

Corporate Governance and Accountability - Survey Results

FA&A Committee – Monday February 5, 2018



Agenda

- Purpose, Objective and Overview
- Conclusion
- Evaluation Framework
- City Wide Results
- Strengths & Opportunities
- Management Initiatives
- Questions



Survey Purpose

- Effective corporate governance and a well-defined accountability structure are the foundation of organizational control and risk management.
- Soft controls refer to the intangible levers of control such as the tone at the top, the City's ethical climate and managements philosophy and operating style that together make up the City's corporate culture.
- Effective governance and accountability sets the proper tone and influences the culture of the City. They have a pervasive influence on the way business activities are structured and respected.
- The Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing stresses the need to evaluate an organizations' soft controls.



Survey Objective

- To recognize where the City exhibits strong corporate governance and accountability practices and leverage opportunities for improvement that will help move the City forward.
- Recognize that governance and accountability evolve as an organization changes - what do staff think?
- Have strategies to change corporate culture been perceived positively by staff?



Survey Overview

- Surveyed All Staff (approximately 1,500)
- Combination On-Line, Paper Based Approach
- 25 Questions - Linked to [Modified] CICA Governance and Control Model
- 9 Questions - Anonymous Reporting System
 - Has the e-learning module had a positive impact?
- 932 (62%) Responses, up from 622 in 2015 and 644 in 2013.



Conclusion

- Significant increase in survey participation!
- Staff have a significantly more positive view of governance and accountability!
- Opportunities for improvement
 - Capability and Monitoring and Learning.
- Building organizational trust, improving communication flow and investing in resources to maintain sustainable growth remain prominent themes.
- ARS e-learning module has had a positive impact!



Anonymous Reporting System

- ARS e-learning module has had a positive impact!
 - 95% of the survey respondents indicated that they were aware of the anonymous reporting system and its purpose.
 - 87% of the survey respondents indicated that the system has been communicated effectively.
 - 87% of the survey respondents indicated that having the system is beneficial to the City.

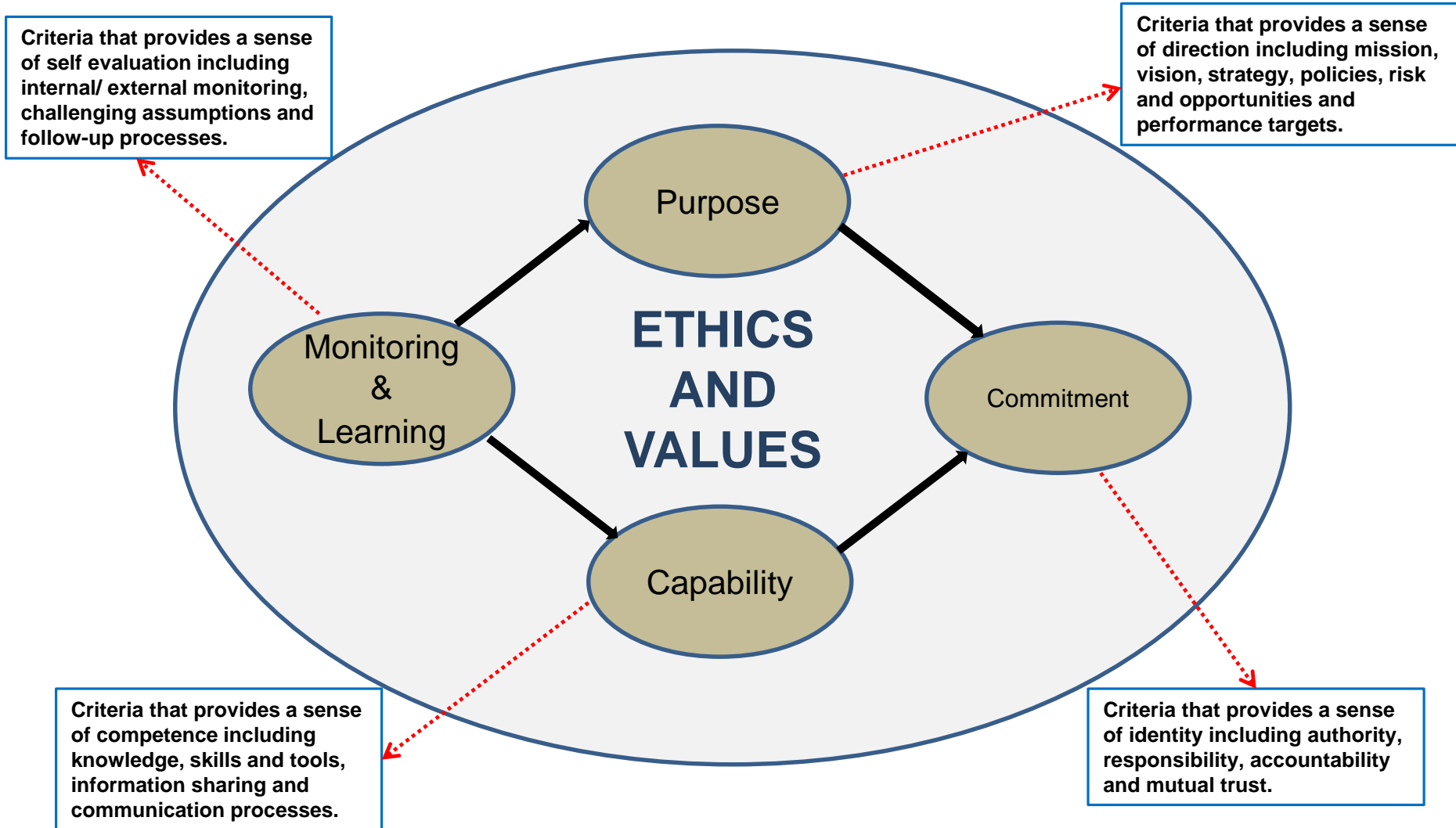


Anonymous Reporting System

- ARS e-learning module has had a positive impact!
 - 95% of those who had completed the module indicated that they have a better understanding of how the system works after completing the module
 - 82% of those who had completed the module indicated that they are more likely to use the system to report suspected illegal or unethical activity.



Evaluation Framework



**CICA Governance/Control Framework
25 Questions – Five Per Component**

Response Options

| | |
|---|--------------------|
| 1. Strongly Agree 2. Agree | Positive Response |
| 3. Disagree 4. Strongly Disagree | Negative Response |
| 5. Don't Know 6. Not Comfortable Answering | Avoidance Response |



Evaluation Criteria - Legend

| Percentage – Strongly Agree/Agree | Identifier/Colour | Description |
|-----------------------------------|-------------------|---|
| Less than 50% | | Current Issue or Concern – Immediate Action Required |
| 50 to 59% | | Possible Emerging Issue - Watchlist |
| 60 to 74% | | Minimal Concern – Does Not Need Any Immediate Attention. |
| 75% and Greater | | No Concern – No Action is Required. Represents a Significant Strength |



Evaluation Criteria/Results – City-Wide

| Percentage – Strongly Agree/Agree | Description | Number [Statements] |
|-----------------------------------|---|--|
| 75% and Greater | No Concern – No Action is Required. Represents a Significant Strength | 13 – 2017 7 – 2015 6 – 2013 |
| 60% to 74% | Minimal Concern – Does Not Need Any Immediate Attention. | 11 – 2017 10 – 2015 9 – 2013 |
| 50% to 59% | Possible Emerging Issue - Watchlist | 1 – 2017 7 – 2015 7 – 2013 |
| Less than 50% | Current Issue or Concern – Immediate Action Required | 0 – 2017 1 – 2015 3 – 2013 |

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[24]

N

[1]



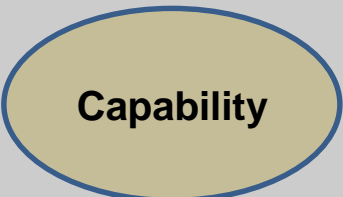


Most Positive/Negative – Top Three



| Most Positive Responses | Least Positive Responses |
|---|--|
| 1. I have a clear understanding of the City's Code of Conduct and Ethics Expectations (93%). | 1. Prompt communication of mistakes, bad news and other related information is given to those who need to know without fear of reprisal (59%). |
| 2. I understand the policies that affect my actions and the impact they have on the City (92%). | 2. I trust senior management to keep promises and commitments (60%). |
| 3. The City has a clear policy on how I can report potential ethical or Code of Conduct violations (90%). | 3. I understand the risks and barriers that prevent the City from achieving its objectives and vision and believe management is taking appropriate action to address them (61%). |



Evaluation Framework Analysis

| Framework Criteria | Strengths | Opportunities |
|---|---|--|
|  <p>Purpose</p> | <p>Good Understanding of:</p> <ul style="list-style-type: none"> • Mission and vision • Policies • How dept. objectives align with Term of Council priorities | <p>Continue developing:</p> <ul style="list-style-type: none"> • Performance metrics • Risk management awareness |
|  <p>Commitment</p> | <ul style="list-style-type: none"> • Recognizing citizen and stakeholder input in supporting decisions • Compliance to legislation • Integrity & ethical practices | <ul style="list-style-type: none"> • Continue to build trust to support the open flow of communication |
|  <p>Capability</p> | <ul style="list-style-type: none"> • Policies and procedures help support the City's objectives • Department objectives align with rest of the organization | <ul style="list-style-type: none"> • Mechanisms to foster communication without fear of reprisal • Resources to support sustained growth |

Evaluation Framework Analysis

| Framework Criteria | Strengths | Opportunities |
|---|--|--|
|  <p>Monitoring & Learning</p> | <ul style="list-style-type: none"> • Availability of reliable and relevant information • Info received and provided to support effective decision making | <ul style="list-style-type: none"> • Need to challenge current assumptions [processes and objectives] |
|  <p>Ethics and Values</p> | <ul style="list-style-type: none"> • Clear understanding of code of conduct and ethical expectations • Training on ethical workplace conduct • Policy on how to report violations | <ul style="list-style-type: none"> • Continue building management/staff trust - keeping promises and commitments • Being able to raise concerns to management without fear of reprisal |



Management Initiatives

- Service Excellence Reporting
- Gallery Walks
- Policy Committee
- Staff Protocol for responding to Members of Council and their staff
- Procurement Modernization
- Anonymous Reporting System



Management Initiatives

- Service Excellence Strategic Initiatives
 - Service Vaughan
 - Digital Strategy
 - Workforce Management
- Service Excellence Masters Program
- Staff Forums
 - Innovation



Questions?

