerns.

One area City management could improve would be in enhancing communications with employees regarding ethical and unethical behaviors and where to get assistance regarding ethical concerns.

City management could most enhance its ethics program by improving communications with employees. For example, managers and supervisors could periodically:

- Review with employees how they can get assistance regarding ethical concerns.
- Discuss ethical and unethical behaviors and issues at staff meetings.
- Encourage and support reporting of unethical behaviors and discourage retaliation of those that do report violations.

In our survey of the City's ethical environment, we also asked if employees would like to provide further comments. We provided all comments to the City Manager, Assistant City Managers, City Attorney and City Treasurer-Clerk for their review and awareness.

Conclusion

We concluded that the City's ethics program has been designed and implemented to include many of the recommended components of a strong ethics and compliance program. Additionally, based on the survey results, we determined that the program was working effectively to encourage ethical behavior.

In our audit, we assessed the design, implementation, and effectiveness of the City's ethics program. Our results indicated the City's ethics program includes many of the components recommended for a strong ethics and compliance program, including a Code of Ethics, compliance and oversight policies and procedures, training, methods to report violations, an annual employees' review of the Code and critical policies, and transparency and accountability regarding the use of public funds. We would like to commend Executive Management for establishing a proactive ethics program in the City.

The survey results overall indicated that the City's ethics program has been effective. The survey results showed an area where City management could most enhance its ethics program would be by improving communications with employees. For example, managers and supervisors could periodically:

- Review with employees how they can get assistance regarding ethical concerns.
- Discuss ethical and unethical behaviors and issues at staff meetings.
- Encourage and support reporting of unethical behaviors and discourage retaliation of those that do report violations.

During the audit, we noted that there was an opportunity for improvement in the current process used to identify and notify applicable individuals of financial disclosure reporting responsibilities. Such a process will ensure that the persons meeting the reporting criteria are properly identified and timely notified of their reporting responsibilities to comply with the State's ethics laws and rules. Appendix A provides management's action plan to address this recommendation.

We would like to acknowledge the full and complete cooperation and support of management and staff from the Human Resources, Equity & Workforce Development, and the Treasurer-Clerk's

Office during the audit and development of this audit report. Additionally, we would like to thank all the employees that participated in the ethics survey.

Appointed Officials' Response

City Manager:

We are pleased to see that the City Auditor's report on the City's ethics program indicates that our organizational focus on ethics has provided positive results for the organization. As indicated in the report, the City's ethics program contains many of the components seen in best practices and industry standards including a code of ethics, oversight of and compliance for ethical behavior, training on ethics, mechanisms for reporting of violations, employee reaffirmation of ethics policies during the annual review of critical policies, and transparency and accountability regarding the use of public funds. It is also encouraging to see, through the results of the report's employee survey, that employees are aware of the City's ethics policies, know how to report unethical behavior, have attended ethics courses and know where to get assistance with ethics issues. We also appreciate the Auditor's recommendations regarding improving the financial disclosure process and expanding our employee communications efforts regarding our ethics program. We will evaluate these and implement accordingly. I would like to thank the City Auditor and his staff for their work and effort on this audit.

City Treasurer-Clerk:

We are very pleased that the Audit recognized the City Manager and the Executive Management Team for establishing a proactive ethics program in the City. It is very important that as a well run organization we have a proactive program that provides a set of

practices and philosophy that guide our employees to act in a manner consistent with the values and standards established in the City's Code of Ethics.

City Attorney:

The City Auditor and his staff are to be commended for taking on the extensive task of reviewing the City's ethics program and policies. It is very reassuring to have an objective demonstration that the City's focus on our ethics standards has in fact been well and effectively received by employees throughout the city. We will be pleased to continue to work with the Auditor's Office as well as the other Appointed Officials to implement the recommendations contained in the report.

Appendix A – Management's Action Plan		
Action Steps	**Responsible Employee(s)**	**Target Date**
A. Objective: *To ensure that the individuals working in the City or serving on City Boards comply with the State's ethics laws and rules.*		
1. Treasurer Clerk's Office, City Manager's Office, the City Attorney's Office, and any other applicable department work together to develop and implement a process to periodically review the listing for completeness and appropriateness, or for departments to notify the Treasurer-Clerk of changes in positions, i.e., persons hired or terminated, or responsibilities changing, etc. so that the list can be updated accordingly	Gary Herndon, Treasurer-Clerk Jim English, City Attorney Jan Estevez, Human Resources	May 31, 2009
B. Objective: *To enhance the City's ethics program by improving communications with employees.*		
1. Human Resources Division to encourage and remind managers and supervisors to periodically: • Review with employees how they can get assistance regarding ethical concerns. • Discuss ethical and unethical behaviors and issues at staff meetings. • Encourage and support reporting of unethical behaviors and discourage retaliation of those that do report violations.	Annette Pearce, Human Resources	Completed April 3, 2009

CITY OF
ALLAHASSEE
OFFICE OF THE CITY AUDITOR

M E M O R A N D U M

To: {Employee Name}

From: Sam M. McCall, City Auditor

Date: August 6, 2008

Subject: Audit of the City's Ethical Environment

The Office of the City Auditor is conducting an audit of the ethical environment in the City. Our audit standards require us to periodically evaluate the design, implementation, and effectiveness of our organization ethics-related objectives, programs, and activities. These audit standards recommend a survey of employees to determine the state of the ethical climate in the organization.

You have been randomly selected to participate in our survey. We are requesting you to complete and return the attached survey. All responses will remain anonymous and will be analyzed in a group form only. Your feedback will help us evaluate the effectiveness of the activities and training related to ethical behavior in the City.

Please return the survey by August 22, 2008, to:
     Michelle Davis
     via inter-office mail Box A-22
     or FAX 891-0912

We welcome any comments, concerns, or suggestions you may have related to ethical behaviors in the City. If you would prefer to receive and complete this survey electronically via e-mail, please contact Michelle Davis at 891-8397 or Michelle.Davis@talgov.com.

Thank you for your assistance in responding to this survey.

SMM
attachment

APPENDIX B

Office of the City Auditor
2008 Survey of the Ethical Environment in the City

> The Office of the City Auditor is conducting an audit of the ethical environment in the City. In this questionnaire, we are assessing City employees' perceptions regarding workplace behaviors in the City. **You have been randomly selected to participate in this survey. All responses will remain anonymous and will be analyzed in a group form only.** The results will be summarized and provided in our audit report on the City's ethics program to the City Commission.
>
> **Please take a few minutes to complete this questionnaire. Each answer should reflect your perception and knowledge.** Please use the enclosed addressed envelope to return your completed questionnaire to the Office of the City Auditor by August 22, 2008, via interoffice mail (Box A-22, attention Michelle Davis) or via fax at 891-0912.
>
> If you have questions or need clarification, contact Beth Breier, Audit Manager, at 891-8386, or Sam McCall, City Auditor, at 891-8397. Thank you for your assistance.

Ethical behavior is that which you believe to be morally accepted as "good" and "right" as opposed to "bad" or "wrong" in a particular setting.

"Supervisor" is the person you report to directly.

"City leaders" includes the Mayor, Commissioners, Appointed Officials, and Assistant City Managers.

I. Please answer yes or no to the following questions:	Yes	No
1. Are you familiar with the City's Code of Ethics?		
2. Should you become aware of unethical behavior at the City, do you know how to report it?		
3. Other than in New Employee Orientation, have you participated as a City employee in any training courses that included ethics awareness training?		
4. Do you know where to get help regarding ethical concerns at the City?		
5. Are you a supervisor in your department?		

II. Please mark the box that best indicates your level of agreement with the following statements.	Strongly Agree	Agree	Disagree	Strongly Disagree	No Opinion
6. It is "OK" to call in sick and attend a school function with your child or perform charity work at your church?					
7. It is "OK" to borrow City equipment for personal use (e.g., lawn mower, canoe, tools), as long as you return it in working order and it wasn't needed for City work while you were using it?					
8. It is "OK" to accept gifts from a vendor in exchange for procuring items for the City (e.g., football tickets, golf clubs, polo shirts).					
9. It is "OK" to borrow $20 from the petty cash drawer and pay it back when convenient.					
10. It is "OK" to claim a meal on a travel expense form for a meal provided free to you by a vendor.					

Please continue to next page

III. Please mark the box that best indicates your level of agreement with the following statements regarding your department and your direct supervisor(s).	Strongly Agree	Agree	Disagree	Strongly Disagree	No Opinion
11. Our department provides high quality services.					
12. My supervisor sets a good example by following the laws and policies that apply to his/her job.					
13. My supervisor insists that we follow laws and City policies.					
14. It is "OK" to deliver bad news to my supervisor about work related matters.					
15. My supervisor takes appropriate action when made aware of misconduct and unethical behaviors.					
16. My supervisor displays an attitude of accountability and personal responsibility.					
17. My supervisor supports employees who bring misconduct to his/her attention.					
18. My supervisor considers ethical behavior when my annual performance evaluation is being conducted.					
19. My supervisor periodically discusses ethical and unethical issues at staff meetings.					
20. If I have a complaint in my department, it will be handled fairly.					
21. I feel pressured to cut corners to do my job such that service, safety, or quality is negatively impacted.					
22. Employees in my department can report any unethical behavior they see without fear of retaliation.					
23. I feel that I compromise my personal values when performing my job duties.					
24. Misconduct normally occurs in my workplace environment.					
25. My behavior at work has a direct influence on the City's reputation for integrity.					

IV. Please mark the box that best indicates your level of agreement with the following statements regarding City leaders and the City overall.	Strongly Agree	Agree	Disagree	Strongly Disagree	No Opinion
26. The City has a strong ethical environment.					
27. City leaders set a good example by following the laws and policies that apply to their jobs.					
28. City leaders take appropriate action when made aware of misconduct and unethical behaviors.					
29. City leaders support employees who bring misconduct to the attention of supervisors and managers.					
30. My Assistant City Manager takes appropriate action when made aware of misconduct and unethical behaviors.					

V. Please answer yes or no to the following question:	Yes	No

Thank you for your participation in our survey

31. Are you personally aware of misconduct, or illegal or unethical behavior by City employees during the last 12 months?			

a.	**If you answered yes to question 29 31 above, which behaviors were you aware of that occurred (please check all that apply):**	**In my City department**	**Outside my department**
a.	Stealing money, supplies, equipment or services		
b.	Wasting, mismanaging or abusing City resources		
c.	Using City equipment for personal or non-City use		
d.	Using position in the City for personal gain (conflict of interest)		
e.	Excessive use of the Internet for personal purposes during work time		
f.	Misreporting of hours worked on timesheets		
g.	Altering documentation to hide or distort information		
h.	Being untruthful to customers, vendors, or the public		
i.	Being untruthful to employees		
j.	Violating safety requirements		
k.	Illegally discriminating against others		
l.	Harassing others (sexually or based on age, gender, race, national origin, marital status, or any other protected class)		
m.	Exhibiting abusive or intimidating behaviors		
n.	Circumventing procurement policies and procedures		
o.	Breaching computer, network, or database security controls		
p.	Violating environmental regulations		
q.	Misusing confidential information		
r.	Using improper hiring practices		

b.	**Please indicate which service area you are assigned in the City.**	**Mark only 1**
s.	City Attorney	
t.	City Commission / City Manager's Office	
u.	City Treasurer-Clerk	
v.	Environmental Policy & Energy Resources	
w.	Management and Administrative Services	
x.	Safety & Neighborhood Services	
y.	Transportation & Development Services	
z.	Utility Services	

VII. Please provide any comments, concerns, or suggestions relating to ethical issues or behaviors.

If you want to talk with someone about a specific practice or workplace behavior that you think should be further examined, please call Beth Breier, Audit Manager, at 891-8386, or Sam McCall, City Auditor, at 891-8397.

Please return completed survey by Friday, August 22, 2008 to:
>   **Michelle Davis**
>   **via interoffice mail to Box A-22**
>   **or Fax 891-0912**

Please continue to last page

Appendix C – References

1. Florida Statutes Chapter 112, Part III, "Code of Ethics for Public Officers and Employees", (http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=Ch0112/PART03.HTM)

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6. The Institute for Local Government (www.ca-ilg.org) The Institute promotes well-informed, ethical, inclusive, effective and responsive local government in California through innovative (state of the art) resources, tools and programs.

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8. Menzel, Donald. "Ethics Management in Cities and Counties", Public Management, volume 88, no 1, pages 20-25 Jan/Feb 2006.

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11. 2008 Report to the Nation on Occupational Fraud & Abuse. Association of Certified Fraud Examiners (http://www.acfe.com/resources/publications.asp?copy=rttn)